9 November, 2014

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

Dear Sir/ Madam

Re: 2015 Defence White Paper

On behalf of the Regional Development Australia Townsville and North West Queensland Committee (RDA), I write to contribute to the 2015 Defence White Paper, particularly with regard to the following themes:

- Defence and Regional Australia
- Industry Policy and the Defence Materiel Organisation, and
- Science and Technology

RDA is also a signatory to the joint submission prepared by Townsville City Council, in conjunction with Townsville Enterprise Ltd and the Townsville Chamber of Commerce. This separate submission will reinforce the position in the joint submission, with a broader regional view.

Executive Summary

Defence has a long history as a significant contributor to regional development in our region. By partnering with State and local government and the private sector, Defence can influence the expansion of capability, infrastructure and services within the region, which will continue to improve the efficiency and cost-effectiveness of Defence activities across Northern Australia.

Defence projects, such as the extension of the airport runway and Land 400, in addition to the continued force relocation to Townsville, provide a critical mass of opportunity for industry growth across Northern Australia to support Defence in the achievement of its strategic objectives. Expansion of locations for exercises is an opportunity, especially in more remote areas. For example, Mount Isa would be an excellent base from which to conduct exercises in rugged, dessert like conditions. (Please refer to the attached document from the Mount Isa Taskforce)
Background

Our RDA Committee is pleased to provide input and on-going support to the Australian Government in the development of Defence policy that will impact our region. Within our region, which covers 27% of the population and 15% of the area of Northern Australia, we have undertaken extensive consultation to create a Regional Roadmap using the Council of Australian Governments (COAG) Regional Economic Development Framework. Under the framework, the key determinants of long-term regional economic growth are:

- Human Capital (Education and Skills)
- Economically, Environmentally and Socially Sustainable Communities and Population Growth
- Access to International, National and Regional Markets
- Comparative Advantage and Business Competitiveness, and
- Effective Cross-Sectoral and Intergovernmental Partnerships (including through place-based approaches) and Integrated Regional Planning.

Across the four RDA regions of Northern Queensland, we have also worked collaboratively to develop the Northern Queensland Strategy. This strategy is informed by the Regional Roadmaps of each RDA to focus on issues and opportunities of common interest from the Tropic of Capricorn to Cape York and the Gulf. We also work closely with our RDA colleagues across Northern Australia and have formed a Northern RDA Alliance to work collaboratively on Northern Australia issues and opportunities. On the basis of our regional and cross-regional work, we make comments below.

Defence and Regional Development in Townsville and North West Queensland

Defence is a significant contributor to development in our region. The location of Defence personnel and their families in Townsville, in particular, has driven the development of schools, housing construction, retail and service industries. This, in turn, has made Townsville a desirable place to live for both Defence and non-Defence residents and has seen the city grow at an average rate of 2.5% over the last 10 years (2003-2013) - higher than the Queensland average of 2.2%.

As highlighted in the joint submission provided by Townsville City Council, Townsville Enterprise, Townsville Chamber of Commerce, and RDA, Townsville’s population will be approaching 300,000 people by 2030. This strong economic and population growth will provide the infrastructure and services to support higher concentrations of Defence activity within the region.

For example, the Townsville Hospital and Health Service (THHS) operates a number of public health facilities across the region, servicing a regional population of 230,000. The Townsville Hospital is the only tertiary hospital in North Queensland and is the major teaching hospital for James Cook University’s schools of medicine, nursing and allied health and for the Barrier Reef Institute of TAFE. Pro rata input from multiple sectors, including Defence, could see projects, such as the development of a specialist mental health hospital, become viable in the foreseeable future, with benefits for both Defence and the region.
We understand that there are plans for an extension to the Townsville Airport runway by 2016/17, with an additional 412 metres to be added to the Northern end of the existing runway to enable location of the new Air 7000 Poseidon Aircraft (based on the Boeing 787 wide-body aircraft) at the Townsville RAAF Base.

As the Townsville Airport runway is shared with the Townsville Airport Corporation, this would allow commercial wide-bodied (767/787) aircraft to use the Townsville Airport with potential for direct flights from Townsville to Singapore, for example. This would also enable a broader range of freight to be sent by air from Townsville, including fresh fruit and vegetables and aquaculture products from across the region. Townsville Airport Corporation is also planning an expansion of its facilities, with the addition of regional domestic routes (Mount Isa, Gulf & Cairns) and the potential for international services.

The RAAF in Townsville has a history of using local contractors. A range of land vehicles and small aircraft are serviced by local suppliers and capability exists in the region to construct the runway extension.

Army has a long history in our region. Relocation of the 2nd Cavalry Regiment to 3rd Brigade – a multi-role combat brigade of the Australian Army, already consisting of more than 4,000 civilian and military personnel, will bring a further 250 service personnel, their trucks and equipment, and families to Townsville, making 3RAR the largest combat brigade in the Army. We also understand that an amphibious unit of the Army will soon be stationed in Townsville and will utilise the Port of Townsville facilities for training and landing of amphibious craft.

This ongoing concentration of Defence personnel in the Townsville region, and the need for Defence to sustain that force, will be best served by development of the required capability within the region.

**Industry Policy and the Defence Materiel Organisation**

We agree that Defence should not be supporting an inefficient defence industry and that capability acquisition and sustainment decisions should primarily be made on the basis of defence imperatives and considerations of cost and risk. Every dollar counts. However, the statement that “every dollar can only be spent once” does not take into account the fact that every dollar spent will be circulated a number of times within the local economy where it is spent. The positive flow-on effects of “local buy” procurement policies cannot be discounted.

By partnering Defence with other State and federal government departments to provide input into planning, the Government can create efficiencies for Defence operations while strengthening regional businesses. Ensuring that stakeholders understand Defence requirements, and are working to help industry meet the required benchmarks, will go a long way to encouraging the development of an internationally competitive Australian defence industry.
State and federal government departments, such as the Department of State Development, Infrastructure and Planning and the Commonwealth Department of Industry and Regional Development, with input from Defence, can facilitate business clusters and capability development to meet the needs of the Defence Force at a local and regional level.

The reduction in freight costs and logistical complexity would only improve the efficiency of, and reduce the risks faced by, the Defence Materiel Organisation. Locating manufacturing and maintenance operations in North Queensland would enable Defence to be more responsive to threats to its northern borders.

The Land 400 project, which will bring the largest fleet of land vehicles to Lavarack, has potential to drive an expansion in vehicle servicing capability in the region. It makes sense to service and maintain those vehicles as close to their base as possible – reducing transport costs and improving turnaround times. With input from Defence and a commitment from state and local governments to provide the best environment for businesses with the required capabilities to relocate or expand in the region, Defence will benefit from more efficient and cost effective fleet management and the region will benefit from the increased capability and economic growth.

Science and Technology

The Defence Science and Technology Organisation (DSTO) would benefit from closer collaboration with James Cook University - a recognised leader in tropical research with specialisations in disease control, public health in disaster management and tropical sustainable design – with the potential to strengthen Defence capabilities in Northern Australia and the broader South East Asia region should the DSTO also have a presence in the region. James Cook University has their head campus in Townsville and also operates the Mount Isa Centre for Rural and Remote Health in Mount Isa.

Recommendations

We recommend that Defence undertake an audit of capability requirements for sustainment of its force within Northern Australia to identify opportunities to improve the efficiency, and cost effectiveness of sustainment activities, with particular focus on vehicle servicing and maintenance, repairs and maintenance of critical equipment.

Development of capability within the region can achieve significant cost savings and risk reduction for Defence with positive flow-on effects for the region.
I would be pleased to expand on any comments or answer any questions you may have and can be reached on 0429 468 606 or by email at Manfred@harboursat.com.au. Alternatively, please don’t hesitate to make contact with our Chief Executive Officer Ms Glenys Schunter on 07 4410 3655 or at ceo@rdanwq.org.au. We look forward to further engagement in the development of defence policy with benefits for Northern Australia.

Yours sincerely

Paul Woodhouse
Chairman

Att: Mount Isa Futures Taskforce comments
Mount Isa Futures Taskforce Response

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<th>Defence Paper Consultation Question</th>
<th>Opportunity for Mount Isa to Play a Positive Role</th>
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<td><strong>Deciding Defence capabilities</strong></td>
<td>The ADF needs to be able to effectively operate in remote and difficult terrains in different parts of the world. Mount Isa can provide an attractive base for army field operations, training, and a firing range in a remote environment linked to nearby support of a sophisticated industry base, and City services.</td>
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Key advantages for the ADF include:

- Access to large tracts of land suitable for desert and high temperature environment training (as well as a comfortable climate in winter months).
- Ideal for 4WD and other driver/operator training given the range of terrains available.
- Areas for operations - for firing ranges and other military activities - that are away from urban areas and environmentally sensitive coastal areas.
- High quality engineering support base in Mount Isa.
- Quality airport, road and rail access.
- City standard health care/hospital available.
- Recreational activities for permanent and visiting ADF personnel - cinema, bowling, arts and culture, fishing, water skiing and one of the largest ranges of sports played in a regional Australian city.

The City is very interested in hosting a permanent base for ADF operations to support ADF activities and training in Northern Australia. The Mayor and Council of Mount Isa City fully endorse this proposal.

The City’s central location between the two key ADF bases in Townsville and Darwin is an advantage - Mount Isa is 1600 km from Darwin, 570 km from Karumba, and 900 km from Townsville. The City provides a unique staging point and base for operations in a remote area which supported by high quality City services and industrial support (maintenance, breakdown support, supplies).
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<td>What is the optimum use for reserve forces?</td>
<td>With a greater focus on border protection, Mount Isa provides a base with City standard services that is close to Gulf and remote inland areas in Queensland and the Northern Territory. Key advantages for reserve forces:</td>
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<td>• Access to a wide range of terrains for training and exercises.</td>
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<td>What support should Defence offer to local communities?</td>
<td>Increased ADF activities and operations in the region would provide economic and employment benefits. There is also an opportunity for Defence Housing Australia (DHA) to be a part of the community.</td>
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<td>Defence: ‘in’ and ‘of’ the community</td>
<td>Mount Isa is building a diverse economy with a focus on competitive capabilities in remote and tropical regions. The City can offer areas that are remote from urban build up but are still supported by high quality services and industry. Adding ADF activities (exercises, training, base for operations) to the region would add to the economy and contribute to the planned growth and diversification of the City’s activities.</td>
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