

7 July 2017

Ms Suzanne O'Neill  
Senior Research Officer  
Senate Standing Committee on Foreign Affairs, Defence and Trade  
Department of the Senate  
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Parliament House  
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Dear Ms O'Neill

The Gladstone Region is an important link in the defence supply chain with large amounts of equipment passing through the region specifically for exercises undertaken at the Shoalwater Bay Training Area (SWBTA).

The biggest impact on the region is when equipment comes through the Gladstone Port via naval or civilian shipping.

The equipment import process sometimes leads to naval personnel spending recreational time in the region which has a positive impact on the local economy through local spending.

At present, this is the only real impact the defence industry has upon the Gladstone Region and the overall contribution to the economy is too small to be measured.

Looking forward, the Gladstone Region has strategic advantages that could be utilised to open up future opportunities within the region. A few of these are listed below.

1. Deepwater harbour - The main opportunity is the all-weather deepwater harbour with a proved capacity for handling extremely large vessels. This is a strategic advantage that the Australian Navy could look to take advantage of in future.
2. Geographic location - Gladstone's location is also advantageous as it is much closer to South East Asia than other major ports further south. This reduces the time and cost of deployment to the areas of the world that are most likely to be visited by the ADF.
3. Cost of living - The cost of living in Sydney and other major centres to the south are extremely high, making it difficult to retain high quality staff needed to undertake necessary manual and technical tasks. Gladstone housing prices and rent costs are much more affordable in comparison.



**GLADSTONE**  
REGIONAL COUNCIL

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4. Access to skilled labour - Gladstone has highly skilled labour in areas such as boiler making, mechanical fitting, instrumentation technicians and electricians. These skills are always in demand in maintenance yards of any description, especially so in naval yards.
5. Highly qualified technical/construction companies - One issue in defence procurement is the ability of companies to meet the high technical, commercial and safety requirements that are cornerstones of defence contracts. Many of these requirements are similar to those in place within Gladstone's major heavy industry and most of the large maintenance and construction companies are ready to meet defence procurement requirements. This is a key benefit to the work that is scheduled to be undertaken in the SWBTA as part of the expansion for the Australia-Singapore Military Training Initiative.

The Gladstone Region is already a strong part of the Australian economy and we believe that we have significant strengths that would give strategic benefits to the ADF.

Yours faithfully

CR MATT BURNETT  
MAYOR  
GLADSTONE REGION



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