



ADVISORY COMMITTEE

P.O. Box 146 Windsor NSW 2756
Phone 02 4560 4444 Fax 02 4560 4400
email:HEDAC@hawkesbury.nsw.gov.au

29 August 2003

Ms Vivienne Courto
Inquiry Secretary
Parliamentary Standing Committee on Public Works
House of Representatives
Parliament House
Canberra ACT 2600

Dear Ms Courto,

RAAF Base Richmond regarding Investment Project Richmond

Thank you for the opportunity to submit a paper to support the Department of Defence in their request to the Parliamentary Standing Committee for the allocation of \$35 million dollars in Federal Funding, for the proposal to re invest into the public works program at the RAAF Base Richmond.

Since 1925, the Hawkesbury community has had a long and strong association with the RAAF Base at Richmond and it's personnel. Over the many years there has been a significant recognition of the economic and social contribution that the Defence industry has offered to our city, and it should also be noted that RAAF operations have a high degree of community acceptance. It would not be unreasonable to say that the commitment of both groups is unparalleled in community and military relationships in Australia. This alone provides a strong stable environment in which the military can operate and have a clear focus on their roles and objectives.

Hawkesbury Economic Development Advisory Committee (HEDAC) is a networking committee to Hawkesbury Council on a range of economic development matters. The representatives on this committee represent the broad sectors of the community including Council, University of Western Sydney, RAAF Richmond, Hawkesbury City Chamber of Commerce, Hawkesbury Tourism, Hawkesbury Harvest, large and small business and marketing representatives. Following from a request from the RAAF Base Senior Personnel, we were asked to support the request to submit to the Parliamentary Standing Committee on the importance of the need for the Federal Government to allocate an extensive amount of money into the capital reinvestment project for the infrastructure program on the Richmond RAAF Base.

Since 1993, when the HEDAC was established, the committee has attempted to support the existing businesses within the City thus enabling them to further enhance their core business. As HEDAC has broad sectors of the community as it's membership, we sought to support the Richmond RAAF Base with their request for an injection of capital funds from the Federal Government into the reinvestment project at Richmond RAAF Base. HEDAC believes in the necessity of building strong and healthy cities by creating partnerships that are important for a community to thrive, prosper and develop. HEDAC recognises that a City not only needs to be economically sustainable, but also that relationships and partnerships that are developed help to create a healthy lifestyle component.

Growth and Development in Harmony with Lifestyle

HEDAC would like to reinforce the importance of the expenditure that RAAF Base Richmond contributes to our local economy and this submission will endeavour to substantiate the cost to our local community.

RAAF Base Richmond contributes to the Hawkesbury economy in two main ways. Firstly, the wages and salaries of many of the workers at the Base are spent locally on goods and services. Secondly, organisations on the base spend money locally on goods and services. This direct local expenditure generates additional economic activity within the Hawkesbury as some local suppliers purchase goods and services from other Hawkesbury businesses and people are employed locally as a result of Base related expenditures. This is also reinforced by approximately 1800 military personnel and between 800 and 850 civilians and contractors who work on or within the Base. In economic terms, the Base provides for over 20% of all jobs within the Hawkesbury. This employment figure places RAAF Base Richmond as the single largest employer on one site within the Western Sydney Region.

HEDAC acknowledges that the outlook for the future of the Base is obscured by the extended time horizons involved. Over the next 12 to 15 years there might be changes in the Defence and commercial aerospace sectors. Given this, we accept that the Base is a significant purchaser of a range of goods and services within our city. The principal categories of goods and services purchased within Hawkesbury by organizations on the Base include:

- Construction and Maintenance Services;
- Grounds maintenance and support equipment;
- Catering services;
- Security services;
- Office supplies;
- Accommodation; and
- Road Transport.

These businesses may benefit from the proposed work projects that are to be undertaken by this reinvestment project. This expenditure could enable an increase within the local economy and help to promote employment opportunities within the city.

Table 1 presents an overview of these goods and services principally purchased within the Hawkesbury region by workers on the Base, through household expenditure after allowing for leakages i.e. that is money spent outside the Hawkesbury.

Product or Service	\$m (estimates)
Retail Service	7.0
Accommodation, Cafes, and Restaurants	4.0
Sport, Gambling and Recreation	4.3
Property Services	0.8
Health Services	2.1
Personal and other services	2.1
Government administration	0.6
Road Transport	0.6
Source PwC estimates	

Table 1: Principle Purchase of Goods and Services within the Hawkesbury Region by Base related Households 2000-01 (\$m)

The patterns of expenditure do vary amongst individual households. It can be assumed that Base related households are responsible for around 6% of annual sales by the business directly serving the general Hawkesbury community. It is recognised that the greater part of goods and services purchases by organisations located on the Base, is in respect of building and maintenance as shown in the table above. There are a small number of local building and related businesses that are heavily dependent on the work at the Base.

The Hawkesbury Economic Development Advisory Committee strongly supports the proposed expenditure at the RAAF Base as we believe it will not only offer an injection of capital to the existing industries within the Base, but it will also send a positive message to the local business community of the value, yet again, of the important relationship that the Defence has on our City.

Yours faithfully

A handwritten signature in cursive script that reads "Lorna Allan" followed by a small circular mark containing the letters "CA".

Lorna Allan
Chairperson, HEDAC