

26 March 2017

Senator the Hon. Alex Gallacher  
Chair  
Senate Foreign Affairs, Defence and Trade Reference Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600

## **Impact of Defence training activities and facilities on rural and regional communities**

Dear Senator Gallacher,

Townsville Enterprise Limited welcomes the opportunity to provide a submission in response to the Australian Senate inquiry into the Impact of Defence training activities and facilities on rural and regional communities.

Townsville Enterprise is the principal economic peak body and regional tourism organisation (RTO) representing Townsville North Queensland, which includes the five Local Government Areas of Townsville, Charters Towers, Hinchinbrook, the Burdekin and Palm Island, and is one of Australia's true regional powerhouses. Townsville Enterprise is the primary engine for economic development, charged with leveraging the region's assets and strengths to drive jobs, growth, infrastructure investment and improve quality of life.

Townsville Enterprise's formal response to this Australian Senate inquiry will focus upon the following key arguments:

- Australian Department of Defence - Community Engagement;
- Rates Loss and Infrastructure Impost;
- Community Economic Implications; and
- Relaxation of Procurement Policies Supportive of Local Outcomes.

The signing of the Australia-Singapore Comprehensive Strategic Partnership (CSP) on 29 June 2015 signified the establishment of an unprecedented regional alliance, driven by the agenda of increased political collaboration and economic prosperity between our two countries.

One of the key elements of the CSP is the joint development of military training areas and facilities across Australia, enhancing Singapore's defence training options and the potential for further strategic alignment. Singapore will seek to enhance and expand its military training access in Australia over a period of 25 years, with the ambition of having 14,000 troops undertake combat and live fire training activities at these facilities annually. The development of training grounds and infrastructure supportive of this objective is earmarked to take place in two key locations; in North Queensland west of Townsville and the expansion of existing facilities at Shoal Water Bay in Central Queensland.

Although the announcement of the CSP has been widely applauded by Australian and Singaporean populations, questions remain as to the economic, social and environmental implications of this agenda and its joint defence training initiative upon those small regional communities who will ultimately host these activities.

There will be significant economic benefits realised by the larger economic centres of Townsville (North Queensland) and Rockhampton (Central Queensland), who will pose as key logistic and service hubs drawing upon their enabling port, air and road infrastructure to deliver the majority of critical supplies and support services fundamental to the large-scale defence training activity proposed.

It is less apparent to the smaller regional councils who will directly host these training activities, how their communities will benefit.

The community of Charters Towers in North Queensland has raised a number of concerns relating to the Australian Department of Defence's (ADOD) community engagement activities associated with the joint defence training agenda.

A major concern voiced by local regional councils is the financial imposition and loss of rate income resultant of land acquired to support the proposed training activity. The loss of landholders, their families and the employment that their farming activity generates within the community has a direct and very real impact upon their local economies. The loss of income and expenditure from these community members has a ripple affect across the local economy, with small businesses and services directly impacted. There are also significant social and community repercussions resulting from the loss of these families to the region, with less demand and contribution toward the maintenance of vital infrastructure and amenities including schools, libraries, health care and emergency services, etc.

Concerns have also been voiced regarding traffic congestion, due to the significant increase of heavy vehicle usage of local road infrastructure and the inevitable financial and maintenance repercussions. The impact upon road and other critical infrastructure/ resources (water and energy) is yet to be quantified and tabled by the ADOD through their impact assessment processes.

The announcement of the Australia–Singapore CSP and its joint defence agenda has worked to build national and community expectations, with a number of critical questions yet to be answered.

Although both the Singaporean Government and the Australian Minister for Defence (Senator the Hon. Marise Payne) have expressed a strong desire to ensure local communities benefit from the establishment of the joint defence agenda, actual details around how this objective will be realised is yet to be defined. Local business has raised concerns that existing ADOD procurement policies and processes do not work to consider small to medium size enterprise (SMEs) local capabilities and capacity. If serious consideration is not given to the revision of these policies and how they might better work to support local interests, regional economies will fail to realise significant advantage from the proposed investment.

In concert with the broader Australian community, the Townsville North Queensland region is extremely supportive of the strategic objectives defined under the Australia-Singapore Comprehensive Strategic Partnership. However, haste is required in defining how the joint defence agenda and its training activities will impact regional communities.

In closing, Townsville Enterprise would welcome the opportunity to participate and contribute to a regional Senate Committee hearing engaging with affected communities on the impact of proposed training activities. Thank you for this opportunity to express our region's position regarding the Australia-Singapore Comprehensive Strategic Partnership and proposed defence training agenda proposed for North Queensland.

Yours sincerely,

Michael McMillan  
*Director – Policy & Investment*  
*Townsville Enterprise Limited*