

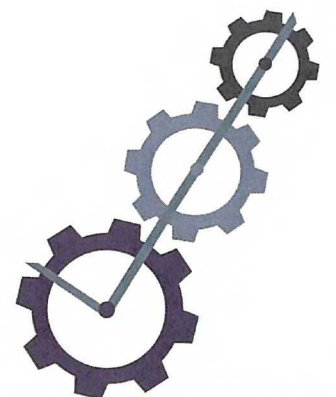


**Inquiry into the impact of
Defence's Training Activities &
Facilities on Rural and
Regional Areas**

Joint Submission by:

The Corporation of the City of Whyalla

Whyalla Chamber of Commerce & Industry



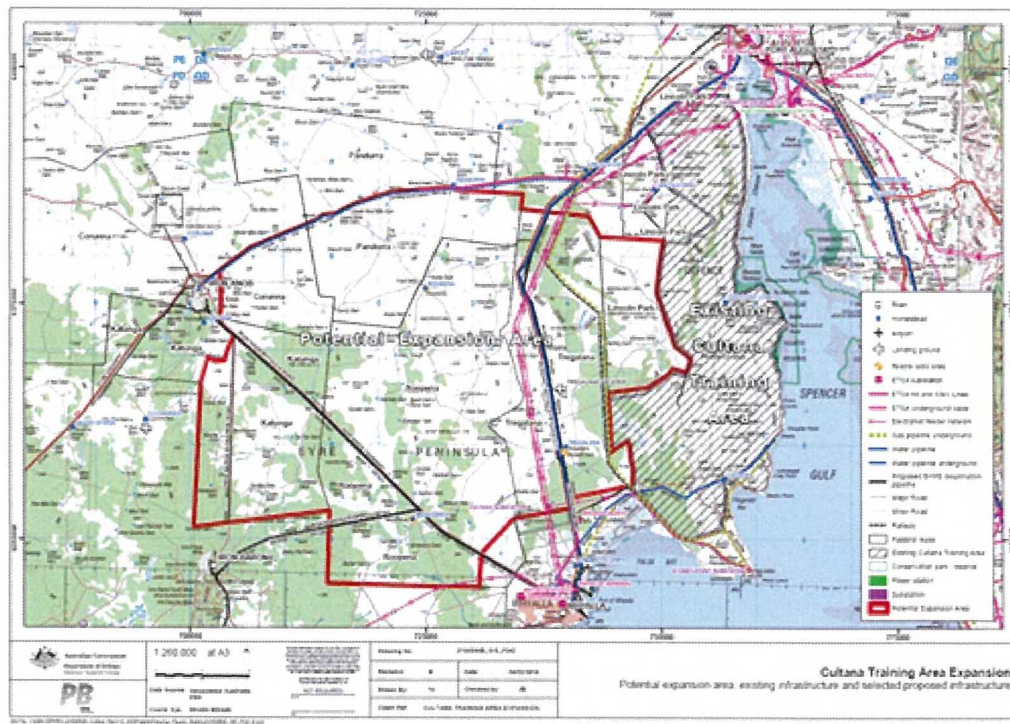
WHYALLA
CHAMBER OF COMMERCE
AND INDUSTRY INC.

DRAFT JOINT SUBMISSION – CITY OF WHYALLA & WHYALLA CHAMBER OF COMMERCE

- The City of Whyalla and the Whyalla Chamber of Commerce and Industry Inc welcomes the opportunity to present to the Inquiry on the impact of Defence training activities and facilities on the Whyalla community, both business and non-business.

Background

- Whyalla is located on the upper Western Coastline of the Spencer Gulf, approximately 385km by road or a 45 minute flight from Adelaide. Whyalla is the state’s second-largest regional City with a population of 22,000 residents in a predominantly urban setting.
- Whyalla is the largest and most significant service centre in the Eyre Peninsula region providing retail, education, health, community and other services for residents of Whyalla and the surrounding region. Manufacturing is Whyalla’s largest industry and employer, predominately supporting steel production and iron ore export.
- Defence has recently expanded the existing Cultana Training Area westward and southward, increasing its total size from approximately 50,000 hectares to approximately 209,300 hectares.
- Whyalla borders the southern boundaries of the recently expanded Cultana Training Area.



Consultation & Communication

- From our experience, direct consultation and communication with this local government organisation and key local community groups pertaining to training on range has generally been fragmented and limited to the larger exercises the Defence planners believe will have an impact on the region.

- By way of example, training activities on the range in March 2017, rated a '2 or 3 out 10' in intensity and scale by Defence representatives, were not communicated to the public. This Council was the recipient of a number of complaints from residents regarding noise and reverberations generated by this training activity as no information or forewarning had been provided by the Department of Defence.
- Subsequent to correspondence in April 2017 to the Minister for Defence, and advocacy through Cultana Expansion Area Environmental Advisory Committee (see below), recent efforts by Department of Defence to notify our communities of training activity in May 2017 through traditional and social media are noted and applauded.
- The City of Whyalla encourages this effort to be sustained to generate positive public relation for the Defence and mitigate the concerns (if any) of the local community.
- Notwithstanding the above the local contact with responsibility for the Cultana range – Major Phil Mouncey is approachable and helpful. This resource should be better utilised by local government and key local community groups.

Environmental

- The Miscellaneous Lease for Defence Purposes has prescribed the establishment of the ***Cultana Expansion Area Environmental Advisory Committee*** by Defence as a forum and focal point for which local environmental issues and advice commensurate with Defence's objective for ecologically sustainable military use of the Cultana Expansion Area. The Cultana Expansion Area Environmental Advisory Committee only meets once or twice a year.
- The City of Whyalla is a party to the Advisory Committee and has found this group to be an important conduit communicating, beyond the environmental planning and management activities such as:
 - imminent exercises / activity,
 - impending timeframes for planned capital works,
 - impending environmental works following major exercises on range, and
 - the provision of key contacts within Defence and prime contractors engaged in the operation and management of the Cultana Training Area.
- Through this advisory group this Council has learnt the Defence is unable to provide a forward program of small to mid-level training activities on the Cultana Range beyond one to two months – the explanation provided by the Deputy Director¹, who has overarching responsibility for the Cultana Range, is their section is not party to the forward training needs of the many units within Defence. Lead times to 'book' the use of the range can be as little as two to three months.

¹ Lieutenant Colonel Graeme Steer, Deputy Director, Operations and Training Area Management – SA/NT, Directorate of Operations and Training Area Management. Cultana Expansion Area Environmental Advisory Committee, 15 March 2017.

- Through this advisory group the Council has advocated for Defence to give the communities of Whyalla and Port August prior notification of planned training exercise (no matter the size and scale) and include information on the extent of the activity pertaining to noise, dust, vehicle and troop movements, to assist in managing local expectations and residents's concerns.
- Recent efforts by Defence to notify our communities of training activity in May 2017 through traditional and social media are applauded. The City of Whyalla encourages this effort be sustained to generate positive public relation for the Defence.
- A forward program of booked training activity including size and scale, updated and communicated monthly, is sought as it would inform local communities, and allow potential local service providers to undertake any necessary forward planning.
- Council recommends the establishment of a general advisory committee with a broader term of reference pertaining to training activity, capital works activity and facilities management with an overarching economic theme, meeting quarterly and with membership from Operations and Training Area Management, Defence procurement, neighbouring councils and local business advocacy groups will assist to disseminate key information locally.

Social

- Social engagements between visiting units and the local community, during training activity has the capacity to generate enormous goodwill.
- Social interaction during Operation Hamel in July 2016 ranged from public display events showcasing the work and unique assets of Australian Defence Forces, sporting engagements with local teams (viz basketball comp), to volunteer efforts to upgrade and improve local community group facilities.
- The Council strongly encourages these types of activities locally to generated positive interactions between the local community and visiting military personnel and mitigate any disruptions caused by the training activity. Sufficient lead times and planning will ensure maximum benefit to all parties. The City of Whyalla is happy to act as a conduit to enable contact with key local organisations.
- Socially there is an abundance of affordable housing in the Iron Triangle area. There is good quality education (Primary, Secondary and Tertiary), medical facilities and family friendly environment for the Primes
- Leisure activities consist of well maintained sporting complexes, beaches and close proximity to tourist sites like the Flinders Ranges, Clare Valley, West Coast.

Economic

- The unemployment rate for Whyalla is currently 9.9% and 10% for the Upper Spencer Gulf region.

- The planned \$80m upgrade to the Cultana training facility has had a long gestation period. Its noted tenders for Phase 1 were finally called in Q2, 2017 through Defence's prime (Tier 1) contractors.
- Council encourages the Tier 1 & 2 contractors, where possible, to consider and work with local qualified and skilled subcontractors as opposed to sourcing external contractors who primarily engage a FIFO work force. This will greatly assist in absorbing local long-term skilled unemployed, build local capacity and markedly contribute to the local economy.
- There is a ready made work force within an 80-100km radius of Whyalla
- The Spencer Gulf cities are investing heavily in the renewable energy market, both Solar and Wind Farms, with approximately 4 projects being established and running before 2020.
- Council welcomes the recent establishment of the Centre for Defence Industry Capability, headquartered in Adelaide, and their role of working with businesses to develop their ability to work with Defence providing expert advice in the areas of:
 - Business improvement
 - Skills development
 - Export and supply chains
 - Supplier continuous improvement
 - Defence market preparedness
 - Defence innovation proposal submission
- Council looks forward to the CDIC connecting with local businesses and the local business advocacy groups to promote upcoming defence activities and opportunities – help match local contractors with potential work and ensure opportunities are captured locally. To this end the Chamber of Commerce has been successful in having a one point contact that is now responsible for the dissemination of Defence related information from all related Defence parties to the Local Councils, Regional Development Boards (RDA) and Chambers of Commerce.
- This Council encourages expenditure in the local economy during training exercises to be quantifiable with targets to be set (and measured) for expenditure spent in local communities during exercises (e.g. fuel, food, general services).
- Council encourages the Defence Planners to consider storage and maintenance of a portion of heavy vehicle assets in the region to mitigate the risks associated with substantial vehicle movements from throughout Australia to Cultana in the lead to / conclusion of training exercises.
- Council advocates for the Land 400 project (or parts of the project) to be considered for Whyalla noting this region has available industrial land and skilled workforce.

Investment in New Facilities, Infrastructure and Operations

- The airstrip in Whyalla to be considered for an extension to allow larger military planes to land. It is the only capable air strip in the Upper Spencer Gulf Region
- There are over 550 beds per night accommodation available in Whyalla alone, thus successful primes do not need to invest in specialist accommodated units.
- The Spencer Gulf Cities have a reliable road freight, rail freight services, and available sea port outlets.

- The city has 2 major Airlines which offer several daily flights to Adelaide and return with interconnecting flight within Australia.
- Upper Spencer Gulf region has both light and heavy construction and engineering capabilities (workshop storage sheds etc). as the region is facing a downturn in their major industries, this represents an opportunity to leverage skilled and available labour.
- The Indigenous participation in Cultana and Woomera Protected Area (Barngarla People) is well established and should be leveraged further.

Encouraging awareness of tendering Opportunities for Rural & Regional Businesses

- Ensure that a sufficient lead time is allowed so that local suppliers can prepare for tender and subsequent supply of goods and services.
- ICN visibility is determined by your status and the amount you are willing to pay. Fee structure needs to be reviewed to allow sub tier contractors to participate and be visible.
- Local Defense contact / representative to be located within the region to promote Defense activities and opportunities – Help match local contractors with potential work.

Other Related Matters

- Council advocates for the Land 400 project (or parts of the project) to be considered for Whyalla noting this region has available industrial land and skilled workforce.
- Consideration be given to the establishment of a Ship Breaking and scrap metal recycling opportunity at Whyalla. The scrap can be used as a flux to the Arrium blast furnace.
- TAFE Whyalla has surplus buildings and teaching staff. This could be used to establish the propose Maritime College. This would advantage local youths in pursuing career paths in Defense related activities.
- Whyalla UNISA Campus are happy to partner with local firms engaging in Defense work to allow final year Engineering students gain experience and provide solutions to manufacturing techniques.
- AARNET – Whyalla has a Super Hi speed connection available (10GB) – Leverage to attract Hi Tech industry in partnership with UNISA

KEY ACTIONS

- **Clear advance communication on all upcoming range activities (no matter the size) to inform the local community.**
- **Establish a general advisory committee with membership from Operations and Training Area Management, Defence procurement, neighbouring councils and local business advocacy groups, meeting quarterly to assist in the free flow of key information.**
- **Foster opportunities for social engagement between visiting Defence personnel and the local community prior to, during or at the conclusion of training exercises.**
- **Expenditure in the local economy during training exercises to be quantifiable with targets to be set and measured. (e.g. fuel, food, general services).**
- **Tier 1 & 2 contractors (and CDIC) actively work with local qualified and skilled subcontractors to advance opportunities locally.**

- **Plan for storage and maintenance of a portion of heavy vehicle assets in the region to reduce transport costs and risk issues.**