



OFFICE OF THE MAYOR

Liz Schmidt

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Committee Secretary
Senate Foreign Affairs, Defence and Trade Reference Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Submission via email: fadt.sen@aph.gov.au

Attention: Senator Alex Gallacher

Dear Senator Gallacher,

SENATE INQUIRY – Impact of Defence Training Activities and Facilities on Rural and Regional Communities

Thank you for the opportunity to lodge a submission to the abovementioned Inquiry.

Please find accompanying this covering letter, Council's submission to the Inquiry.

I extend a warm invitation to you to visit our region as part of the Inquiry process. A visit would certainly provide you with an appreciation of our region, and the vast area that the Townsville Field Training Area takes up, together with the acquisition areas being proposed.

I look forward to participating further in the hearings, should the need arise. Please do not hesitate in contacting my office should you require any further information or assistance.

Yours faithfully,

ER Schmidt
Mayor



SUBMISSION SENATE INQUIRY

Senate Foreign Affairs, Defence and Trade
References Committee

Impact of Defence Training Activities and Facilities on Rural and Regional Communities

Charters Towers Regional Council
May 2017

24 May 2017 – Submission (extension of time permitted by the Inquiry)

Senator Alex Gallacher

Chair

Senate Foreign Affairs, Defence and Trade References Committee

Dear Senator Gallacher,

On behalf of the Charters Towers Regional Council, thank you for the opportunity to provide a submission to the Senate Inquiry - Impact of Defence Training Activities and Facilities on Rural and Regional Communities. I wish to firstly highlight that this Council was overlooked in the Inquiry process and was not directly approached seeking comments. I trust this will not occur in the future. My Council area is the only northern Local Government Area to be potentially negatively impacted upon by the proposed Townsville Field Training Area acquisition process, given the proposed areas are entirely located within our jurisdiction.

Secondly, as an impacted jurisdiction, my Council and I expect that these details should be top-of-mind when communications and consultation is undertaken by government departments. The Defence Department recognise this, however this needs to be applied more broadly across government. Council expects to be directly engaged through this and any future Inquiries should they impact on our community and on any part of our jurisdiction.

The Charters Towers Regional Council local government area (LGA) is located directly west of Townsville, comprising an area of 68,571km². The hub of the region is centred around the historic inland City of Charters Towers, boasting a diverse retail, manufacturing, educational and transport services sector, all within easy access of well-established cultural, sporting and recreational facilities and health services. As of February 2017 the region's Gross Regional Product was estimated to be \$1.25 Billion.

Charters Towers is located approximately 135 kilometres south west of Queensland's unofficial northern capital – Townsville.

Townsville is regarded as Australia's largest garrison city, with the Australian Defence Force a pivotal component of the Townsville economy. Townsville hosts three major defence establishments:

1. Lavarack Barracks
2. RAAF Base Townsville
3. Port of Townsville's Berth 10 (designed for the Royal Australian Navy)

With the Charters Towers LGA hosting a fourth major establishment being:

4. **Townsville Field Training Area**

This training area is located west of the Townsville LGA, and is almost entirely located within the Charter Towers Regional Council LGA, representing 3.5% of Council's LGA area (refer Figure 1). The proposed Townsville Field Training area expansion represents an additional 2.5% of Council's total LGA, totalling 6% when combined; or 0.2% of the State's land area (refer Figure 2).

The Townsville North Queensland region is home to over 15,000 defence force personnel and their dependents, accounting for approximately 8% of Townsville's population (Townsville City Council, Townsville Enterprise Limited and Townsville Chamber of Commerce, 2011). The majority of the defence force personnel are between the ages of 20-30.

The Australian Government's Defence White Paper (2016)

This paper identified that further investment in national defence infrastructure is necessary to support new response capabilities to counter potential security threats to Australia.

Singapore Deal Memorandum of Understanding (2016)

In May 2016, Australia and Singapore signed a 25 year Memorandum of Understanding to strengthen cooperation and open access for annual military training. Through this initiative, up to 14,000 personnel will conduct training in Australia for up to 18 weeks per year – significantly increasing current personnel numbers. Up to AUD \$2.25 billion will be invested in the North and Central Queensland regions from 2016 to 2026. This investment will focus on military training facilities of Shoalwater Bay in Central Queensland and the Townsville Field Training Area located in North Queensland.

Defence Acquisitions

The recent announcement by the Department of Defence about the possible expansion of military training facilities was announced. It could be agreed that the announcements and subsequent dissemination of information to the communities of interest could have been executed much better.

Whilst Charters Towers Regional Council welcomes increased activities that will further support our regional communities through increased investment and support of local business, the level of detail (or lack thereof initially) released about possible acquisitions damaged community confidence in the process and any positive standing that may have existed between the general community and the Department of Defence.

Council sought to work cooperatively and collaboratively with our community and the Department of Defence during the defence acquisitions announcements and subsequent community sessions. As the Inquiry may appreciate, such an announcement placed our Council in a difficult position, whereby it sought to ensure the best outcomes for those persons who may be impacted, whilst also seeking to take a holistic and strategic view to achieve positive economic, social and environmental outcomes for the broader community.

Our Council has a very positive and ongoing relationship with Defence, given most of the Townsville Field Training Area is located within our LGA. Charters Towers is a rural and regional community with an approximate population of 12,400 persons, with a significantly lower rate base than the neighbouring Townsville LGA. Given the expansive area of our LGA, we have a significant roads maintenance budget to cover the high number of rural roads that serve lower numbers of persons, for example. Our rate dollar is stretched to accommodate the delivery of basic core services.

- Loss of Good Quality, High Value Agricultural Lands – Burdekin River

The recent proposed acquisitions on the eastern side of the Burdekin River north, north-east of Charters Towers pose a potential major impact through the loss of existing good quality, high value agricultural land, both for grazing and future irrigated cropping opportunities. Soil studies have confirmed that significant lands exist for new irrigated cropping opportunities along the Burdekin River, where potential land acquisitions are proposed.

The location of a Key Strategic Project known as the Big Rocks Weir, located approximately 23kms north of Charters Towers has the potential to not only further secure the region's urban water supply for future residential and industrial opportunities, but also has the potential to open up an additional 15,000 hectares of irrigated cropping lands in this location including those lands subjected to potential acquisition. Some of the areas already under the training area represent some of North Queensland's high value grazing lands. The loss of further high value grazing lands should be minimised wherever possible.

Council opposes the loss of high value agricultural lands if other areas of lesser value and opportunity cannot be secured to serve the needs of the Defence's Training Area requirements.

- Compensatory Infrastructure Investment

Should the Commonwealth elect to secure additional lands of high quality agricultural and other land to achieve its field training needs progressing forward, then Council advocates for an ongoing annual financial commitment of increased investment and support to boost Key Strategic Infrastructure Projects such as the Big Rocks Weir (Value \$30M construction); the establishment of infrastructure supporting facilities that promote and incentivise regional growth such as a combined defence and commercial airfreight hub and logistics facility in close proximity to the Big Rocks agricultural precinct to service new industries and house defence and Singaporean defence equipment. Such a facility would complement the defence's storage capability, and assist in diversifying the local and regional economies through new industries. Such support is viewed as further developing the Northern Australia agenda and developing the regional economy through new jobs growth and sector creation.

Our local region is well equipped to provide key services to defence resources that are stored in the region for training exercises. The Charters Towers region is keen to secure

Singaporean storage establishments and the supporting business opportunities that may avail as a result.

Rates Revenue

Any loss of lands to the Commonwealth presents a financial imposition and loss of rate income as a result of land acquired to support any proposed training or defence related activities. For our region, the Department of Defence training area comprises an approximate area of 259,500 hectares. Based on an approximate rate of \$1 per hectare, Council currently misses out on \$259,500 rates revenue per annum.

Based on proposed areas for acquisition, these areas totalled 217,350 hectares. Of this land, current rates levies total approximately \$214,000 per annum.

Should the proposed acquisitions take place as proposed, total lost rates equates to approximately \$473,500 per annum. This equates to 4.5% of Council's general rates income. Loss of any rateable lands impacts on this Council's ongoing ability to provide services to its community, resulting in the need to either increase rates, cut services or reduce service levels; all of which impact on the organisation's longer term financial sustainability and on the community, as a whole with rates increases required to meet service levels.

Given the forecast expenditures on Defence activities in the coming years and the need for strategically located training facilities in our region, Charters Towers Regional Council is seeking the Inquiry's favourable consideration in recommending that the Defence Training Areas be subject to annual contribution being made to adequately compensate for the loss of rates revenues per annum.

In short, our community is impacted upon.

Impacts on Local Roads and Infrastructure

Council has an ongoing relationship with the Department of Defence with Defence representatives meeting with Council 2-3 times per annum to discuss issues associated with defence activities including the training area. One aspect where training activities do impact on is local road infrastructure. The Department is cognisant of the issues faced by Council in this regard and contributes financially to assist with road repairs and maintenance activities in and around the training area.

Exploding Ordinances & Aerial Bombing

One aspect that can be improved upon is an enhanced awareness and communications campaign to smaller townships that may be impacted by training activities. At a recent ANZAC day ceremony at Hervey Range, a number of locals mentioned strong vibrations experienced during bombing activities. The Training area is a large area, and the residents were not aware of making contact with the local defence training centre to communicate such concerns. A retired officer explained that they should contact the Range facility and

make them aware so they can map the bombing locations and that will assist with future activities, to avoid similar repeat occurrences.

Recommendation: Townsville Training Area re-engages with surrounding local communities about scheduled defence training activities and provides the necessary contact numbers to local residents for any concerns (eg. bombing related ground vibrations) that may be raised by local community members.

Support of Local Business

Council acknowledges that in many instances, larger national or multi-national firms win major defence contracts for cleaning, catering, property maintenance and the like. In many instances smaller local and regional operators cannot compete nor meet the higher level procurement requirements that form standard procurement conditions for government agencies. This is a harsh reality given the smaller nature and scale of such businesses. The Commonwealth should factor in to their future procurement processes some amended frameworks to allow smaller, rural and regionally based businesses the opportunity to compete and quote on required services that assist the training facilities.

This support may be through the provision of targeted training for local businesses or procurement and tendering processes, preparing responses and opportunities to network with larger providers who may be able to secure local contractors as part of their submissions. The inclusion of a higher local content that specifies the use of local businesses through the tendering process may also assist.

Environmental Impacts

Whilst some community concerns have been raised about unexploded ordnance and contamination of local waterways associated with such pollution, Council does not have any substantiated evidence to suggest contamination is occurring. Through this submission however, Council is seeking the Commonwealth's ongoing commitment to ensure any pollutants or contaminants associated with the Townsville Field Training Areas (both present and future) are wholly contained within the area and further that appropriate measures are established, maintained and monitored to ensure contaminants are appropriately remediated on site in accordance with all relevant policies, regulations and standards.

The TFTA in part, flows into the broader Upper Burdekin River catchment which in turn provides vital water supply for Charters Towers, Townsville and other communities downstream.

Council is unaware of the specific flora and fauna species located on the TFTA however measures should be taken to preserve and conserve those species that the region is renowned for, and further reduce the spread of any declared or undeclared pest species both plant and animal. This is seen as critical to maintaining the rich biodiversity the Charters Towers region offers to Northern Australia.

Pest plants and animals have significant impacts on both the Queensland and Australian economies through spoilage and contamination of local and exported products. This region is dependent upon exports for many products, and it is therefore important that as a major land holder that pest species are monitored, controlled, and eradicated where possible.

Other

In further response to the Inquiry's Terms of Reference, Council wishes to highlight the following:

- a) Our City is renowned for its quality educational facilities with 9 schools – three being long established boarding schools. The investment and establishment of Defence Housing and the locating of personnel in our region is welcomed and Council would be happy to continue such dialogue to secure future opportunities in that regard;
- b) As mentioned previously dialogue between our Council and Defence personnel does exist, however Council welcomes the ongoing relationship between Defence and our community;
- c) Council welcomes new investment and co-location of defence facilities and infrastructure that may be mutually beneficial for not only defence purposes but for new and emerging commercial and industrial opportunities through enhanced infrastructure projects that will support the Field Training Area; and,
- d) In short, doing business with Defence is viewed as difficult for local suppliers. Current defence procurement policies do not support small and medium sized enterprises with local capabilities and capacities, therefore making it problematic. Improvement is needed in this area.

Closing

The Charters Towers Regional Council and the broader regional community are generally supportive of the strategic objectives defined under the Australia-Singapore Comprehensive Strategic Partnership. However there will be impacts through possible expansion of the Townsville Field Training Area. These impacts will likely be negative through the loss of industries, with a the ripple effect that impacts on local business operators who may supply goods and services to those families impacted upon, or who elect to sell their properties to the Commonwealth.

Charters Towers Regional Council welcomes the opportunity to further participate and contribute to the Inquiry hearing, and invites the Inquiry to broaden its hearing locations to include Charters Towers, to engage with communities directly impacted by the existing and proposed training areas in North Queensland.

Yours sincerely, 


 E.R. (Liz) Schmidt
Mayor

Figure 1 – Location Map
Townsville Field Training Area – Existing & Proposed Areas

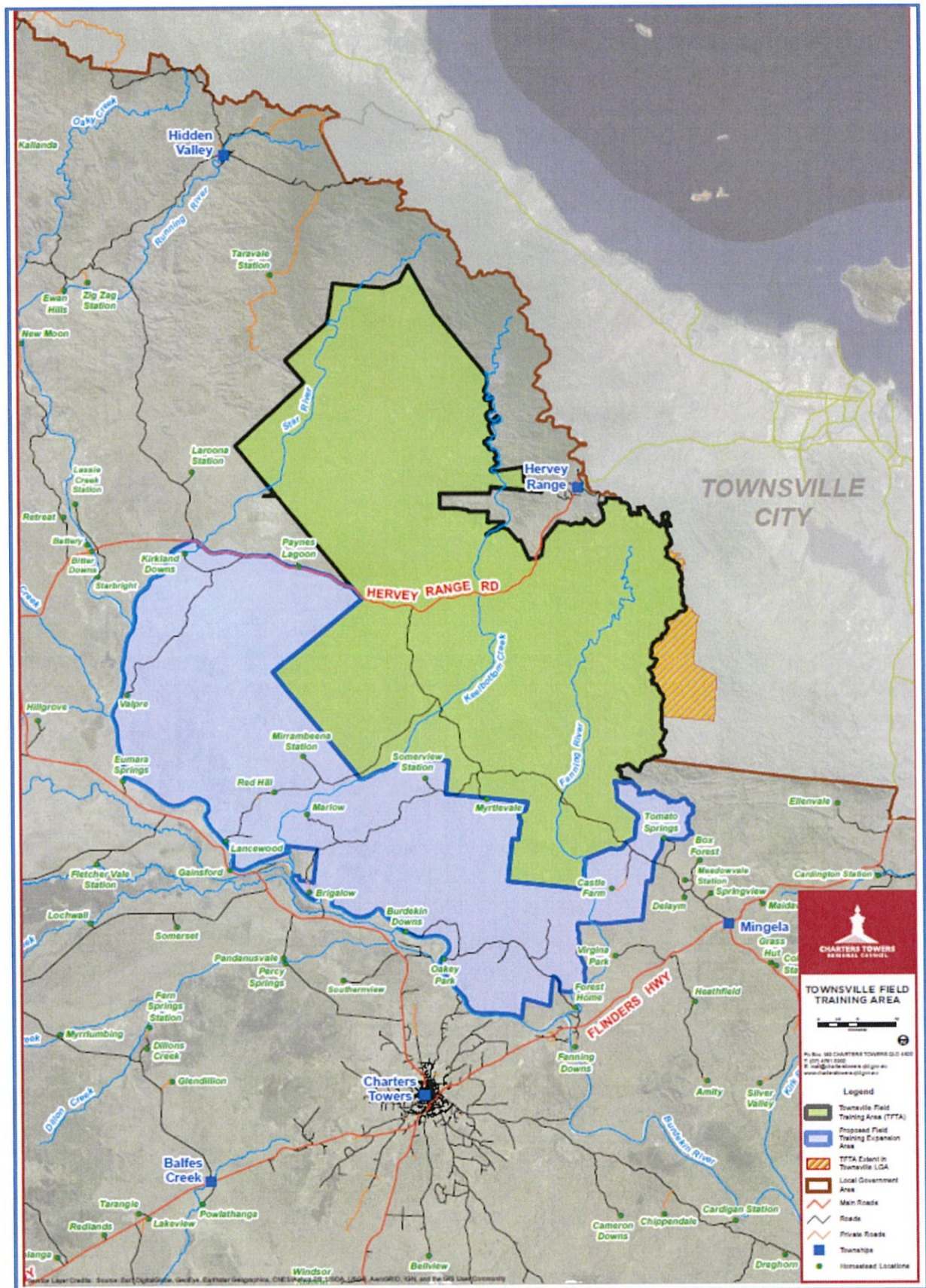
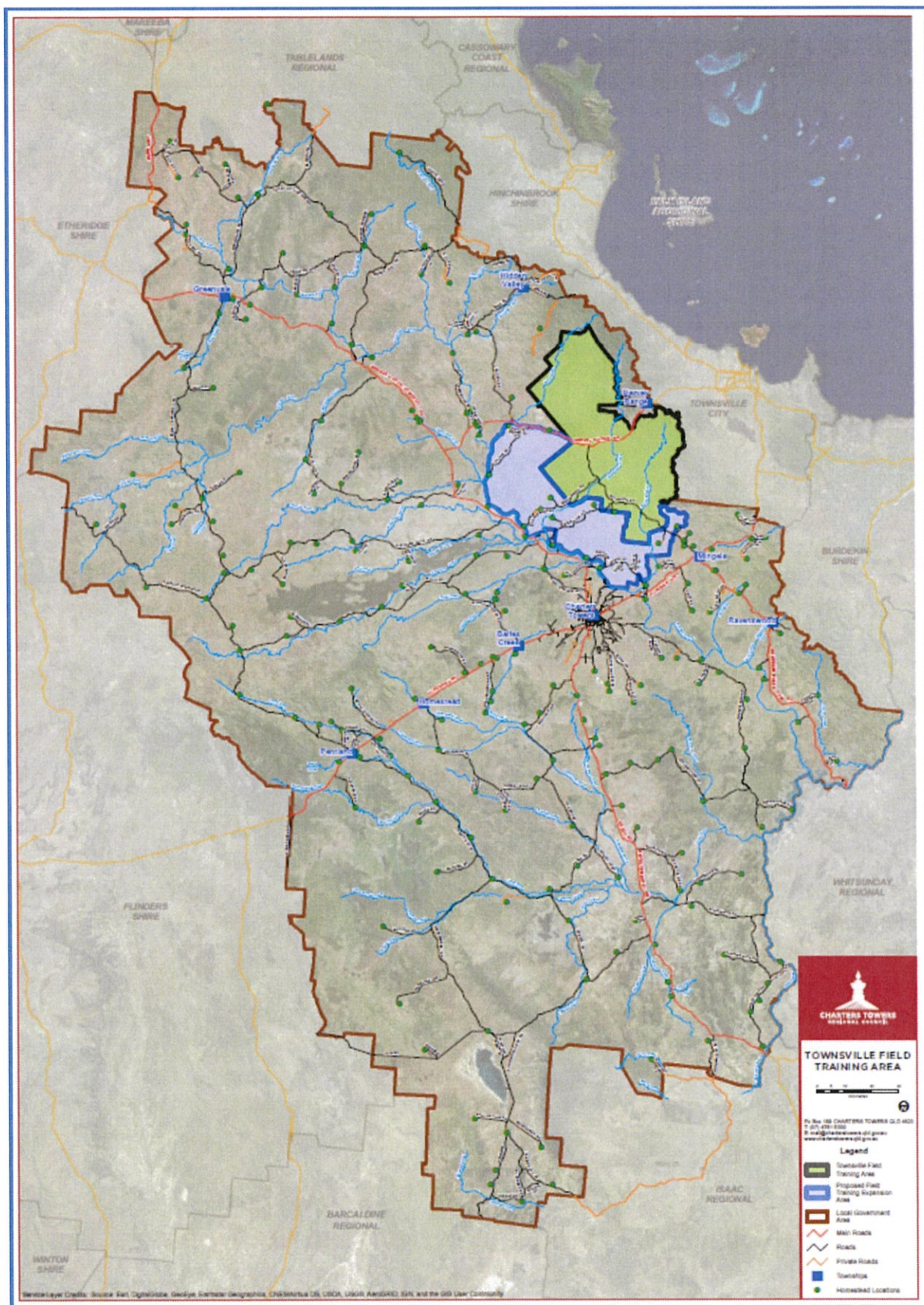


Figure 2 – Location Map

Charters Towers Local Government Area (LGA) and Townsville Field Training Area



**Charters Towers Regional Council
Submission Recommendations to the Senate Inquiry**

1. Compensatory Infrastructure Investment – Council seeks ongoing contributions to key infrastructure projects (eg. Big Rocks Weir and supporting agricultural infrastructure) in the Charters Towers region to help offset any possible loss of lands for an expanded field training area and direct impacts on local industry sectors.
2. The Inquiry favourable receive Council’s suggestion that an agreed compensatory annual contribution be made to Council by the Commonwealth to compensate for the loss of rates revenue as a result of existing and future lands being owned by the Commonwealth, which are currently exempt from any local government rates and charges.
3. That the Defence Department re-engages with surrounding local Charters Towers LGA communities about scheduled defence training activities and provides the necessary contact numbers to local residents for any concerns (eg. bombing related ground vibrations) that may be raised by local community members;
4. Defence procurement processes be reviewed and tender assessment criteria amended to allow local small to medium sized enterprises the opportunity to tender for Defence related contract associated with Defence training areas;
5. That any environmental contamination on Defence Training lands be appropriately remediated. All environmental impacts should be monitored and wholly contained on site, with any incidents made publicly available to ensure transparency and accountability with the local community.
6. That all plant and animal pest species are monitored, managed and where possible eradicated to minimise any potential impacts on surrounding lands in private or public ownership; and to preserve and conserve the region’s rich biodiversity.
7. Council invites the Senate Inquiry to expand its hearings to Charters Towers given the Townsville Field Training Area is mainly located within the Charters Towers LGA.