

Submission No. 3

(DSTO Scottsdale)

Date: 11/07/2011



***DEFENCE SPENDING
IN TASMANIA
– AN OPPORTUNITY***

By Liberal Senator Guy Barnett

Wednesday 29 June 2011

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DEFENCE SPENDING IN TASMANIA

– AN OPPORTUNITY

By Liberal Senator Guy Barnett

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Defence spending in Tasmania is negligible compared to every other state and territory. Unfortunately the Defence footprint in Tasmania has gradually been diminished. We have seen a closure of the Brighton Army Camp and recent take over of the Pontville Defence site by the Department of Immigration and Citizenship for a detention centre. Both decisions have impacted upon the training options for Army Navy and Airforce and Cadets as well as Police and other organisations. The Pontville Shooting Range has been in operation since before World War II. Historically, Tasmania has had the highest recruiting rate to the ADF of any State or Territory but this is now reducing. In short, unless we have a long term plan to increase the Defence footprint in Tasmania, it will continue to diminish. There are options and opportunities galore and we should grasp these opportunities with both hands.

Of the 57,124 permanent defence personnel in the Australian Defence Force 110 are employed in Tasmania. Of the 21,217 Australian Public Servants in the Defence Department 98 are employed in Tasmania, a total of 208. On a percentage basis this is 0.19% and 0.46% respectively. This is unsatisfactory and provides an opportunity for a massive employment expansion in our state. Education and training of our defence force personnel is undertaken in every state and territory and we should not be left off the map in this regard. Tasmania should not automatically receive a boost in employment, but we can and should make the case for it. We must place ourselves in a position to meet a strategic need. Strategically our Defence force must have a diversity of experience and skills. In addition Tasmania is well placed to provide training opportunities in different terrain and environments. This can occur on a rotating or transitional basis or on a more long term basis. Likewise, Tasmania can be used for respite postings away from northern Australia.

Tasmania currently has many under utilised and/or Greenfield sites for training and educational purposes. The Australian Maritime College in Launceston which provides training for many Defence force students who then operate in the Pacific and the Pacific island nations is one example. Australia should be building regional capacity, particularly amongst our pacific neighbours and this can occur in Tasmania at the AMC, the university and a range of other educational and training institutions. If we provided these educational and training capacities in Tasmania we could leverage these to provide support overseas with AusAID support.

Hobart is one of the deepest seawater ports in the southern hemisphere and is strategically well positioned to support any defence or customs activities in our southern oceans or in the Antarctic or indeed other serious illegal fishing threats in this region. The CSIRO is already based in Hobart and contributes significantly and successfully to our nation. It can be done.

In addition in terms of the public service there is no reason that they should all or predominantly reside in Canberra or other major capital cities. Deploying these personnel to Tasmania or other regional locations can only reduce costs while simultaneously increase the quality of life for such personnel. **Nevertheless as a guide or an indicator, if employment of these personnel occurred on a population share basis (2.5%) ADF personnel in Tasmania would increase to 1428 and APS personnel to 530, being a total of 1958 instead of our current 208.**

Based on the figures below Tasmania appears to be the only State where the Reserve force greatly outnumbers the permanent force ie 854 Reservists to 110 permanent and 98 APS Defence personnel. The Reserve force is four times larger than the total full time Defence employees of 208. Whereas Australia's total permanent force of 57,124 and APS 21,217 being a total of 78,341 is more than three times Australia's Reserve force of 25,635. Clearly Tasmania is punching above its weight and contributes to the national interest in this way. In addition, the role of cadets should not be underestimated as this has historically been an important recruiting ground for the ADF.

Of the total defence budget of \$26.5 billion each year, it is not known exactly how much is expended in each State and Territory. Tasmania has up to 30 businesses and entities involved in the Defence sector all making a valuable contribution. However if expenditure occurred on a population share basis Tasmania would receive funding of \$662.5 million each year. The opportunities for our existing businesses and entities in this sector together with new businesses and entities would be substantial.

Unfortunately Tasmania is missing out big time. Notwithstanding this there are many opportunities ahead of us. One of the most obvious opportunities is the expansion of the Scottsdale Defence facility and its ability to contribute to the food needs of not just the ADF but also Australia's contribution to foreign aid and for other commercial purposes. In addition Tasmania could host a new Centre for Food Innovation based on the research undertaken at this defence facility and the University of Tasmania and the CSIRO.

Tasmania should take a long term and visionary approach, and should seize with both hands the opportunities facing it. Tasmania punches above its weight in many respects. While Tasmania is challenged in terms of our higher than average GST receipts from Canberra our history of contributing above and beyond the call of duty should be remembered, as should the inadequate funding support from the massive defence budget for our state.

Tasmania hosts 13 of Australia's 98 Victoria Cross recipients. Tasmania already boasts Australia's most highly decorated soldier in Harry Murray VC and the prospects for another VC recipient in Ordinary seaman Teddy Sheean are positive. In addition, Leading cook Dick Emms from Launceston has been nominated for a posthumous Victoria Cross. The defence community organisations play an important part in supporting the above and should take much of the credit for the high Reservists contribution from Tasmania. Likewise their support for the various barracks like Anglesea, our headquarters in Tasmania should not be underrated. An analysis of these barracks and organisations is set out below. We host some of the oldest RSL branches in Australia including Launceston RSL sub-branch, the oldest in Australia. We should build on this history and heritage to advantage.

It was at Mona Vale near Ross in Tasmania that the famous Australian Light Horse were trained prior to and during the First World War. Tasmania can again play a pivotal role in the education and training of a 21st century Australian Defence Force.

The following 25 page report provides the research and background information which supports the above conclusions. I thank the Parliamentary Library for their assistance in the provision of much of this information.

The report will be forwarded firstly to the Public Works Committee of the Australian Parliament who are inquiring into the redevelopment of the Scottsdale Defence Facility. This Committee is meeting on site in Scottsdale on 27 July. In addition, it will be forwarded to the Hon Tony Abbott, Leader of the Opposition and the relevant federal Shadow Defence Ministers as well as the Hon Will Hodgman Leader, of the State Opposition and State Liberal MPs. The report will remain on my website (www.guybarnett.com) and will be made available to other key decision-makers and the public. Feedback is welcome.

DSTO Scottsdale Could Play Foreign Aid and research role

Foreign Minister Kevin Rudd has supported a proposal by Tasmanian Liberal Senator Guy Barnett for the Government Defence facility in Scottsdale to provide emergency food aid through Australia's overseas aid program but has also recommended the Defence facility offer their ration packs and other foodstuffs direct to the World Food Program which is a UN frontline agency.

The WFP gave away 3.7 million tonnes of food to 73 countries and 90 million beneficiaries each year.

Connecting to the WFP is an enormous opportunity that should not be missed. The potential is huge. It could lead to a massive multi-million dollar expansion of the defence facility and be a boon for Tasmania, particularly the north-east.

It would lock Tasmania in as a dedicated food bowl for not only Australia but the world.

Mr Rudd has referred the matter to AusAID, who administer Australia's aid programs, asking them to give serious consideration to the proposal that ration packs and other foodstuffs from DSTO Scottsdale be part of foreign aid provisions from Australia for disaster relief in developing countries. Mr Rudd has also suggested that DSTO directly contact the World Food Program (WFP), which delivers aid around the world, for consideration. The WFP deals with ongoing needs in developing countries and disaster relief.

Tasmanian Liberal Senator Guy Barnett recently met with the World Food Program in Canberra to discuss the Defence facility in Scottsdale playing a greater role in the delivery of foreign aid.

Senator Barnett met with Mr Amir Abdulla, Deputy Executive Director and Chief Operating Officer of the World Food Program. Mr Abdullah had already discussed the matter with AusAID, Australia's Foreign Aid Agency. Senator Barnett also met with former British High Commissioner to Australia and Emergency Relief Director for the UN.

Officers from AusAID were also in attendance and confirmed the proposal is under careful consideration within their organisation. Other people in the local north east community have promoted this idea for some time.

If this proposal is to progress it is essential that the right food products reach the right people.

High energy, high concentration foods are not always suitable for children and pregnant mothers in developing countries.

Products delivered overseas must also have a suitable shelf life and be delivered on a cost effective basis.

With its research and production capacities, Scottsdale's Defence facility has the potential to adapt to all of these requirements

Some of that capacity could then be used to support Australia's foreign aid efforts, by delivering ration packs and other foodstuffs to those in need around the world.

Those affected by natural disasters, such as those seen in countries like Pakistan, Haiti and Indonesia, would particularly benefit from the ration packs and technology at DSTO Scottsdale.

DSTO Scottsdale is a strategic asset which should be the subject of significant further investment in both research and production capacity. Establishing a Centre for Food Innovation must clearly be an option following the joint venture arrangement with the University of Tasmania and the CSIRO. Gaining a return on the investment in research should be a priority going forward. Tasmania has the potential to be a food bowl for not only our nation but overseas and gaining a cutting edge innovative research facility would help to lock in this potential. The more than 18 month delay in the redevelopment of the Scottsdale defence facility has help back the implementation of this vision. There must be no more bungling of tenders and unnecessary delay.

Defence Department contract for ration packs goes to New Zealand

I have raised in the past concerns about Defence department contracts for ration packs going to New Zealand. This is extremely disappointing. As a state we should build on our strengths and make the most of the opportunities. There should be nothing to hold us back. Envisaging Australian troops eating New Zealand grown lamb carrots potatoes and apples is not a happy thought. Although the Scottsdale defence facility did not tender for the following the Department of Defence confirms the following;

A company named **Prepack** received contracts for the 'Supply of ration packs to the ADF'. In the period June 2009 to June 2011 the contract with Prepack was worth \$23 401 320.

The Contract with Prepack Ltd was signed on 19 June 2009 for an initial period of four years with the option of two by two year extensions.

1. The Financial Year 2009-2010 order was for 336,000 Combat Ration 1Man rations, 60,000 Combat Ration 5Man rations, 36,000 Patrol Ration 1Man rations and 4,000 Emergency Flying Rations. All quantities have been delivered.

The Financial Year 2010-2011 order is for 336,000 Combat Ration 1Man rations, 70,000 Combat Ration 5Man rations, 32,000 Patrol Ration 1Man rations and 5,000 Emergency Flying Rations. Supply commenced on 6 August 2010 and final deliveries are scheduled for completion by 31 May 2011.

2. Deliveries are made fortnightly to the Defence National Storage and Distribution Center at Moorebank, New South Wales, against a contractually agreed Production Schedule.

Defence funding

Total funding in the 2011–12 Defence Budget is estimated to be \$26 559.8million.¹ From this amount Defence will provide \$10 099.5 million to the Defence Materiel Organisation (DMO) for acquisitions and sustainment services in support of the Australian Defence Force (ADF). This makes up the bulk of DMO's available total net resourcing of \$11 745.6 million for 2011–12.²

Defence spending overseas

Overseas expenditure is not specifically identified in either the Defence Budget or the Defence Annual Report. As such, trying to track defence spending overseas via official documentation is virtually impossible. On the whole, the majority of money that is spent overseas by Defence is usually generated via DMO procurement and sustainment contracts.

According to the CEO of the Defence Materiel Organisation, Dr Stephen Gumley, DMO overseas spending accounts for just under half of the DMO budget. At the recent Australian Defence Magazine (ADM) Congress, Dr Gumley stated that:

Over the 2010-11 Financial Year there is about \$11 billion of goods and services to be supplied ... About 56 per cent comes from Australian suppliers. About 44 per cent comes from overseas.³

Of this amount, between \$300–500 million goes into supporting overseas operations.⁴

Dr Gumley's speech indicated that there would be greater opportunities for Defence industry in the future as he expects an increase of approximately 30 to 35 percent in DMO spending in Australia in the next four to six years. His prediction is reflected in the graph below.⁵ Despite Dr Gumley's prediction, one major project appears absent from the graph and only minor mention of it is made in his speech: the purchase of the Joint Strike Fighter (JSF) (Phase 2A/2B of project AIR 6000). Given that around 28 Australian companies have already been awarded contracts for work associated with the JSF, worth over \$200 million,⁶ and the Government has already approved the purchase of the first 14 aircraft to commence delivery in 2014,⁷ the projections provided by Dr Gumley may be slightly distorted as the costs of the JSF do not appear to be included in the data. Nonetheless, the most recent assessment of Defence spending overseas appears to be the data provided in Dr Gumley's speech. While the data may be slightly distorted as discussed above, it does, at least, indicate the level of DMO expenditure in Australia and what is spent overseas. According to the graph below (also drawn from Dr Gumley's speech) DMO spends around \$6

1. Australian Government, *Portfolio budget statements 2011–12: budget related paper no. 1.5A: Defence Portfolio*, Commonwealth of Australia, Canberra, 2011, p. 22, viewed 11 May 2011, http://www.defence.gov.au/budget/11-12/pbs/2011-2012_Defence_PBS_Complete.pdf

2. *Ibid.*, pp. 26 & 150.

3. Stephen Gumley (CEO Defence Materiel Organisation), *Equipping and sustaining the ADF*, address to the 8th Annual Australian Defence Magazine (ADM) Congress, 15 February 2011, p. 2, viewed 1 March 2011, http://www.defence.gov.au/dmo/ceo/speeches/CEO_DMO_ADM2011_final.pdf

4. *Ibid.*, p. 3.

5. *Ibid.*, p. 7.

6. Greg Combet (Minister for Defence Materiel and Science), *JSF advanced technology and innovation conference*, Melbourne, transcript, 2 May 2010, viewed 1 March 2011, <http://www.minister.defence.gov.au/gregCombetSpeechtpl.cfm?CurrentId=10219>

7. John Faulkner (Minister for Defence), *F-35 Joint Strike Fighter: Australia's next generation air power*, media release, 25 November 2009, viewed 1 March 2011, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2FKPBV6%22>

billion on equipment and sustainment in Australia and approximately \$4.8 billion overseas (in 2010 dollars).⁸

BUSINESS OPPORTUNITIES

Follow the dollars (2010 Budget BEs)

Defence		DMO	
	\$ billion		\$ billion
Published Budget	26.9	Funding - from Government	1.0
less payment made to DMO	10.5	- from Defence	10.5
Real Budget	16.4	Real Budget	11.5
less salaries and wages	-9.4	less salaries and wages	-0.6
less internal operating costs	-3.2	less internal operating costs	-0.1
Discretionary Budget under management	3.8	Discretionary Budget under management	10.8

<p>ICT Health Training-Education</p>	<p>Facilities and infrastructure Science Logistics</p>	<p>Equipment / Sustainment Approximate Spend: In Australia - \$6b (56%) Overseas - \$4.8b (44%)</p>
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The IBISWorld report forecasts a rise of 2.6 percent per annum in Government contributions to the Defence industry over the next five years and during financial year 2010–11, the Australian Defence industry is estimated to generate \$23.9 billion in revenue.⁹

The report also assesses that Australia's 403 Defence industry businesses employ approximately 98,257 people.¹⁰ The report notes that the Defence industry life cycle is currently in the mature stage and predicts it will remain that way for the next five years 'as national interests of safety and protection will ensure continued priority and funding by the Australian Government'.¹¹

IBISWorld publishes six monthly industry reports on more than 500 Australian industries, including Defence. The Parliamentary Library purchases relevant reports on request. A copy of the February 2011 Defence industry report is included below for your reference.

8. Ibid., p. 9.

9. Ibid., p. 6.

10. Ibid., p. 3.

11. Ibid., p. 10.



Defence spending by state/territory

The table below attempts to compare Defence’s footprint in each state and territory by providing statistics about the industry that supports Defence. Despite an exhaustive search of various sources (state/territory government websites, Chambers of Commerce nationally and state/territory, industry organisations such as [Defence Industry Australia](#), [Australian Industry and Defence Network](#), and press releases and article searches via ParInfo, Janes and other relevant databases) some data simply is not available. Additionally, the Australian Bureau of Statistics (ABS) does not capture ‘Defence industry’ specific data as it is not viewed as an ‘industry’; rather, it is viewed as a ‘market’. For instance, a company like Incat (catamaran designer and manufacturer) are likely to be identified by the ABS under the category of ‘manufacturing’, therefore ABS data was not useful for this purpose.

Interestingly, Tasmania appears to be the only state where the Reserve force greatly outnumbers the permanent force.

State/Territory	Defence industry employees	Defence industry businesses	Defence industry turnover	Defence personnel ¹²
South Australia¹³	16, 000 with a projected increase to 28, 000 in the next few years	Over 200	\$1 billion (this amount is expected to double by 2013).	Permanent: 2, 533 Reserves: 1, 859 APS: 2, 161 Total: 6, 553
Victoria¹⁴	8, 000	Approximately	\$1.92 billion	Permanent:

- The figures provided in the Military and Civilian Personnel column include Permanent and Reserve members and APS staff employed by Defence and the Defence Materiel Organisation. Cited in Department of Defence, *Defence Annual Report 2009–10: Department of Defence*, Commonwealth of Australia, Canberra, 2010, Vol 1, p. 347, viewed 28 February 2011, http://www.defence.gov.au/Budget/09-10/dar/dar_0910_v1_full.pdf and Department of Defence, *Defence Annual Report 2009–10: Defence Materiel Organisation*, Commonwealth of Australia, Canberra, 2010, Vol. 2, p. 143, viewed 28 February 2011, http://www.defence.gov.au/Budget/09-10/dar/dar_0910_v2_full.pdf
- DefenceSA, *Defence Strategy: Factsheet*, Government of South Australia, p. 2, viewed 4 March 2011, <http://www.defencesa.com/Content/Uploaded/Generic/Documents/DefenceStateStrategyFactSheet.pdf> and Australian Defence Magazine (ADM), *Directory of defence suppliers*, Yaffa Publishing Group, Brisbane, 34th Edition, 2011, p. 26.

State/Territory	Defence industry employees	Defence industry businesses	Defence industry turnover	Defence personnel ¹²
		300	with \$227 million of this amount exported	6,394 Reserves: 3,793 APS: 4,253 Total: 14,440
New South Wales¹⁵	7,000	More than 220	\$1.2 billion	Permanent: 18,656 Reserves: 7,152 APS: 3,679 Total: 29,487
Northern Territory¹⁶	N/A	N/A	\$220 million	Permanent: 5,972 Reserves: 886 APS: 404 Total: 7,262
Queensland¹⁷	13,000	N/A	\$1.4 billion	Permanent: 14,672 Reserves: 5,884 APS: 1,441 Total: 21,997

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14. The Victorian Government commissioned Australian Aerospace & Defence Innovations Ltd to conduct a survey of the state's main defence businesses. From the companies surveyed, the 2010 report produced data on the number of people employed within the state and the amount of turnover generated by the Defence industry. Cited in Dr Bill Schofield et al, *2010 Report on Victoria's Defence Industry Activity for FY2009/2010*, Australian Aerospace & Defence Innovations Ltd, November 2010, viewed on 28 February 2011, <http://www.business.vic.gov.au/busvicwr/assets/main/lib60185/2010%20report%20on%20victoria's%20defence%20industry%20activity.pdf>
15. New South Wales Government, *Growing the Defence industry in NSW*, 2009, p. 2, viewed 4 March 2011, http://www.defence.nsw.gov.au/data/assets/pdf_file/0020/1577/NSW_defence_brochure_1009.pdf
16. Northern Territory Government Budget 2010–11, p. 174, op. cit.
17. Queensland Government, *Defence, Trade and Investment Queensland*, viewed 8 March 2011, <http://www.investqueensland.qld.gov.au/dsdweb/v4/apps/web/content.cfm?id=12489>
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State/Territory	Defence industry employees	Defence industry businesses	Defence industry turnover	Defence personnel ¹²
Western Australia¹⁸	3, 000	N/A	Defence spends around \$800 million per annum in WA	Permanent: 3, 552 Reserves: 2, 856 APS: 612 Total: 7, 020
Tasmania	N/A	Around 24	N/A	Permanent: 110 Reserves: 854 APS: 98 Total: 1, 062
Australian Capital Territory	N/A	N/A	Approximately \$4 billion of the Defence budget is indirectly spent in the ACT ¹⁹	Permanent: 5, 235 Reserve: 2, 351 APS: 8, 569 Total: 16, 155

Total	98,257²⁰	403²¹	\$23.9 billion²²	Permanent: 57,124 (59,023) Reserves: 25,635 (21,850)
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18. The Government of Western Australia, *Marine and Defence*, Department of Commerce, viewed 8 March 2011, http://www.commerce.wa.gov.au/ScienceInnovation/Content/Innovation_Technology_and_Sci/Science_and_technology_sectors/Marine_and_defence.html

19. Australian Capital Territory Government, *Defence and security*, ACT Chief Minister's Department, viewed 9 March 2011, http://www.business.act.gov.au/investing_in_canberra/key_industry_sectors/defence_and_security

²⁰ Paul McMillan, *Defence in Australia: IBISWorld Industry Report M8200*, February 2011, p. 4.

²¹ Note: This IbisWorld report figure identifies the number of Defence related businesses within Australia as one entity rather than by individual business locations. For instance, companies such as Boeing and BAE have offices in a number of different states. The figures cited throughout the table, where available, by state/territory indicate the number of businesses located at that state or territory. Ibid, p. 3.

²² Ibid., pp. 3 & 4.

				APS: 21,217 (20,656)
				Total Defence workforce: 103,976
				(102,204, including 675 Contractors)²³

Defence industry in Tasmania

Given the data currently available, Tasmania appears to be the only state where the Reserve force greatly outnumbers the permanent force.

Australia
Reservists
30 June 2010

	Number	Per 100 000 of population
New South Wales	7152	99
Victoria	3793	68
Queensland	5884	130
South Australia	1859	113
Western Australia	2856	125
Tasmania	854	168
Northern Territory	886	386
Australian Capital Territory	2351	656
Australia	25641	115

Sources:

Department of Defence, *Annual report, 2009-10*

ABS, *Australian demographic statistics, Sep 2010*, cat. no. 3101.0

On 20 June 2011, the Premier of Tasmania, Lara Giddings MP, launched *Tasmania's Defence Initiative 2011* brochure to highlight Tasmania's 'long-term strategy that seeks to maximise opportunities for Tasmanian companies developing products for global and national defence markets'. Ms Giddings noted that over the past six years, 'the initiative has accounted for more than \$80 million in exports...'. The new Defence industry brochure features 'over 30 Tasmanian

²³ The italicised figures noted in the table are the projected result for financial year 2010–11 and were cited in Australian Government, *Portfolio budget statements 2011–12: budget related paper no. 1.5A: Defence Portfolio*, Commonwealth of Australia, Canberra, 2011, p. 39, viewed 27 June 2011, http://www.defence.gov.au/budget/10-11/pbs/2010-2011_Defence_PBS_full.pdf

companies currently undertaking defence sector work or looking to move into the defence sector'.²⁴ A copy of the brochure is included below.



Tasmania Defence Initiative 2011.pdf

The table from the March brief (below) was mostly based on the previous Tasmanian Defence Initiative publication *Tasmania's Defence Industry: Australian industry defence network Tasmania* which listed up to 23 companies. The latest Tasmanian Government publication includes most of the companies listed below. The new additions have now been added to the table. The 2011 publication also highlights the contribution Defence makes to Tasmanian industry via initiatives such as the ADF [Cadets and Reserves](#), [Defence Industry Innovation](#), Defence Materiel Organisation – [Business Access Office](#), and [Defence Science and Technology Organisation](#).

As previously noted, not all companies make information about their turnover and staff numbers readily available. Where this occurs, information is sought from a range of secondary sources such as the [Australian Stock Exchange \(ASX\)](#), when the company is listed, the Department of Defence endorsed [ANZIDECC Database](#), which advertises a large number of Defence industry participants, state/territory government websites, and the Australian Defence Magazine's [Defence Suppliers](#) website.

In some instances, certain company information is not available despite having searched a series of other sources such as company annual reports, relevant articles and press releases, Parliamentary Committees hearings and reports, industry association websites, Janes and Government websites. This is particularly the case for business turnover figures.

Please note that the currency of staffing and turnover figures listed below may not accurately reflect the current economic standing of each business. Nonetheless, this information still provides a useful snapshot of Defence industry in Tasmania.

24. L Giddings (Premier of Tasmania), *Launch of Tasmania's Defence Initiative 2011 brochure*, media release, 20 June 2011, viewed 23 June 2011, <http://www.media.tas.gov.au/release.php?id=32594>

Table

Company name	Company size & turnover	Location	Type of business	Defence projects – past, present and future
APCO Engineering	20-49 employees	Derwent Park	Metal parts manufacturer	Contract to produce components for Incat Australia's high-speed catamarans, which are leased to the US military.
Australian Maritime College (AMC)	The most recently published 2007 AMC Annual Report noted academic and non-academic employee benefits over \$15.5 million, and total supplier expenses over \$9.5 million. A Parliamentary Library telephone enquiry yielded a quoted figure of 180 FTE staff as at 9 March 2011.	Two separate sites at Launceston and Beauty Point	Tertiary institution offering vocational, university degree and postgraduate courses for the maritime industry.	Provides training as part of the Pacific Patrol Boat Project Includes the relatively newly established Cavitation Research Laboratory which involves the DSTO.
Blundstone Australia	Some 350-400 staff were employed in Australia in 2005, but the company's decision to outsource much of their business to Asian firms in early 2007 dramatically reduced this	88 Gormanston Rd, Moonah	Footwear manufacturer	Contracted to supply safety boots to the RAN in 2000 at a cost of \$365,000. The firm also confirmed that they supply some boots to the Australian military (p. 8).

Company name	Company size & turnover	Location	Type of business	Defence projects – past, present and future
	number			
Colbeck & Gunton – (now known as CBG Systems)	50 employees	Derwent Park	Specialises in supply and installation of thermal and acoustic insulation systems in the marine environment.	In July 2010 , CBG was awarded a \$4.5 million ‘contract to supply and fit its lightweight “Rapid Access” composite structural fire protection system to the US Navy ships being built in Alabama’.
Currawong Engineering	A guide to the six key staff is available here	Unit 1, 84 Browns Road, Kingston	Designs and manufactures systems and components for uninhabited aerial vehicles (UAVs)	Products are sold to defence industry in Australia and overseas. Currawong also supplies components to Cloud Cap Technology , Hood River, USA, who produce stabilised camera gimbal systems, which are sold to dozens of unmanned aerial vehicle manufacturers in North America, Europe and around the world.
Defence Nutrition and Food Technology facility (DSTO), including the Research Centre in Food Innovation	Unknown/unavailable	The Scottsdale site has been in operation for 57 years at its current location	The facility specialises in research, development and production of specialised food and feeding systems, and the provision of advice on human health and nutrition in support of defence and national security in Australia	The facility produces freeze-dried components of the ADFs ration packs and conducts research into nutrition and food processes for Defence.

Company name	Company size & turnover	Location	Type of business	Defence projects – past, present and future
Delta Hydraulics	A guide to eight key staff is available here . The employee total is 120	171-199 Stoney Rise Road, Devonport	Designs, manufactures and repairs hydraulic cylinders, power packs, manifolds and integrated circuits for Defence	<p>Design and manufacture F/A-18 Hornet jacks.</p> <p>Design, manufacture and environmentally test Collins Class submarine inboard hydraulic cylinders, sub-plates, valving, panel assemblies for ASC Pty Ltd.</p> <p>Design, manufacture and environmentally test Huon Class mine hunter steering systems for Thales.</p> <p>Design and manufacture medium recovery vehicle hydraulic cylinders for Evans Deakin.</p> <p>Rebuild and test hydraulic buffer unit for five-inch gun recoils for DoD.</p> <p>Supply spare parts, repairs and maintenance to ASC, Thales and the DoD (Tasmania's Defence Industry, p. 12).</p>
Ecka Granules Australia	Unknown	PO Box 382, George Town	Manufacturer of non-ferrous metal powders from pure metals and research and development	Unknown

Company name	Company size & turnover	Location	Type of business	Defence projects – past, present and future
Fiomarine Industries	Tasmanian employees 6-9	30-38 Innovation Drive, Glenorchy	Produces submersible marine markers and retrieval systems	Provides Fiobuoy® products to DSTO, the RAN , Boeing. In 2006 the company claimed to have ‘ secured major military contracts with the US Department of Defence ’. The company produced the Cormorant Mine Lift Bag , which is used to remove underwater explosive mines, in partnership with Liferaft Systems Australia (see below), DSTO and the Royal Australian Navy.
Hazard Systems (ECCO Group Asia Pacific)	Employs around 40 staff	25 York St, Launceston	Designer and manufacturer of warning products for emergency vehicles	Unknown
Incat Australia	Unknown but appears to be decreasing	18 Bender Drive, Derwent Park	Design and manufacture high-speed catamarans	The RAN chartered the HMAS <i>Jervis Bay</i> Incat catamaran in 1999 for use in the East Timor crisis. Delivered specially designed catamarans to the US Navy . In 2008, Incat were awarded one of three large design contracts by the US Department of Defense, including the US Army, Navy and

Company name	Company size & turnover	Location	Type of business	Defence projects – past, present and future
Industry Capability Network – Tasmania				Special Operation Commands.
Liferaft Systems Australia (LSA)	In 2005-06 LSA employed 50 staff	5 Sunmont St, Derwent Park	Designer, manufacturer and supplier of marine evacuation systems and large capacity (inflatable) life rafts.	LSA jointly developed, Cormorant Lift Bags (see above under Fiomarine). In 2003, LSA was awarded an \$850,000 contract to design and construct twelve ordnance recovery units for the RAN.
Lightning Protection International	In 2008 LPI earned 80% of its income from exports to 41 countries. Its Tasmanian employees number 20-49	49 Patriarch Drive, Huntingfield	Manufactures and supplies direct strike lightning surge and transient protection equipment and earthing solutions.	LPI has worked in the Defence sector for many years supplying the following solutions (p. 17): <ul style="list-style-type: none"> • communications • surveillance • munitions storage • navigational aids • transport • mobile-armed missile sites • fuel storage and

Company name	Company size & turnover	Location	Type of business	Defence projects – past, present and future
				refuelling facilities • EMP hardening • naval and coastguard patrol vessels.
Marcom Watson Group	Tasmanian employees number 6-9	47-49 McKenzie Street, Mowbray	Specialises in maritime communications and electronics	Supplying equipment to Geoscience Australia and Advanced Mine Warfare Sonar
Moonraker Australia	Tasmanian employees number 10-19	Tasmania Technopark , Dowsings Point	Conducts research and development in antenna technology, with technical details available here	Moonraker is a key supplier to the RAN for all their antenna requirements. Specialist systems have been developed for various branches of the military, from naval forces to the army and SAS.
Muir Windlasses Australia	Number of employees 51-100	100 Browns Road, Kingston	Manufactures anchor winches and anchoring systems	Supplies equipment for naval, coastal and customs patrol vessels operating in Australia, Malaysia, United Arab Emirates, India, New Zealand, Russia, China, Hong Kong, Turkey and Israel. Muir Windlasses Australia is an accredited supplier to the Australian Department of Defence, the Australian Defence Industry, Australian Submarine Corporation and Australian Customs and Immigration.

Company name	Company size & turnover	Location	Type of business	Defence projects – past, present and future
				A recent prominent tender involved replacement capstan heads and shaft for the RAN's Young Endeavour valued at over \$18,000.
Novaris	Number of employees 21-49	72 Browns Road Kingston	A subsidiary of The Powercom Group , Novaris design and manufacture electrical and lightning protection systems	Supports Defence installations .
Penguin Composites	Employs over 30 staff	808 South Rd, Penguin	Design and engineering moulds and plugs, fibreglass and composite component manufacturing and specialist composite product manufacturing	Unknown
Pivot Maritime International	Number of Tasmanian employees is less than 5	60 Nobelius Drive Legana	Specialises in portable marine simulation systems, marine training and marine consultancy	Defence applications include operational training, research and analysis
Poly Systems and Poly Marketing	Tasmanian employees number 6-9	Corner Victoria St & Main Rd George Town	Undertakes research and development for a range of defence related polymer technologies	High profile achievements include work with liquid explosives and infrared engine & exhaust heat suppressor
Revolution	Tasmanian employees number 10-19	16 Bender Dr, Derwent Park	Specialises in high-speed	In February 2008 , Incat Tasmania and Revolution Design won a

Company name	Company size & turnover	Location	Type of business	Defence projects – past, present and future
Design			ferry development and military support vehicles	multi-million dollar design contract with the US Department of Defense for a joint high speed vessel.
Sabre Marine	Unknown	4 Hornby Rd, Glenorchy	Manufactures steel and aluminium vessels	Unknown
S.E.R.S. Sheet Metal Works	Unknown	47/49 Strahan St, South Burnie	Supplies precision manufactured components to industries	S.E.R.S. Sheet Metal Works works in partnership with Muir (Windlass Australia) Engineering to develop marine components
SVP Industries	Unknown	Main Rd, George Town	Manufactures and supplies plastic products	Certified Defence Supplier, SVP Industries provides a range of products to Australia, New Zealand, US, Japan, Korea, Malaysia and South Africa, including non-lethal ammunition, noise abatement fencing, ablution and anti-fatigue and dive boat matting, flexible guide post road markers and camouflage net clips.
Tasmania Maritime Network	N/A	8 Bender Dr, Derwent Park	TMN was formed by a group of companies and organisations based in the maritime industry to offer 'expertise in manufacturing, engineering, logistics, training, clothing, safety equipment and shipping	N/A

Company name	Company size & turnover	Location	Type of business	Defence projects – past, present and future
			for both the commercial and military markets'	
Tasmanian Shipping Supplies	Unknown	Warehouse 4a Macquarie Wharf Hobart	TSS along with sister company Purdon & Featherstone supply defence establishments and vessels	P&F holds contracts with the Department of Defence to supply rations to all defence force establishments in Tasmania. TSS supplies food stores to the RAN and US Navy and Army vessels along with deck and engine requirements to US military vessels calling to Tasmania.
Taylor Bros	20 – 49 employees	5 Surveyors Drive, Derwent Park	Specialises in engine room refit, repairs, maintenance, installations and commissioning of main and auxiliary engines and gearboxes and deck equipment	Includes maintenance services to US Navy vessels during visits to the River Derwent. Taylor Bros undertook the replacement of all wet spaces, lining, divisions, vanities and shower bases onboard HMAS Kanimbla and Manoora, prefabricating and installing all equipment onboard the ships during port visits in accordance with their sailing schedules. A contract to fit out two

Company name	Company size & turnover	Location	Type of business	Defence projects – past, present and future
				<p>New Zealand navy Offshore Patrol vessels constructed in Williamstown, Victoria, involved the prefabrication and supervision for installation of entire interior paneling systems and furniture, including accommodation spaces, galley, mess areas and sanitary spaces.</p> <p>Taylor Bros have recently been awarded a \$25 million contract to provide onboard furniture, galley, pantry and scullery equipment, and cabin and sanitary modules for the Air Warfare Destroyer project.</p>
Whetstone Pty Ltd	Unknown	19 Goulburn St, Hobart	A service provider in organisational performance improvement, training, project management, technical documentation, designing and implementing organisational systems, recruitment of engineering and technical personnel, and program/project	<p>Whetstone has worked in Australia’s defence industry for over a decade providing services to clients in:</p> <ul style="list-style-type: none"> • organisational performance improvement • specialist training program design and development

Company name	Company size & turnover	Location	Type of business	Defence projects – past, present and future
			evaluation	<ul style="list-style-type: none"> • project management • technical documentation • design and implementation of organisational systems • recruitment of engineering and technical personnel • program/project evaluation

Government statements about Defence in Tasmania

New Defence nutrition facilities to go before Public Works Committee

In February 2011, the Minister for Veterans' Affairs and Defence Science and Personnel, the Hon. Warren Snowdon MP, announced the Government's pledge of \$18.7 million to redevelop the DSTO's nutrition research facility in Scottsdale. This announcement followed the initial announcement by the Government in April 2010 regarding the same planned redevelopment but the tender was bungled. The project is now subject to consideration by the Standing Committee on Public Works but construction is expected to commence early 2012 more than 18 months after initially planned, and be completed by the end of 2013.²⁵

On 20 June 2011, the [Public Works Committee](#) issued a media release seeking submissions to assist with its inquiry into Defence's proposed facilities at Scottsdale. The proposal seeks to:

... enable the Human Protection and Performance Division of DSTO to continue to produce food for ration packs, as well as conducting tests, evaluations and investigations into how Defence rations affect the health and performance of members of the Australian Defence Force. The estimated cost of the works is \$18.7 million (excluding GST). If approved by Parliament, the works would commence in early 2012 and be complete by mid 2014.²⁶

The opportunity to massively expand this facility to accommodate for the needs of AusAID and the provision of emergency relief through the World Food Plan at the United Nations remains ready to be grasped. In addition the establishment of a new centre of Food Innovation based on the work and research of the Scottsdale Defence facility remains an option for future development.

Launch of Tasmania's Defence Initiative 2011 brochure

The Federal Government issued a media release on 20 June 2011 in support of Tasmania's Defence Initiative. Parliamentary Secretary for Defence, Senator David Feeney, noted the event was sponsored by Defence Reserves Support and the Tasmanian Department of Economic Development.²⁷

Defence to remain at iconic Tasmanian sites

On 10 June 2011, the Parliamentary Secretary for Defence, Senator David Feeney, toured Anglesea Barracks and Fort Direction in Tasmania. During his visit, he noted that Defence is preparing to celebrate Anglesea Barracks 200th anniversary in December 2011. He also stated that:

25. Warren Snowdon (Minister for Veterans' Affairs, Defence Science and Personnel and Indigenous Health), *Investment boost for food science facility in Scottsdale*, Department of Defence, media release, 14 February 2011, viewed 10 March 2011, <http://www.minister.defence.gov.au/Snowdontpl.cfm?CurrentId=11453>

26. Parliamentary Standing Committee on Public Works, 'New Defence nutrition facilities to go before Public Works Committee', Parliament of Australia, media release, 20 June 2011, viewed 23 June 2011, <http://www.aph.gov.au/house/committee/pwc/dsto2011/media/media01.pdf>

27. D Feeney (Parliamentary Secretary for Defence), 'Tasmania – A diverse provider to Defence', media release, 20 June 2011, viewed 23 June 2011, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F861313%22>

Anglesea Barracks and Fort Direction have a significant historical presence in Tasmania. Defence plans to maintain both locations for the foreseeable future.²⁸

During the most recent Senate Estimates hearings, Defence confirmed that Anglesea Barracks and Fort Direction would not be sold off at this point in time. Mr Lewis (Deputy Secretary Defence Support) asserted that:

... Defence remains committed to retaining the heritage buildings at Fort Direction. Defence has received the final report resulting from a heritage impact assessment of Fort Direction and presented the findings of the assessment to a community forum in Tasmania on 5 May this year. A copy of the heritage impact assessment report was also provided to attendees at the community forum.

The heritage impact assessment confirms the significance of the Fort Direction camp area as detailed in the Fort Direction Heritage Management Plan. Defence is currently reviewing the heritage impact assessment outcomes to develop a strategy for the future management of the site. Defence also presented the findings of the heritage impact assessment at a community forum at the same committee forum.

Defence is currently carrying out maintenance works to the guttering and downpipes of buildings in the camp area and we have commissioned an examination of the works required to remediate all buildings and infrastructure in the Fort Direction camp area to be fit for use and compliant with the Building Code of Australia. The results of the examination including estimates of the extent and cost of remediation work will also assist in the development of a strategy for the maintenance and management of the site.²⁹

Defence Community Organisation positions remain in Tasmania

Following a national review into Defence Community Organisation (DCO) services, the Government confirmed that three DCO positions would remain in Tasmania.³⁰

Tasmanian Reservists return from Solomon Islands deployment

Members from the 12th/40th Battalion Royal Tasmanian Regiment were part of an 80 strong contingent of Reservists deployed to the Solomon Islands for a four month period. Rotation 23 of the Combined Task Force 635 returned to Australia in early April 2011.³¹

28. D Feeney (Parliamentary Secretary for Defence), 'Defence to remain at iconic Tasmanian sites', media release, 10 June 2011, viewed 23 June 2011, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F861251%22>

29. C Lewis (Deputy Secretary Defence Support), 'Defence Portfolio', *Foreign Affairs, Defence and Trade Legislation Committee*, Estimates, transcript, 31 May 2011, viewed 23 June 2011, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22committees%2Festimate%2F2011-05-31%2F0001%22>

30. C Brown, 'Tasmania's DCO positions safe', media release, 4 April 2011, viewed 23 June 2011, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F676645%22>

31. Department of Defence, 'Solomon Islands Rotation 23 draws to a close', media release, 5 April 2011, viewed 23 June 2011,

Air Warfare Destroyer

In June 2007, the then Minister for Defence, the Hon. Brendan Nelson, committed Australia to the purchase of three **Air Warfare Destroyers** (AWDs). At that time, Tasmania was tipped to receive some of the peripheral work relating to this project. As part of the Government's White Paper 2009 commitments, the continued acquisition of the AWDs was assured.³² In April 2010, the then Minister for Defence Personnel, Materiel and Science, the Hon. Greg Combet MP, stated that Tasmania stands to receive \$20 million worth of work from AWD project.³³

Cavitation Research Laboratory, Australian Maritime College, Launceston

In October 2009, the Government announced that the [Cavitation Research Laboratory](#) facility at the Australian Maritime College would receive \$10 million for use by the Defence Science and Technology Organisation (DSTO) to test 'hydrodynamic behaviour of structures submerged in flowing water, such as submarines, ship hulls and underwater vehicles'.³⁴

Defence in Tasmania

The following information has been drawn from the Defence Community Organisation's publication [Welcome to Tasmania](#), which provides general and local information to Defence families posting to the state for the first time. The publication lists the ADF bases in Tasmania and the units that are stationed there.

Anglesea Barracks, Hobart

[Anglesea Barracks](#) is the Headquarters for Defence in Tasmania. Army, Navy and Air Force HQ are located within the barracks. The barracks has some Defence housing on site. The Chief of Defence Force Representative in Tasmania is located at the Headquarters building at the barracks. The barracks also has the largest component of Defence civilians.

The following Defence units are located within the barracks:

- Defence Support Vic/Tas
- Defence Reserves Support

<http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F713460%22>

32. Department of Defence, *Defending Australia in the Asia Pacific Century: Force 2030*, Commonwealth of Australia, Canberra, 2009, p. 71, viewed 10 March 2011, http://www.defence.gov.au/whitepaper/docs/defence_white_paper_2009.pdf

33. Greg Combet (Minister for Defence Personnel, Materiel and Science), *Address at the announcement of Air Warfare Destroyer Full Block production*, transcript, 15 April 2010, viewed 2 March 2011, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F1AGW6%22>

34. Julia Gillard (Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations, Minister for Social Inclusion) and Greg Combet (Minister for Defence Personnel, Materiel and Science), *\$10 million maritime research facility launched*, media release, 1 October 2009, viewed 2 March 2011, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F2PTU6%22>

- Officer's/Sergeant's Mess
- Legal Services
- 35 Security Section Tasmania
- Mental Health and Pysch - Anglesea Clinic
- Australian Army and Airforce Cadets
- Army Band
- Army History Unit
- Navy Headquarters
- Royal Australian Air Force
- Army Personnel Agency
- Defence Force Recruiting - Tasmania
- Adelaide Uni Regiment Tas Coy³⁵

According to Defence's response to a recent Question on Notice, as of October 2010, Anglesea Barracks employed 342 personnel (292 military and 50 civilian).³⁶

Derwent Barracks, Glenorchy

Derwent Barracks is situated in the suburb of Glenorchy. The following Defence units are located within Derwent Barracks:

- Australian Army Cadets (Tas) Headquarters
- Joint Logistics Unit (Victoria) – Hobart
- Army Financial Services Unit – Training Detachment
- 2nd Force Support Battalion (2 FSB)
- Q Store/Supply Store
- 10 Health Company
- 6 Logistics Support Company
- 44 Transport Squadron
- 172 Transport Troop
- 833 Military Police Platoon
- 16 Field Battery (Det)
- 12th/40th Battalion, The Royal Tasmania Regiment (12/40 RTR)³⁷

35. Defence Community Organisation, *Welcome to Tasmania*, Early Childhood Australia Inc, 2010, p. 7, viewed 10 March 2010, http://defence.gov.au/dco/documents/Wel_Tasmania2010-2011.pdf

36. Chris Evans (Senator), 'Anglesea Barracks' [Questioner: Senator Eric Abetz], Question on Notice, Senate, *Hansard*, 8 February 2011, viewed 10 March 2011, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansards%2F2011-02-08%2F0109%22>

37. *Ibid.*, p. 7.

Kokoda Barracks, Devonport

160 Transport Troop is located at Kokoda Barracks and is home to a small contingent of Australian Regular Army (ARA) personnel and a larger contingent of Army Reserve (ARES) personnel. The base is a multi-user depot and is also used by Army and Air Force cadets. Kokoda Barracks is shared by another small contingent of ARA personnel from the 12th/40th Battalion, The Royal Tasmania Regiment (12/40 RTR), which has its headquarters at Dowsing Point, Derwent Barracks, and Hobart. Another two depots are used by Army cadets at Burnie, approximately 30 minutes from Devonport. These depots are not used very often and are basically for training purposes.³⁸

Paterson Barracks, Launceston

Paterson Barracks is home to the Headquarters of 16 Field Battery, with approximately five ARA and 30 ARES personnel. There is a sub-unit located at Derwent Barracks, Hobart, with approximately two ARA and 30 ARES personnel. 10 Health Company, which is part of the 2nd Force Support Battalion (2 FSB) Headquarters located at Derwent Barracks, has one ARA and some ARES personnel located within Paterson Barracks. Two flights of Air Force cadets and one unit of Army cadets use Paterson Barracks as their Headquarters.³⁹

Youngtown Barracks, Launceston

12/40 A Company is sole occupant of Youngtown Barracks together with Army Cadets. There are eight ARA personnel posted plus 70 to 80 ARES and Army cadets.⁴⁰

Warrane Barracks, Warrane

Another small depot is located at Warrane, B Coy (12/40), with its Headquarters at Derwent Barracks. Army Cadets is also at Warrane. This is a suburb of Hobart located across the Derwent River. The depot is staffed mainly by ARES and some ARA.⁴¹

38. Ibid., p. 6.

39. Ibid., p. 7.

40. Ibid., p. 7.

41. Ibid., p. 7.