

## **Livingstone Shire Council: Submission to Senate Inquiry – Impact of Defence training activities and facilities on rural and regional communities**

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To:

Committee Secretary

Senate Foreign Affairs, Defence and Trade References Committee

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## **Submission to the Senate Inquiry impact of Defence training activities and facilities on rural and regional communities**

### **Background**

This submission to the “Senate Inquiry impact of Defence training activities and facilities on rural and regional communities” highlights both the existing and future impacts of military training activities on the Capricorn Coast regions community.

Existing military training activities and associated facilities have impacts on the rural and regional communities in proximity to the SWBTA as well as the entire Capricorn Coast regions community. The Shoalwater Bay Training Area (SWBTA) is set to be expanded under the Australia Singapore Military Training Initiative (ASMTI). Currently up to 6,600 Singapore Armed Forces (SAF) troops train for 6 weeks per year in the Townsville Field Training Area and the Shoalwater Bay Training Area. The proposed expansion will result in 14,000 SAF personnel conducting unilateral training for up to eighteen (18) weeks per year in the Townsville Field Training Area and the Shoalwater Bay Training Area. It is important to recognise that the proposed increased activities are going to result in additional impacts on the regions community.

The presence of Singaporean troops in the region has been a long-standing practice and Livingstone Shire Council (Council) recognises that the expansion will provide an economic boost to the region’s economy. The Australian Defence Force (ADF) estimates that the Singapore Government will invest approximately \$1 billion in the Rockhampton and Capricorn Coast regions in the next 10 years through the Comprehensive Strategic Partnership (CSP), however it remains unclear as to exactly how and where that money will be spent and what direct or indirect short, medium and long-term economic benefits and job creation for regional communities will result from that investment.

Community opposition to the proposed forced land acquisitions of highly productive agricultural lands, saw the welcomed intervention of the Prime Minister in directing ADF to only acquire land where owners were willing sellers. This direction has provided considerable peace of mind for the impacted Marlborough and Stanage Bay area property owners, businesses and local community. Regardless there is still a high level of uncertainty around the unknown social and economic flow-on impacts on the community from voluntary sales of large tracts of prime agricultural land to the ADF.

Council recognises the opportunities from military training exercises, however there is a need to ensure the social, economic and infrastructure impacts on our rural and regional communities are understood. Public facilities and infrastructure need to be upgraded to a standard that can cope with the current, as well as the future increased military activity while also protecting and benefiting the region’s community. The existing and future financial pressure on the entire Livingstone Shire community by the lack of rates revenue from the SWBTA must also be accounted for and offset both financially and through long-term investment in the host council area to benefit the local economy and community.

### **Economic Impacts**

It is estimated that in its current form the Defence force exercises inject in excess of \$10 million into the regional economy every year, of which the Livingstone Shire community, only benefits marginally. Council has not received rates revenue on up to 23.7% of the Shire’s land mass occupied by the SWBTA for the last 52 years, since the base was established in 1965. This equates to an estimated loss of rates revenue for the SWBTA to Council and the Capricorn Coast region community

of approximately \$32 million, which could be up to \$50 million taking into consideration the potential lost opportunity costs and investment in the region. The increased financial pressure on the entire rateable Livingstone Shire community by a significant reduction in rates revenue from SWBTA expansion property purchases currently being undertaken must also be accounted for and offset both financially and through long-term investment in the host council area.

Apart from limited road maintenance contributions Defence makes no on-going capital contributions toward bringing major SWBTA access roads (for example Stanage Bay Road) up to safe 'fit for purpose' national standards. In order to generate growth in the region and support continuing and expanded operations at the SWBTA, it is suggested that projects relating to the development of industry within Capricorn Coast region (including Marlborough, Stanage and Yeppoon), and road upgrades to SWBTA access routes are necessary to adequately cope with both the current level of use and proposed military expansion impacts on existing and new infrastructure projects.

Combined investment and contributions to the Council and the local community could assist in offsetting losses as well as encouraging growth within local industry in order to support the proposed SWBTA expansion. ASMTI investment in priority projects on the Capricorn Coast region would only represent a small portion of the \$1 billion investment proposed to be spent in the region by the ASMTI Singapore Government agreement. An economic value-add and employment analysis of the Statistical Area Level 2 areas of Shoalwater and Rockhampton North are provided below.

### SA2 Contribution to Economic Value-Added and Employment

Statistical Area Level 2 (SA2) are medium-sized geographic areas representing a community that interacts together socially and economically. They are the lowest level of the ASGS structure for which Estimated Resident Population (ERP), Employment, Health and Vitals and other non-Census ABS data are generally available.

Figure (below) outlines the SA2's for the Livingstone (S) LGA.

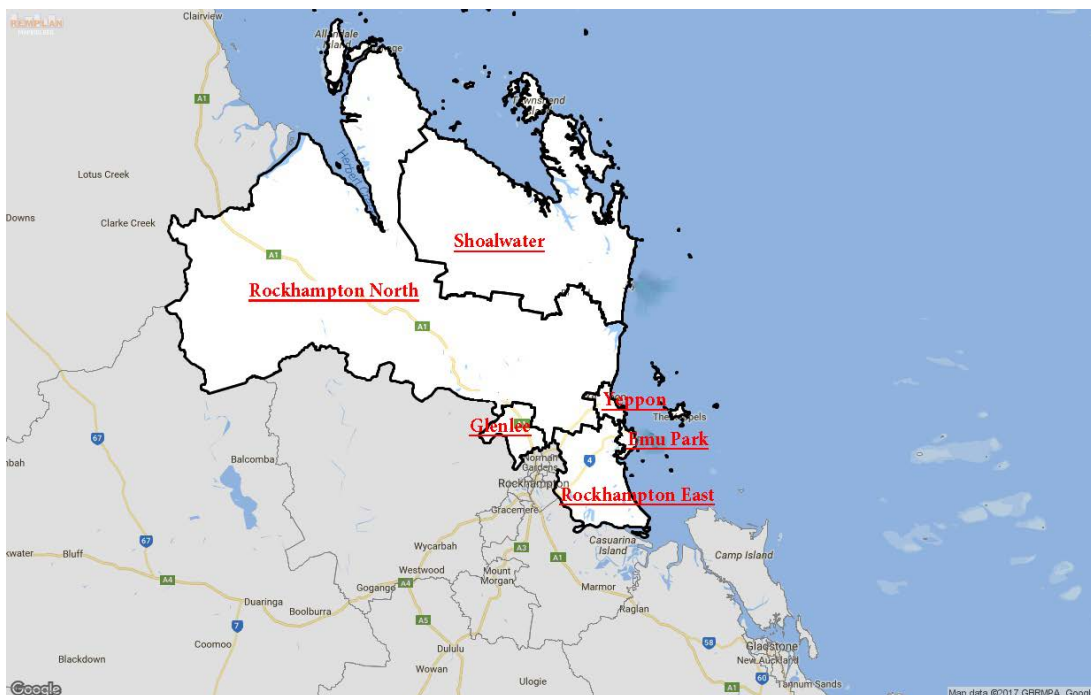


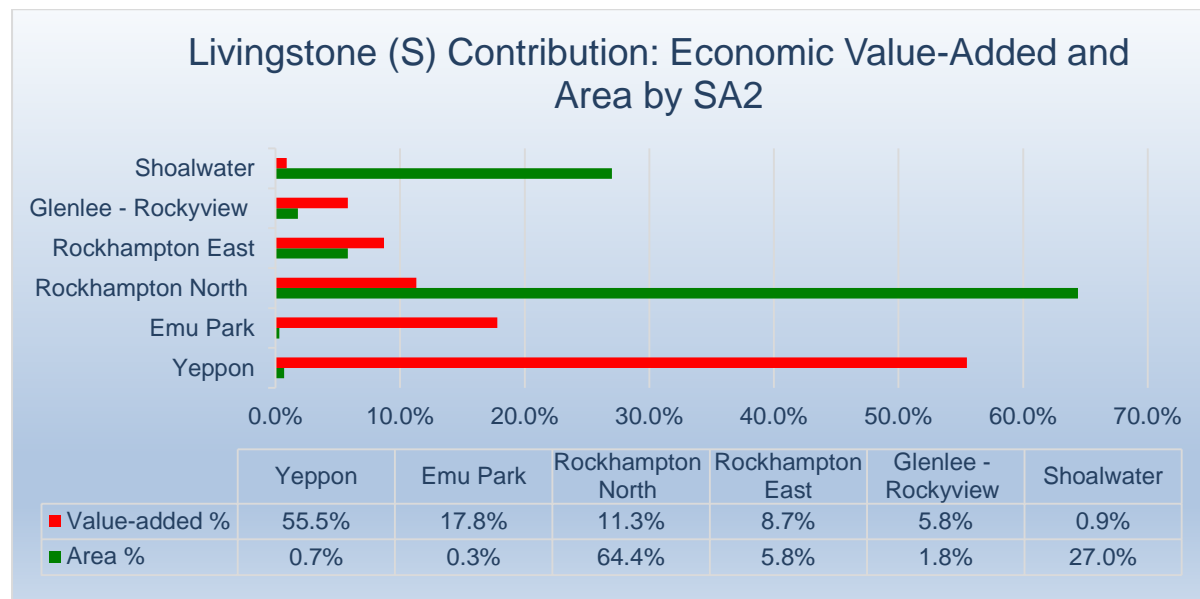
Figure 1. SA2's - Livingstone (S) LGA

Table (below) lists the land area by SA2 for Livingstone (S) LGA.

**Table 1. SA2 and Livingstone (S) Land Area**

SA2	Land Area	% of Total Area
Rockhampton North	7,567 km <sup>2</sup>	64.4%
Shoalwater	3,177 km <sup>2</sup>	27.0%
Rockhampton East	680 km <sup>2</sup>	5.8%
Glenlee - Rockyview	208 km <sup>2</sup>	1.8%
Yeppoon	79 km <sup>2</sup>	0.7%
Emu Park	41 km <sup>2</sup>	0.3%
<b>Total Livingstone (S)</b>	<b>11,784 km<sup>2</sup></b>	<b>100%</b>

Figure (below) charts Economic Value-Added contribution by SA2 for the Livingstone (S) LGA.



**Figure 2. Livingstone (S) Economic Value-Added and Area by SA2, December 2016**

Table 2 (below) presents Value-Added per hectare by SA2 as at December 2016.

**Table 2. Value-Added per Hectare SA2 and Livingstone (S) December 2016**

SA2	Value-Added (\$)	Area (Ha)	Value-Added Per Ha
Rockhampton North	\$114,380,000.00	756,689	\$151.16
Shoalwater	\$8,802,000.00	317,696	\$27.71
Rockhampton East	\$88,075,000.00	68,017	\$1,294.90
Glenlee - Rockyview	\$58,908,000.00	20,803	\$2,831.71
Yeppoon	\$560,915,000.00	7,856	\$71,399.57
Emu Park	\$180,067,000.00	4,084	\$44,090.84
<b>Total Livingstone (S)</b>	<b>\$1,011,147,000.00</b>	<b>1,174,733</b>	<b>\$860.75</b>



Figure 3 (below) presents Livingstone (S) Employment and Area by SA2 as at December 2016.

**Figure 3. Livingstone (S) Employment and Area by SA2, December 2016**

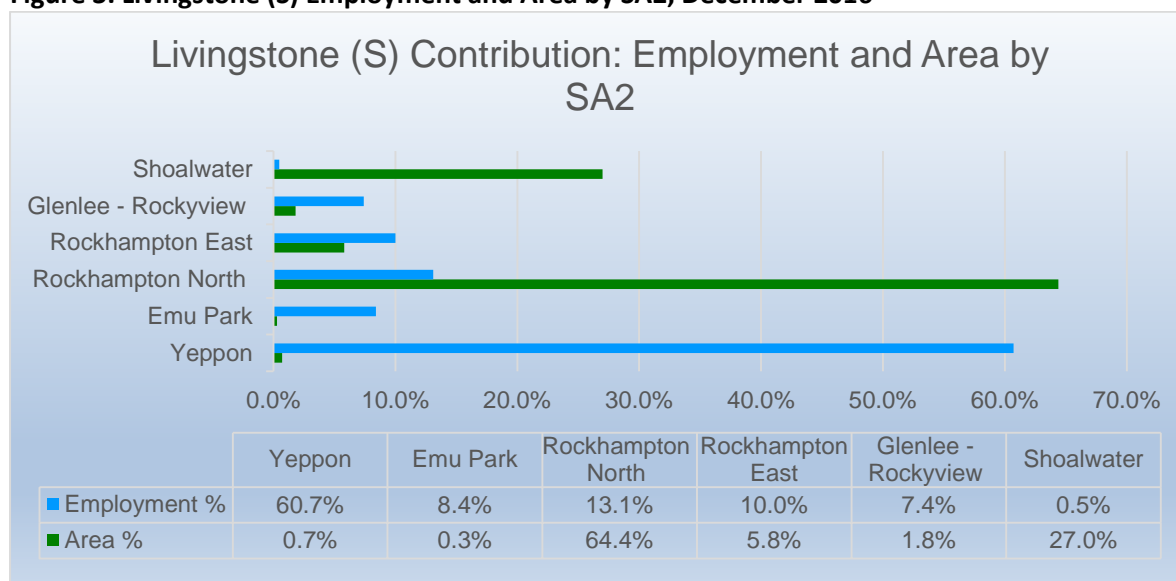


Table 3 (below) outlines economic performance by SA2 as at December 2016.

**Table 3. Economic Performance by SA2 and Livingstone (S) December 2016**

SA2	Employment (Jobs per km <sup>2</sup> )	Value-Added (per Ha)
<b>Yeppoon</b>	56.42	\$71,399.57
<b>Emu Park</b>	15.05	\$44,090.84
<b>Glenlee - Rockyview</b>	2.61	\$2,831.71
<b>Rockhampton East</b>	1.08	\$1,294.90
<b>Rockhampton North</b>	0.13	\$151.16
<b>Shoalwater</b>	0.01	\$27.71
<b>Total Livingstone (S)</b>	0.62	\$860.75

As can be seen from the above economic analysis Yeppoon is the highest performing SA2 generating 56.42 jobs per km<sup>2</sup> and \$71,399.57 per hectare. Shoalwater is the lowest performing SA2 generating 0.01 jobs per km<sup>2</sup> and \$27.71 per hectare. With such low local economic activity and impact, it can be seen that the Shoalwater SA2 area has a minimal return to neither the overall Capricorn Coast region's economy nor the regional community.

## Social Impacts

### Demographic overview - Rockhampton North and Shoalwater Bay SA2 Region

As at 30 June 2015 the estimated resident population for Rockhampton North and Shoalwater Bay SA2 regions was 4,409 persons. It is predicted that by 2036 the population will increase to 5,241 in the Rockhampton North and Shoalwater Bay regions at a 0.9% growth rate, compared to 2.2% growth rate for Livingstone LGA.

The median age of residents in the Rockhampton North and Shoalwater Bay regions is 46.6 years compared to Livingstone LGA of 41.8 years (as at 30 June 2015).

**Table 4. Estimated resident population comparison by age and SA2, 30 June 2015.**

Custom region / SA2 / LGA	Age group									
	0-14		15-24		25-44		45-64		65+	
	number	%	number	%	number	%	number	%	number	%
Custom region	820	18.6	467	10.6	814	18.5	1,573	35.7	735	16.7
Rockhampton Region - North	820	18.6	467	10.6	814	18.5	1,573	35.8	724	16.5
Shoalwater Bay	0	0.0	0	0.0	0	0.0	0	0.0	11	100.0
Livingstone (S) LGA	7,268	19.6	4,526	12.2	8,332	22.5	10,893	29.4	5,982	16.2

Source: ABS 3235.0, *Population by Age and Sex, Regions of Australia, 2015*

The 2011 Census SEIFA data is used to measure the evidence of disadvantage in a community. The Queensland population is evenly distributed across five quintiles; however, in the Rockhampton North region 32.6 per cent of the population were in the two lowest Quintiles, with 50.4 per cent in Quintile 3.

The Rockhampton North region has an aging population with a high proportion of its population 35.8 % aged 45-64 and 16.5% aged 65 and over. Shoalwater Bay SA2 region consists of 11 people all aged over 65. The Rockhampton North region has 439 couples with children. Only 42.2% of the population in the Rockhampton North region have completed Years 11 and 12, while 50.8 % have a non-school qualification being predominantly certificates.

Almost one in five (17.1 %) families was classified as having low incomes at the 2011 Census. The latest unemployment data reveals unemployment is decreasing with 4.5 % unemployment rate in the Rockhampton North region. The top five industry subdivisions for employment in the Rockhampton North and Shoalwater Bay regions are:

1. Agriculture (12.7%)
2. Preschool and school education (6.3%)
3. Construction (6.1%)
4. Food and beverage services (4.6%)
5. Coal mining (4.5%)

The median rent for a 3 bedroom house in the Rockhampton North region is \$328 as of 31 December 2016 (Residential Tenancies Authority). The median sale price in the Rockhampton North region is \$465,000 compared to a median sale price of \$380,000 in the Livingstone LGA as at 30 September 2016 (Department of Natural Resources).

### Capricorn Coast Region – 10 years of challenges

To understand the current social climate it is important to recognise the challenges the Capricorn Coast region's community has had to face over the last ten years. Significant events have cumulated in a down-wide spiral of confidence from a social perspective; the local community's resilience to rise above these challenges is wearing thin, significant events are listed below:

- the Global Financial Crisis 2008
- impacts of mining, resource, construction and associated supply chain downturns (2010-2016).
- closure of 'flagship' tourism operators on Great Keppel Island Resort and the Capricorn Resort (combined loss of approximately 420 FTE jobs and tens of millions from economy)
- record low business confidence

- travel distance from the main employment centre of Rockhampton (approximately one third of Livingstone's working population commute to Rockhampton daily for work)
- Tropical Cyclone Marcia 2015 (overall region damage estimates in excess of \$750,000,000)
- Tropical Cyclone Debbie 2017 (rain event created flooding in some areas, tourism and retail severely impacted with cancellations and sales lost over the 2017 Easter school holidays)

### **Community Needs Analysis**

The purpose of a needs analysis is to inform strategic planning for future infrastructure and services that meet the needs and demands of the growing local community and visitors to the Livingstone Shire. The Shire's needs analysis has been peer reviewed and the responses analysed which further quantified community needs and visions for a sustainable shire with improved and ongoing liveability to support its community and visitors.

In 2014, a Community Summit was held and a Youth Needs Analysis was conducted and an Ageing Needs Analysis was completed in 2015.

Community Summit outcomes identified the following as major concerns:

#### **Transport**

- Limited affordable public transport service.

#### **Ageing population**

- Lack of opportunity for the ageing population to be socially and physically active without money
- Lack of suitable infrastructure such as paths, pedestrian links and crossings that are senior friendly

#### **Employment, community housing and low income**

- Young people are struggling to find full-time employment
- Private rental vacancies have increased but rental prices have not decreased equally (it should be noted that this is not the case in the last couple of years as rent vacancies have increased rental prices have decreased significantly).

#### **Children, youth and families**

- Unemployment is rising
- Family isolation is an issue being faced by many families
- Mining redundancies are impacting on employment, family health and wellbeing and ultimately impact liveability
- Reduced disposable income limits ability for affordable family activities

#### **Youth needs analysis outcomes indicate;**

- Young people residing in the region have identified affordable entertainment, a water park and outdoor activities in their suggestions to improve liveability

#### **Ageing population needs analysis outcomes indicate;**

- Residents aged sixty (60) and over in the region have identified that lack of footpaths, bikeways and road upgrades providing for varied low to no expense physical outdoor activities are major shortfalls in terms of overall liveability
- Although the total number of residents entering this age cohort is higher, further analysis reveals most growth will not be as a result of migration to the catchment rather the higher

percentage of growth will come from existing residents in the preceding age bracket (60 to 64 years)

- Ten (10) per cent of the community aged fifty-five (55) and over care for children other than their own in the region
- Reduced disposable income limits options for social activity
- Limited public transport

Given there is an existing lack of infrastructure and services to suit retirees, Defence could invest in infrastructure that will enhance and increase overall liveability for this age group.

### Summary

The report Socio-Economic Impact Study of Defence Force Activity in CQ (2004) commissioned by the ADF highlighted that overall the community felt that defence activity and interaction/visits by or with military personnel impacted neutrally or positively on their quality of life. More recently community meetings hosted by the Marlborough property and businesses owners and community and attended by Council officers reflected on a prior (to SWBTA expansion project) mutually amenable relationship with the local community and the Defence and SAF. In spite of the current animosity felt towards Defence for the lack of consultation on the subject of compulsory acquisition it was evident there was a genuine overall community reaction of disbelief and regret that relationships between both parties (Marlborough Against Defence Land Grab and Defence) had deteriorated.

It is imperative that in the future these relationships are repaired and reinforced and a mutual benefit realised between both the communities and businesses impacted upon by current and the proposed increase in military activities. As discussed above investment in infrastructure by the ASTM funding that helps our region to grow and ensuring the loss from LSC rates revenue (from SWBTA and additional properties attained for SWBTA expansion activities) does not negatively impact on the local community is an essential element to building successful future partnerships for all involved.

A February 2017 locality visit via Category C (Queensland Government) Community Recovery Team (partners being Council and Relationships Australia) has shown that residents in the catchment are experiencing additional stress due to the SWBTA military expansion proposal. These residents have been under strain since the Cyclone Marcia event. There is also a need to consider the potential loss of community cohesion due to the considerable tension among residents currently being experienced due to the split of property owners that want to sell and those who wish to stay.

The potential loss of student and staffing numbers at Marlborough School and the Kindergarten due to displacement of local families also requires consideration. The school has increased enrolments for 2017 by nine students (33 for 2017 up from 24 in 2016) and there are a number of young families who have just moved to the area (Community Partnerships Unit, Council, 2017).

It is important to recognise the potential flow on effects to a community that is already living in a strained environment. There is an increasing incidence of domestic and family violence and evidence of financial strain from increases in the cost of living as well as combating remoteness due to the lack of public transport in isolated areas. Queensland Police and homeless statistics (December 2016) indicate increased numbers across the Livingstone Shire in domestic and family violence matters and homelessness levels (for example in 2015 there were around 20 to 30 people who visited food vans in Yeppoon, this had risen to over 100 people in December 2016).



The Byfield community are an environmentally passionate group that strive to protect the area they live in and the surrounding environment. There have been concerns raised at Council locality visits about the impacts of the SWBTA expansion and increased military activities regarding sleep disturbance from military activity noise, safety of the community and fears the expansion will cause even more environmental degradation to the area.

To ensure all of the above social impacts are minimised one of the key project deliverables from Defence military training activities and the future ASMTI funding should be the prominence of outputs that will directly relate to improved liveability for the Capricorn Coast region community.

To benefit rural and regional communities impacted by defence training activities at the SWBTA there are substantial opportunities for Defence to provide investment in:

- increased affordable passive recreational space to address needs identified including ageing population, low income earning residents and visitors, obesity and chronic disease
- industry growth, employment and training locally and regionally during construction and post construction project phases
- all-abilities accessible pedestrian linkages
- increased tourism
- economic investment in infrastructure and facilities throughout the region to support the growing population and visitors and their needs
- improvement to overall land value in the catchment and local area
- upgrades to basic services and facilities in remote townships

### Environmental Impacts

The Shoalwater Bay Military Training Area provides a highly significant environmental asset. The environmental values of the property are recognised at all levels; local, regional, state, national and international. Management of the environmental values of the area impacts on surrounding lands and waters including the Great Barrier Reef Marine Park, State Marine Park and Wetlands of International Significance (RAMSAR areas). It impacts on the Waterpark Creek Water Catchment for the water supply for the urban communities of the Capricorn Coast region, and on the neighbouring agricultural and environmental landscapes including National Parks, State Forest and Conservation Parks as well as premier cattle breeding and fattening operations.

Defence management of this environmental asset impacts on numerous species of conservation significance, flora and fauna. For many of these species Shoalwater Bay Training Area is a refuge which allows these species to be maintained, without the careful management of this area there is a high probability we would see localised species extinction, for example koalas, platypus, native fish species such as the honey blue eye and many more. Without Defence ownership of this area the environmental quality would have been further degraded so the overall impact of Defence use has been positive to date. However the retainment of the environmental quality is also a result of the nature of Defence use thus far and recent and upcoming changes to the scale and patterns of use may threaten the environmental status of the area.

Defence training impacts are often confined in space and time and management systems have been developed to ensure impacts are minimised. It is the cumulative impacts that are more difficult to manage and these still require additional effort and resources to understand monitor and manage. The intensification of training use of the area presents problems for environmental recovery when there is insufficient time between uses to allow regeneration. Timing of training activities is also significant, particularly during times of high fire risk or high rainfall periods.

Landscape scale impacts, “Fire Management and Weeds and Feral Animals” have the potential to be the greatest environmental impacts and need more resources to be managed appropriately. The entire area was burnt in 2009 and this was disastrous with the area still trying to recover a mosaic burn pattern. Ecological burning is a good concept but one that is still not well understood and implemented. The study of the interactions of fire and weeds need to be given higher priority in the environmental monitoring and management process. There have been some positive results in feral animal management of late, but the issue is constantly evolving with new species invading (feral deer) and some becoming worse (feral cats and foxes). Significant weed invasion issues are being addressed but there are often too few resources, or no time between exercises to carry out necessary control work.

In terms of management the Shoalwater Bay Environmental Advisory Committee provides a platform, but needs to be supported long term and the concepts integrated into environmental management feedback systems. State of Environment Reporting is long overdue as the last study completed was over ten years ago. More studies are required into the long term impacts of Cyclone Marcia, specifically the long term impacts on natural systems such as changing vegetation types, fire hazard profiles and weed invasion opportunities. Finally the cumulative impacts of increased military exercises and the climate change impacts require more research and monitoring and integration back into the management system.

#### **Consultation and communication with local government and community organisations**

Defence notifies LSC of upcoming major military training exercises (such as Exercise Talisman Saber) approximately three to four months prior to an exercise occurring. As part of the process Defence also hosts public consultation in venues in impacted regional communities approximately three to four months prior to the event. As an example in February and March 2017 Defence hosted public consultation meetings at Stanage Bay, Byfield and Rockhampton for the Talisman Saber 2017 major military training exercise being undertaken in June and July 2017.

The recent community consultation undertaken with the Marlborough property owners (under the proposed expansion to the SWBTA under the ASMTI in late 2016, early 2017) whereby compulsory land acquisitions were proposed resulted in community and business indignation creating the formation of the group “Marlborough Against Defence Land Grab”. This group quickly gained support from all areas and were relentless in their stand against compulsory acquisition, resulting in the intervention of the Prime Minister to direct Defence to only acquire land where owners were willing sellers. The Marlborough community and businesses were put through considerable angst and stress awaiting this outcome over a period of approximately three months, since they were first notified of the proposed expansion/possibility of compulsory acquisition by Defence. The socio-economic impact study on the proposed ASTMI expansion was undertaken after, rather than prior to community consultation taking place.

#### **Investment in new facilities, infrastructure and operations**

Upgrades to all of the access routes to the Shoalwater Bay Training Area and Base Camp are essential to making them ‘fit for purpose’ by bringing these routes up to meet appropriate standards in relation to convoy, B-double and heavy vehicle usage as well as coping with the increased maintenance and infrastructure demands from any growth in military training exercises. Investing in infrastructure and property (industrial parks) that can service and support future defence industries

should also be taken into consideration for the economic benefit and job creation opportunities to the local community. Increased military presence and visitation within the region will also place pressure on basic services such water, sewer and waste disposal so investment in upgrades to these systems is essential.

### **Lack of reliable telecommunications to Stanage Bay**

In the past there have been limited telecommunication services in the Stanage Township and surrounding areas. The already limited Stanage Bay community telecommunication services are significantly impacted during military training exercises. Though NBN has recently been installed in the Northern areas of the region it is as yet unknown how this service will be impacted during military training exercises. There has been approval for a new Telstra tower to be installed at Stanage Bay which will assist with service connections and should be completed by April 2017. The new tower should provide coverage over the township; however some of the outlying areas will not get direct reception. Most importantly Stanage Bay Road, the only road leading to Stanage Bay does not have coverage.

It is imperative that during current and future military training exercises the already limited telecommunications access of the Stanage Bay community is not impacted upon. Investment by Defence and ASMTI in reliable telecommunications for the community, tourists and military to utilise should be a priority outlay prior to any increase in military training exercises.

### **Road and rail**

The region has established road and rail infrastructure capable of supporting defence transport needs to move equipment, stock and supplies around the country. Pacific National, Queensland Rail and QR national and Toll Holdings all have operations in close proximity. Future upgrades to existing SWBTA access routes could provide road and rail lines that join north, south and western Queensland. This would also be of major benefit to surrounding producers as upgrades to access routes will improve connectivity for the transport of livestock and agricultural products to market.

### **Utilisation of local suppliers and service providers to achieve value for money**

The economic profile of the region suggests that there is potential for the Capricorn Coast region to become a major supply line for both Defence and SAF, in particular if capitalising on the additional funding from the ASMTI in order to promote growth within local industry.

Across the region a limited number of Small to Medium Enterprise (SME) businesses profit from the current level of defence force activities generated by the Defence and SAF training exercises, the majority of SME's provide direct support in the logistics area, including transport, maintenance, and supply of goods and services. Future resource sector expansion may increase demand on access to suitably qualified skills so it is important that Defence communicate openly with SME's regarding upcoming demand for labour and goods and services.

At present there are only limited Defence services opportunities and no major prime Defence businesses or Tier 1 or Tier 2 providers located within the Capricorn Coast region. It is imperative that a process is put in place by Defence whereby Tier 1 or Tier 2 providers must source local supply where possible. Most importantly this process must be monitored on an ongoing basis to ensure Tier 1 or Tier 2 providers are utilising local procurement opportunities. Promoting growth in local industry either by developing support industries or delivering new and existing infrastructure

upgrades will encourage local expenditure by the Defence force and retain revenue in the host Council area benefitting the entire regional community.

Worldwide there has been consolidation of major Defence companies. Though recent statistics could not be sourced, in 2009/10 ownership of Australian-based Defence opportunities had become increasingly international and 70% of the value of Defence material produced in Australia was sourced from eight prime contractors listed below:

**Table. 1 Primes in Australian Defence Industry 2009/2010** (source *Defence Opportunity Evaluation for Rockhampton Regional Council 2011*).

Company	Head Office	Sectors	Country of Origin	% of parent total revenue for Aust sales/exports	\$m
Thales (ADII)	NSW	Air, Sea, Land Electronics	France/ Aust	3	900
BAE Systems	SA	Air, Electronics	UK	3.2	1800
Australian Aerospace	QLD	Air	France	<1	780
Raytheon Australia	ACT	Air, Sea Electronics	USA	1.3	611
Boeing Australia	QLD	Air, Electronics	USA	0.5	900
ASC	SA	Submarine and ship maintenance	Australia	N/A	516
Saab Systems	SA	Sea, Land Electronics	Sweden	3.1	150
Lockheed Martin	NSW	Electronic and information systems	US	<1	458

The remaining 30% (approximately) was subcontracted to smaller firms within Australia and overseas. The above companies recorded sales estimated in excess of \$3.8B in 2008 with estimates for 2009/10 doubling. Defence prime contractors are currently located in Brisbane and Townsville; however the ASMTI agreement provides a prime opportunity for Defence industry and private sector partnering in the Capricorn Coast region to provide local industry growth in these areas.

### Encouraging awareness of tendering opportunities for rural and regional businesses

Defence provides local business training in “how to apply for tendering opportunities” using Industry Capability Network (ICN) to conduct workshops on the process. Despite the fact that Defence does make tendering opportunities available to local suppliers, it must be acknowledged that there is no guarantee that local businesses have the capacity to win Defence contracts, especially given the competitive nature of the Defence contract market. To streamline the process and ensure that local suppliers are given a fair opportunity and ideally preferential consideration if they meet the appropriate criteria it is suggested that the following recommendations are implemented:

- Redefine the definition of “local” when encouraging use of local suppliers and define it as close to the defence facility as possible (for example a 200km radius). Even small amounts of new work are important for regional communities!
- All contracts should give consideration to the size of the local market and break them down to appropriate sized packages that actually enable local companies to tender for the work.
- The cost of travel is a significant input especially with ongoing suppliers to defence facilities; by making sure that defence give consideration to local businesses located close to the community will support a more efficient delivery of services (cheaper for Defence) while allowing for on-going local employment.

- Improved coordination of effort between the Australian, State and local governments to ensure that local businesses are aware of opportunities and are provided with appropriate support to ensure they are able to prepare high quality compliant responses in such a way that maximises their chances of winning work. (as an example of this the State government through the Department of State Development can deliver workshops aimed at building knowledge and capacity in Central Queensland businesses)
- Providing information on the type of products and services is important for rural and regional communities to enable support groups (councils, state government and other agencies) to work with appropriate businesses to upskill the businesses to be best placed to tender for work. This is not about specific tender opportunities but general work (road construction, fencing, supply of catering etc).

The changes detailed above need to work throughout the supply chain by making the same requirements fall on first, second and third tier suppliers to use local suppliers where possible.

### **Any other related matters**

#### **Local Activities for Defence during Rest and Recreation**

To further benefit the Capricorn Coast region's businesses and the community it is essential that Defence and SAF personnel are spending time and money in the region during their rest and recreation breaks. Increased Defence retail spend (including hospitality and tourism) will eventuate through the positive management of recreational leave periods. This will require a dedicated Capricorn Coast engagement strategy to be developed that can satisfy military personnel demand scenarios, for example to meet retail, restaurant and food, priority tourism attractions, leisure and sport activity demand.

#### **Three Rivers Community Access and Day Use**

The Three Rivers are located at the northern end of Five Rocks Beach, a 4.5 kilometre stretch of beach located approximately forty kilometres to the north of Yeppoon. The Three Rivers are currently part of the Dismal Sector of the Shoalwater Bay Training Area. The area is quite remote and the only current legal access to the area is by foot along Five Rocks Beach accessible by four-wheel-drive only. Prior to 2010, vehicles were able to drive along the entire length of Five Rocks beach to Three Rivers. However a number of issues associated with vehicles accessing the area arose which precipitated changes to prohibit access to the northern half of the beach through the Byfield Area Management Plan 2010.

A continued strong interest from the community for access to the Three Rivers area to be reinstated has prompted new dialogue between Livingstone Shire Council and the Department of National Parks, Recreation, Sport and Racing and the Defence on the matter. In 2015 Livingstone (S) Council put forward the proposal to the Defence that an area of land be relinquished for public use and that Council manage the reserve for environmental conservation and recreation purposes. Discussion has focussed on various issues and concerns that would need to be considered if the Three Rivers area was reopened. These include tenure and management arrangements, issues such as trespass, fire, security, environmental degradation, cultural heritage and pest management.

To provide a benefit for the community from the ASTMI it is proposed that the Defence relinquish a parcel of land of approximately 242 ha in the Three Rivers area of the Dismal Sector of the Shoalwater Bay Training Area. Livingstone (S) Council would manage the area as a reserve for



environmental conservation and recreation purposes, with the potential for some collaborative management with the Department of Defence and Department of National Parks, Recreation, Sport and Racing. In order for this to happen, a number of values, opportunities and issues would need to be acknowledged and adequately responded to.

Livingstone (S) Council has prepared a Management Plan for the Three Rivers Reserve which provides details on the natural and cultural values of the reserve area and the pressures on these values. The values include scenic amenity, coastal and marine environments, freshwaters, native plants and animals, indigenous culture, community recreation activity opportunities. While some of the pressures include pest plants and animals, fire, inappropriate use of the area, climate change, the neighbouring Shoalwater Bay Training Area. A number of management strategies have been developed as a response to the values and the pressures on these values and opportunities for the reserve. It is proposed that DAF consider the relinquishment of a parcel of land of approximately 242 ha in the Three Rivers area of the Dismal Sector of the Shoalwater Bay Training Area to the Livingstone (S) Council and community.