

## **Senate Standing Committee on Foreign Affairs, Defence and Trade**

### **Parliamentary inquiry – Inquiry into the Impact of Defence Activities and Training Areas on Rural and Regional Communities**

#### **ANSWER TO QUESTION SENT THROUGH IN ADVANCE OF PUBLIC HEARING**

##### **Department of Defence**

**Topic:** SSCFADT – Questions in advance of public hearing on impact of Defence training activities and facilities on rural and regional communities – 1.26 - The Committee

**Question reference number:** 1.26

**Date set by the committee for the return of answer:** 19 March 2018

**Question:** In a response to a question on notice following the Wodonga hearing, Defence advised that they do not 'undertake economic impact studies on the impact of the projects on the local community', and noted that 'Defence is willing to contribute, through the provision of publically available data, to the conduct of a thesis by another agency, on the economic impact of Defence expenditure on the local community'.

- Can you provide further detail about how this could be achieved?
- Working within your current financial systems, what can Defence do to meet the need from the community about regional information?

**Answer:**

- Where information is available and not commercially sensitive, Defence can work with other agencies to identify how the economic impact of Defence expenditure on the local community may be measured and addressed.
- Defence's corporate systems collect data at a number of levels, however, they do not currently collect information related to the economic impact at a local or regional level. As corporate systems evolve over time, the use of this data to provide more detail on the economic impact is expected.
- As stated in response to Question on Notice 12 from the Wodonga hearing, Defence recently completed a study analysing the economic contribution of RAAF Base Amberley to Queensland. Defence engaged KPMG Australia Pty Ltd (KPMG) to analyse the economic contribution of RAAF Base Amberley to the local Ipswich, Greater Brisbane and Queensland State economy.
- The 2017 study titled *Economic Contribution of RAAF Base Amberley* found that spending by Defence and its employees has substantial, positive benefits to the Queensland economy. In 2015-16, RAAF Base Amberley directly employed 3,450 military and civilian personnel and supported an additional 475

non-Defence jobs in local businesses. In the same period, the bases's contribution to Queensland's Gross State Product stood at \$614 million and is anticipated to rise to just over \$1.2 billion in 2019/20.

- A copy of the RAAF Base Amberley study has been made available to the public at: <http://www.defence.gov.au/id/>
- Defence also engaged KPMG to complete a socio-economic impact assessment of the Australia-Singapore Military Training Initiative (ASMTI), to determine the benefits and impacts of an increased Singaporean training presence may have for Central and North Queensland.
- The assessment, released on 10 July 2017, found the ASMTI will delivery positive and enduring economic benefits to Queensland, including a net increase in Queensland's annual income and annual jobs as a result of both construction and operational phases.
- Through the construction phase, scheduled from 2019-2026, Queensland could see the creation of up to 591 new jobs and a net increase of up to \$50 million in annual income across the state.
- When facilities are fully operational, it is anticipated that the ASMTI could support up to 147 new and sustainable jobs with a net increase of up to \$20.5 million in annual income across the state.
- A copy of the assessment has been made available to the public at: <http://www.defence.gov.au/Initiatives/ASMTI/Assessment.asp>
- In 2018, Defence will be commissioning further economic impact studies for RAAF Base Tindal, RAAF Base Williamtown, RAAF Base Edinburgh, Edinburgh Defence Precinct and HMAS Albatross.