29 October 2014

Defence White Paper 2015
R1-3-A135
Russell Offices
Department of Defence
PO Box 7901
Canberra BC ACT 2610

I make this submission in my capacity as an Illawarra based Senator. Following my election to the Senate, I located my electorate office in Wollongong in 2005. I was born and raised in Wollongong and my family still live there.

I believe the time is now right to give serious consideration to relocate the Royal Australian Navy (RAN) Fleet Base East from Garden Island (GI) Sydney to Port Kembla. As a naval base and support facility, GI is under continued and growing pressure to move from the Sydney area.

Port Kembla offers an excellent opportunity for the RAN to establish a permanent base and support facility for its eastern fleet at significantly less recurrent cost to the Commonwealth over the long term. Whilst there are infrastructure and other relocation costs, these would be offset by the longer term savings including housing and personnel costs.

Upgrade of the facilities at Port Kembla Outer Harbour would require infrastructure expenditure which would dovetail nicely with strategic infrastructure initiatives intended throughout Australia by the current Government.

The Illawarra is under economic stress, compounded by the downsizing of Bluescope Steel. Nevertheless, it is an area with great potential.

Please find attached a submission prepared by my husband, John W. Wells. John spent 35 years in the RAN and has extensive experience, including ship command. A copy of his biographical details is attached to the submission.

Yours sincerely,

[Signature]

Senator Concetta Fierravanti-Wells

Encl.
Relocation of Royal Australian Navy from Fleet Base East (FBE) Garden Island (GI) Sydney to Port Kembla

EXECUTIVE SUMMARY

**Recommendation:** It is recommended that the RAN's primary support base FBE be relocated from GI Sydney to Port Kembla Harbour.

Port Kembla would offer an excellent opportunity for the Royal Australian Navy (RAN) to establish a permanent base and support facility for its eastern fleet at significantly less recurrent cost to the Commonwealth.

Port Kembla Harbour can provide a safe and secure environment—the harbour is deep and very accessible from seaward and would meet naval requirements, including that required for the two new Canberra Class ships—Landing Helicopter Dock (LHD) which are being delivered by BAE Systems and Navantia, during the period 2014-2016.

Upgrade to the wharves, surrounding facilities at Outer Harbour and perhaps the eastern breakwater would be required. However, such infrastructure expenditure would dovetail nicely with strategic infrastructure initiatives intended throughout Australia by the Abbott Government. Coalition Governments presently in power at both State and Federal levels provide a small window of opportunity for a cooperative environment to negotiate outcomes with respect to land acquisition and lease arrangement options etc.

The NSW Government could derive some benefits from Commonwealth assets shed at Woolloomooloo, GI and Potts Point. Of note, NSW Ports have future development plans for Outer Harbour. Even after relocation to Port Kembla, RAN ships and foreign warship visits could still utilise facilities at Woolloomooloo as required and for ceremonial occasions.

The proposed move to Port Kembla would to an extent, provide a much needed option and solution to create jobs in the region, particularly in light of the downsizing of BlueScope Steel. These newly created jobs to drive the relocation project would translate to sustainable jobs over the longer term given the ongoing increased Defence presence and its raft of ongoing requirements. Put simply, the relocation would address many of the problems concerning high unemployment in the region—Labor heartland which has been largely neglected by both Federal and State Labor over many decades.

The Wollongong region is an ideal location to support RAN requirements in terms of logistics, engineering and operational needs. The successful relocation of the Australian Hydrographic Service (formerly RAN Hydrographic Office) from North Sydney to Wollongong (1994) could provide a blueprint for any cost benefit analysis to confirm recurrent cost savings to the Commonwealth.

The Naval Air Station (NAS) at Nowra and the training establishment HMAS Creswell at Jervis Bay both continue to provide excellent opportunities for local industries and small business, including employment opportunities vital to the sustainment of the Defence support capabilities in the Illawarra and South Coast.
Of note, the NSW State Emergency Service (SES) has its Headquarters located in Wollongong.

Further, as part of expected cost savings to the Commonwealth in terms of housing and rental costs etc., RAN Members and their families would enjoy a much more affordable and enviable coastal lifestyle should the move be affected.

Wollongong has a world-class university, skilled multilingual workforce, competitive business costs, modern business infrastructure, supportive business networks, a modern teaching hospital and, quality public infrastructure.

John W. Wells

April 2014
GARDEN ISLAND and HMAS KUTTABUL

1. Garden Island is the principal east coast naval base of the RAN, and home port to many of the RAN’s major ships. HMAS Kuttabul is the RAN’s administrative, training and logistics support establishment for the Sydney area.

2. It has been observed in the past that the indirect costs of maintaining the Navy at GI include: congestion costs associated with the movement of naval personnel and stores through city traffic into an inner city location; the environmentally unsound and potentially hazardous disposition of having large warships berthed so near to the densely populated areas of Kings Cross, Potts Point and Woolloomooloo.

NAVAL BASE ISSUES

Naval Base Requirements

3. There are two separate facilities at GI, the FBE and GI Dockyard. FBE (HMAS Kuttabul) comprises Maritime Headquarters, the Navy’s administrative and logistics centre at Potts Point and the adjacent wharf facilities at Woolloomooloo. Many have noted that the sight is highly congested with no room for expansion and any attempt to do so would be strongly resisted by residence.

4. GI Dockyard is managed and operated as an independent commercial entity by Thales Australia. It comprises Captain Cook Graving Dock, a floating dock and a range of engineering and maintenance facilities.

Security

5. Port Kembla Harbour would provide a safe and secure environment for naval assets—the harbour is deep and very accessible in navigation terms and would meet naval requirements, including that which are required for the two new Canberra Class ships LHDs and perhaps new submarines in the future.

6. The area presents no perceived increased security risks beyond that which already exists in the Sydney metropolitan area of interest. Berthing large warships at Outer Harbour would be a safer option in terms of Net Explosive Quantity (NEQ) when considering the unlikely event of an accident with explosives on board a warship or submarine. The area of interest is largely industrial and removed from populated areas.

7. Any plan for relocation would be subject to the normal risk analysis as part of capability scoping studies.

Training Areas

8. Port Kembla remains in close proximity to the RAN’s Eastern Australian Exercise Areas (EAXA) which extend from north of Sydney to the south of Jervis Bay. The exercise area is utilised by ships, submarines and aircraft for training in preparation for attaining their operational levels of readiness for deployment.
Strategic Review and Options

9. *The Australian Defence Force Posture Review* of March 2012 (the Review) by Allan Hawke and Ric Smith identified the need to relocate only the LHDs away from Sydney in the longer term noting that, in the short term, given its excellent infrastructure and support capacity, and the current lack of alternatives, FBE in Sydney Harbour was the only viable option for LHD home-port basing.

10. In the longer term, the Review flagged the need for an alternative location on the east coast. It argued, operational advantages may be gained through closer proximity to Army units and potential operating areas, while also enhancing capability sustainment requirements and relieving pressure on Navy’s continued use of Fleet Base East.

11. The Review also forecast the Navy requirement and the need to base some of the future 12 new submarines on the east coast. Nevertheless, the Review’s cursory glance at possible east coast locations for a “supplementary” fleet base included Brisbane, Jervis Bay, Newcastle, Townsville and Westernport Bay.

12. The Review ruled out all the options except Brisbane. To that end, Brisbane was considered by the authors to be the “most promising location for a new fleet base on the east coast that would be an appropriate home-port for both the Future Submarines and the large amphibious ships”. It further noted that “a supplementary fleet base could be developed at a new reclaimed land site extending further into Moreton Bay from the current facilities and linked to the Port of Brisbane by a causeway”. However, the Review gave no indication nor did it mention the challenging navigation required for deep draft vessels including submarines when negotiating the long narrow channels (and shifting sand banks) from Fisherman Islands wharf Facilities throughout Moreton Bay to reach the open sea.

13. Surprisingly, the ADF Posture Review did not even mention Port Kembla, despite its obvious advantages and tremendous potential including; a safe deep harbour easily accessible from the open sea; local heavy industry and logistics support, and its close proximity to the EAXA.

14. Curiously, in August 2013, Sam Bateman published an article in The Strategist (a blog site for the Australian Strategic Policy Institute (ASPI)) titled “The RAN must have a plan to move out of Garden Island”. The author reached the same conclusion as Hawke and Smith, namely a site in the Port of Brisbane. Newcastle and Port Kembla were mentioned and quickly dismissed as having similar problems to those of Sydney.

15. Finally, during the 2013 Federal Election campaign, the then Prime Minister Rudd announced in his last days, just such a plan for a “supplementary” fleet base at the Port of Brisbane.

16. There has been much said and debated about the advantages and disadvantages of home-porting major Fleet amphibious units further north and closer to Army bases. However, there are strong arguments for major Fleet units to be home-ported near their depot level maintenance facilities, training support teams, and training and exercise areas such as the EAXA—supported in this case by NAS Nowra.

17. On the west coast, HMAS Stirling enjoys modern support facilities for ships and submarines. Garrison facilities include, marine support facilities, a training complex for ships and
submarines, helicopter support facilities with a simulated ship landing facility for helicopter crew training etc., and the base is in close proximity to the Western Australian Exercise Area (WAXA) which is to the west of Rottnest Island.

18. Of note, all major Fleet units (including the future AWDs when delivered) are either helicopter capable or designed to carry helicopters; and, NAS Nowra remains the centre of gravity for naval aviation and training.

19. LHD capabilities have a strong emphasis on amphibious and helicopter operations. Therefore, LHDs need to be based on the east coast near the NAS and the EAXA for ease of training to reach essential minimum safety standards in terms of personnel training and materiel state—‘minimum level of capability’, which also includes the status of flight deck crews and the embarked ship’s Army detachment (SAD).

20. Once a ship has attained a satisfactory level assessed by the Fleet training staff, the ship is then cleared to deploy for much more complex amphibious exercises, for example, in the Shoalwater Bay (QLD) exercise area in conjunction with Army and RAAF assets; or, deploy on an operational mission, such as peacekeeping or disaster relief.

21. Of note, transit times for amphibious ships to reach Townsville to affect Army embarkation have been acceptable in the past; indeed the passage north is generally utilised for further readiness training. Consequently, quite apart from wharf upgrades in Townsville to receive LHDs, basing LHDs near the EAXA does not present any new problems.

22. Maintaining a home port, training staff and appropriate maintenance facilities in close geographic proximity to the EAXA and the NAS is the most preferred option for maintaining effective Fleet readiness for all major Fleet units based on the east coast, including the LHDs.

**Maintenance Activity**

23. Port Kembla presents unrestricted maintenance activity around the clock whereas the GI/Woolloomooloo area is severely constrained in this regard.

24. Fifty percent of Garden Island’s boundary is surrounded by low level residential and in more recent years, high level residential units that have a direct line of sight to the Garden Island work area. Noise pollution from ship maintenance activities presents significant problems for residents.

**Captain Cook Graving Dock**

25. The dry dock at GI has been a vital strategic asset both in defence terms (and in modern day commercial) since Prime Minister R.G. Menzies announced in Parliament on 1 May 1940 the need for such a strategic asset. Work commenced December 1940 and completed in time for the emergency docking of HMS Illustrious on 2 March 1945.

26. To this day, Singapore would be the nearest comparable capability.
27. The Commonwealth would need to give serious consideration to either preserving the present commercial arrangements for the dry dock or examine options for the construction of a similar dry dock elsewhere—a site to be determined on the east coast which meets commercial demands but complies with strategic Defence requirements.

28. Effectively, the Captain Cook Dock or its replacement needs to be available at short notice for dockings of large naval ships such as the LHDs, visiting warships of foreign navies of similar or larger size, and commercial vessels of the large cruise ship variety.

UPGRADE OF WHARVES AND FACILITIES

29. Wharf upgrades would be necessary in Port Kembla Outer Harbour to reflect the naval requirement in terms of ship types, berthing/loading/weight specifications etc., so as to facilitate military operations. A small extension to the eastern breakwater may need to be considered.

30. Naval operations might include, but would not be limited to, the loading of armoured vehicles, use of a roll-on/roll-off facility for LHD operations, and helicopter operations. A slipway similar to the BAE Systems facility in Western Australia, south of Fremantle, would need to be built to cater for Frigates (FFG/FFH) and Air Warfare Destroyer (AWD) size ships. It is noteworthy that the WA facility also handles Collins Class submarines.

31. Alternatively, given the surrounding land at Port Kembla, the relocation project could include a replacement dry-dock for Captain Cook Dock.

Infrastructure Expenditure and Proposed Development by NSW Government

32. NSW Ports is planning for the development of the Outer Harbour, which will provide additional land and berthing facilities to cater for ‘future trade growth’. In 2011, the then Minister for Planning, Tony Kelly MLC approved Stage 1A—Reclamation Works which are currently being undertaken in Outer Harbour. There are concurrent Concept and Project Approvals under the former Part 3A of the Environmental Planning & Assessment Act for the entire Concept Plan and Stage 1 of the Outer Harbour Development respectively (Application No. 08_0249).

33. A detailed Environmental Assessment report was prepared which considered the potential impacts of the development on a range of factors: sediment and water quality, hydrodynamic processes, aquatic and terrestrial ecology, road and rail, noise, air quality and cultural heritage.

34. Although Minister Kelly granted approvals for the Concept Plan and Stage 1 of the development, the scope of the Stage 1A Reclamation Works does NOT include any of the following activities: berth construction, dredging, placement of harbour sediments, pavement construction, installation of cargo handling infrastructure (i.e. conveyors, ship loaders, cranes, etc.), road construction, rail construction, installation of a new acid pipeline, installation of services, stormwater infrastructure or landscaping.

35. In May 2013, the NSW Government finalised new planning controls for Port Botany and Port Kembla to reflect the fact these two ports were transitioning to a private long-term leasehold operation.
36. Coalition Governments presently in power at both State and Federal levels are now provided with a window of opportunity (and a cooperative environment) for negotiated outcomes with respect to land acquisitions, leasing arrangements etc. The NSW Government could derive some benefits from Commonwealth assets shed at Woolloomooloo, GI and Potts Point. Greater access to berthing arrangements for cruise ships would add value to the NSW economy.

37. The proposed relocation to Port Kembla would to a large extent, provide a much needed solution for job creation in the region; particularly in light of the downsizing of BlueScope Steel. These newly created jobs resulting from the relocation project would translate to sustainable jobs over the longer term given the ongoing increased Defence presence and its requirements. Put simply, the relocation would address many of the problems concerning high unemployment in the region—Labor heartland which has been largely neglected by both Federal and State Labor over many decades.

38. A snapshot of the Wollongong Local Government Area (LGA) derived from Australian Bureau of Statistics (ABS) data 30 May 2013 and the Parliamentary Library reveal the following:

| Population | 201,215 |
| Median Age | 38.2 |
| Average Wage and Salary income (weekly, pre-tax) | $2,037 |
| Average mortgage repayment (monthly) | $958 |
| Average weekly rent | $259 |
| Unemployment | 7% |
| Youth Unemployment (15-24 years) | 20.3% |
| Participation rate | 56.8% |
| Labour force | 89,050 |

**The Illawarra and South Coast Support Facilities**

39. In addition to an established Defence presence, the Illawarra region has advanced manufacturing; business services/shared services; clean technologies; creative industries; education and research; funds administration; health, aged care and community services; information and communication technology; logistics; mining technology and services; and, tourism.

40. Of note, the rail link extends to Port Kembla Harbour.

**An existing Defence presence**

41. The Illawarra region and the South Coast have a long history of supporting Defence activities, and more particularly, Navy. The region has provided excellent support to RAN requirements in terms of logistics, engineering and operational needs.
42. The successful relocation of the Australian Hydrographic Service (formerly RAN Hydrographic Office) from North Sydney to Wollongong (1994) may provide a blueprint for any cost benefit analysis to confirm recurrent cost savings to the Commonwealth.

43. NAS Nowra and the training establishment HMAS Creswell at Jervis Bay both continue to provide excellent opportunities for local industries and small business. This includes employment opportunities vital not only to the community for jobs, but also sustainment of the Defence support capabilities in the Illawarra and South Coast.

44. Of note, the NSW SES has its Headquarters and support facilities located in the Wollongong LGA.

A MORE AFFORDABLE AND ENVIABLE COASTAL LIFESTYLE

45. Productivity is inextricably linked to workplace satisfaction and well-being. Workplace satisfaction and well-being are key components to workforce morale. RAN Members are no different and as a consequence, if relocation is affected to the Illawarra, RAN Members and families would enjoy a much more affordable and enviable coastal lifestyle.

46. In that regard, it was further observed by Bateman that, the impact on Navy personnel issues also should be considered in the maintenance of GI as a naval base. In fact, he noted that senior naval officers might be the only ones able to afford accommodation close to Garden Island, whereas junior officers, non-commissioned officers and sailors are forced to live in the outer suburbs with long commute times [and distances] to work. In addition, parking near Garden Island is notoriously difficult.

SUMMARY

47. Noting the planning activities by NSW Ports with early stages of development of Outer Harbour Port Kembla now underway, a window of opportunity may exist for the Commonwealth to engage the NSW Government in order to facilitate the relocation of the principal east coast naval base of the RAN (and home port to many of the RAN’s major ships), to Port Kembla.

48. The RAN’s principle administrative, training and logistics support activities undertaken by HMAS Kuttabul also should be relocated to the Illawarra.

49. Although there would be considerable infrastructure costs to recreate facilities for Navy to operate out of Port Kembla, the relocation alone would create significant economic short-to-medium term prosperity and much needed jobs in the Illawarra.

50. Further, the placement of Navy in the Wollongong LGA would not only provide potential recurrent cost savings over the long term, but also it would provide significant economic input into a region which has been neglected by successive State and Federal Labor Governments.

51. The NSW Government could derive some benefits from assets shed by the Commonwealth at Wooolloomooloo, GI and Potts Point. Greater access to berthing arrangements for cruise ships would add value to the NSW economy.
RECOMMENDATION

52. It is recommended that the RAN’s primary support base FBE be relocated from GI Sydney to Port Kembla Harbour.

John W. Wells

Attachments:

1 Aerial Maps - *Port Kembla & Surrounding Areas*
2 Biographical Details – John W. Wells

Acknowledgements:

1 *ABS* data 30 May 2013 and the *Parliamentary Library* Canberra.
2 NSW Government Website – *Planning & Infrastructure – Approved Plans – Draft Plans and Policies* as at 7 April 2014
3 “*ADF Posture Review*” by Alan Hawke and Ric Smith date 30 March 2012
4 “*The RAN must have a plan to move out of Garden Island*” by Sam Bateman August 2013 published by ASPI.
Biographical Details

JOHN W. WELLS

John was born in Brisbane, Queensland. Having joined the Navy in July 1967, initial training was conducted at HMAS Nirimba and then HMAS Leeuwin as a Topman before being selected to attend the Royal Australian Naval College (RAN) in 1970. As a junior officer under training, he served in HMA Ships ANZAC, Hobart, Sydney, Melbourne, Vampire, Torrens, Stalwart; and HMA Submarine Ovens. After completion of Officer-of-Watch application courses in the United Kingdom, he enjoyed a variety of postings throughout his career, most of which were sea-going.

In 1977 he commanded the patrol boat HMAS Attack based in Darwin, and some six months later transferred his command to HMAS Ardent and was appointed Commander of the Third Australian Patrol Boat Squadron in Darwin. From 1978 to 1980, he served as Navigating Officer of the destroyer escort HMAS Derwent after which he was posted as an Instructor at the Navigation School, HMAS Waton.

In 1981, he was directed to take command of the patrol boat HMAS Bombard, at short notice; and as a consequence, undertook Bass Strait oil rig surveillance (BSORS) patrols as part of Operation Estes for a period of about eight months. After a short stint as Staff Officer Reserves (Sydney Port Division), John was posted on course to the United Kingdom in 1982 where he qualified as a Principal Warfare Officer (Anti-submarine Warfare) training in HM Ships Battleaxe and Charrybdis. On completion of the 12 month warfare course at HMS Dryad, he served for two years on exchange duties at sea with the Royal Navy in HM Ships Plymouth and Aurora.

Upon return to Australia in 1985, he was posted as the Anti-submarine Warfare desk officer to the Director of Naval User Requirements in Canberra. From 1987 to 1988 he served as Executive Officer of the training ship HMAS Jervis Bay. He returned to Canberra as Staff Officer Administration to the Director of Trials (Defence Science and Technology Organisation) and for a period of 12 months, assumed the additional duty of Director of Trials (Army).

From 1991 to 1992, he was a Visiting Fellow at the Strategic and Defence Studies Centre, Australian National University (ANU). In January 1993, he was seconded for 12 months to the Strategic Policy and Planning Branch of the International Policy Division in Defence Central where he was, inter alia, desk officer for Australian Defence Force Peacekeeping Policy.

During the period February to May 1994, he attended the 36th Annual Senior Officers Combined Expeditionary Warfare Planning Course at the United States Naval Amphibious School at Coronado, California. On the 28 June 1994 he assumed command of the amphibious ship HMAS Tobruk. One of the highlights of his twenty-one months in command included the ship’s participation in Operation Lagoon, a peace keeping mission to Bougainville. After commanding Tobruk, John joined the Naval Warfare Branch as Director of Surface and Air Warfare at Maritime Headquarters in Sydney. In 1998 he then joined the directing staff at the RAN Staff College as an instructor in Military Strategy and tutor for the Master of Business Administration program administered through Queensland University of Technology. John retired from the Navy in September 2000.

In the corporate world, John joined Medico-Legal Associates for a period of four years as General Manager. He then undertook consultations with EPTEC PTY LTD and TENIX PTY LTD until 2007 culminating in the award of the Navy’s LHD amphibious ships’ contract to TENIX and Navantia. An opportunity presented itself for John to undertake full-time Reserve contractual work and consequently he was posted as Director of Policing and Security-Navy (and Naval Provost Marshal) from June 2008 until July 2010.

A Master Mariner Foreign-Going (Certificate of Service No 331), John is a graduate of the Joint Services Staff College (JSSC 46/92) and the RAAF Staff College External Studies Staff Course (1979). His academic achievements include a Bachelor of Arts Degree (Economics, Politics and History) from the University of Queensland (1986), a Diploma of Applied Science (Oceanography) from RAN (1986), a Graduate Diploma in Strategic Studies from the JSSC (1992), and a Master of Business Administration (Human Resource Management and International Business) from the University of Southern Queensland (1994). He is the author of Antarctic Resources: A Dichotomy of Interest, published by ANU.

John thoroughly enjoyed his 35 years in the Royal Australian Navy, and would do it all over again! Nevertheless, in retirement he takes timeout to enjoy sailing, reading, winemaking and occasional peripheral political activities.

March 2014