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JOINT COMMITTEE ON PUBLIC WORKS

Reference: Navy ammunition facility, Twofold Bay, NSW

THURSDAY, 2 MARCH 2000

EDEN

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JOINT COMMITTEE ON PUBLIC WORKS

Thursday, 2 March 2000

Members: Mrs Moylan (*Chair*), Mrs Crosio (*Vice-Chair*), Senators Calvert, Ferguson and Murphy and Mr Forrest, Mr Hollis, Mr Lindsay and Mr Ripoll

Senators and members in attendance: Senators Calvert, Ferguson and Murphy and Mr Hollis and Mr Lindsay

Terms of reference for the inquiry:

Navy Ammunitioning Facility, Twofold Bay, NSW.

WITNESSES

AVEYARD, Mr John Mark, Chairman, Eden Foundation	177
BARRY, Mr Garrett John, Director, Building and Planning Services, Bega Valley Shire Council.....	120
BEAUMONT, Ms Rosemary Jane, President, Environment Network Inc.	81
CHARTER, Mr Neil, Marketing Manager, Bombala Council.....	171
COX, Commodore Timothy Harvey, Director General Maritime Development, Department of Defence	17
.....	185
ENGLAND, Mr Michael John, Principal Environment Planning, Consultant to Defence.....	17
.....	185
FERRARIS, Mr Diego Felice, Project Director, Department of Defence	17
.....	185
JOLLY, Captain Richard James (Private capacity).....	153
KELLY, Brigadier Garry Ross, Director General Project Delivery, Department of Defence.....	17
.....	185
KENNY, Mr Andrew James, Economic Development Manager, Bega Valley Shire Council Council.....	120
NAIRN, Mr Gary, MP	2
NORMAN, Ms Susan Jean (Private capacity).....	160

CONTENTS—*continued*

PITTY, Mr Hugh Warwick McRae, Co-Founder and Spokesperson, Paddlers for Peace 139

WEBB, Mr Peter William, Member for Monaro, New South Wales Legislative Assembly..... 8

YOUNG, Mr Steven Bruce, Project Manager, Department of Defence 17

..... 185

Committee met at 8.59 a.m.

TEMPORARY CHAIR—Ladies and gentlemen, good morning and welcome to the Parliamentary Standing Committee on Public Works inquiry into the naval ammunition facility at Twofold Bay. Firstly, to the people of Eden, thank you for your terrific welcome. We appreciate the hospitality that has been shown to us. I would like to declare open this public hearing into the proposed Navy ammunition facility at Twofold Bay. The project's estimated budget of \$40 million was referred to the Public Works Committee for consideration and report to parliament by the House of Representatives on 11 October 1999.

In accordance with subsection 17(3) of the Public Works Committee Act 1969:

- (3) In considering and reporting on a public work, the Committee shall have regard to—
- (a) the stated purpose of the work and its suitability for that purpose;
 - (b) the necessity for, and the advisability of, carrying out the work;
 - (c) the most effective use that can be made, in the carrying out of the work, of the moneys to be expended on the work;
 - (d) where the work purports to be of a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and
 - (e) the present and prospective public value of the work.

Yesterday the committee received a briefing and inspected the site of the proposed work. Today the committee will hear evidence from Mr Gary Nairn MP, Mr Peter Webb MLA, the Department of Defence, Environment Network, Bega Valley Shire Council, Paddlers for Peace, the 'K' Salvage company, Ms Sue Norman, Bombala Council and the Eden Foundation.

[9.01 a.m.]

NAIRN, Mr Gary, MP

TEMPORARY CHAIR—Welcome. The committee has received your submission dated 10 February 2000. Do you propose any amendment?

Mr Nairn—No.

TEMPORARY CHAIR—It is proposed that the submission dated 10 February 2000 and the accompanying Defence response be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The documents read as follows—

TEMPORARY CHAIR—Mr Nairn, I now invite you to make a short statement in support of your submission.

6

Mr Nairn—Thank you, Mr Lindsay. Could I first of all welcome the committee back to Eden. In about a month or so it will be two years since the Public Works Committee held its first hearing in this very room to investigate the possibility of recommending the location of the ammunition facility and wharf here in Eden. I am very pleased that you are back here at a later stage of the process. The project is something that I have taken a very keen interest in since I was first elected. At that stage, as the committee would know, it looked like this project was going to Point Wilson, but, subsequent to investigations by the committee, other recommendations have been made.

I would like to emphasise a couple of things in making an opening statement. There have really been three considerations, as I see it, for this overall project: the first is the operational benefit for the Navy, the second is the best use of taxpayers' money and the third is the actual impact on the region. Others more qualified will give evidence today in relation to the first two matters. But certainly, as I have followed this project right through, it has been very clear that Eden is ideally suited for the type of operation that the Navy will be carrying out, particularly with their exercise areas just off the east coast of Australia. That was one of the major reasons your committee recommended that Point Wilson was not appropriate—the very long distance from the east coast training area down to Point Wilson.

I would just like to make a few comments, particularly with respect to the impact on the region. I have looked very closely at the draft environmental impact statement. I have not seen a copy of the supplementary to that as yet. It confirms that the project can be carried out to meet very strict environmental benchmarks. And I think others here today will be able to give further evidence in relation to that.

It also confirms the very positive effect that this project will have on the town and the region. The region that can benefit from this project is far more than just Eden. In my work around my electorate, I have received very positive input from people well north along the coast, in the mountains and right up to the Canberra area. Industries and others are very interested in and may benefit from the likelihood of a multipurpose wharf in Eden.

In previous evidence that I gave to the committee in submissions, I highlighted the sorts of job losses that this area has had to take over the last decade or so, where traditional industries such as timber, fishing and agriculture have all seen reductions in the work force. Since our last Public Works Committee hearing in Eden, we have also had the closure of the Heinz cannery, which put out of work 12 per cent of the town's work force. This had a huge impact on the town. Therefore, I think this project became even more important as a result of that further major change in the fishing industry.

There are quite a number of emerging industries in the region, things like tourism, aquaculture and horticulture. I believe they are very important and they will be growing. This particular project with a Navy presence here can act very much as an economic stabiliser in some respects, even though the project in the long term does not employ large numbers of people, and that is well accepted by people. It is understood. It is more that stabilising effect that that sort of industry—and Defence is very much an industry—will have in the region.

Following the closure of the Heinz cannery, the federal government put in place the Eden regional adjustment package, which was the \$3.6 million government assistance for the region. It is interesting that that process is continuing, and applications under that process closed just recently. I cannot go into many of those applications at the moment because they are confidential while the local advisory committee is considering them to make recommendations to government. But it would be fair to say that a number of applications for business development and new industries that have applied for assistance under that package look towards the potential exporting capability of a multipurpose wharf, and that, I think, is quite significant. When you look at the overall way in which the multipurpose wharf and ammunition facility can come into this local area, there are very many positives that can come out of it.

I would also just remind members that prior to this committee recommending that Eden be considered, the New South Wales government had allocated \$5 million towards a multipurpose wharf, which obviously would not now be required if this project goes ahead because Defence would be building it. I know Defence have had discussions with the New South Wales government about incorporating multipurpose aspects in the wharf so that it can work both ways. The \$5 million that they have allocated to that will be able to be used for commercial enhancement for many of the other industries that will be looking towards utilising that port.

Could I just make one particular technical comment that the committee might take up. I noticed in the EIS that the recommendation was that transporting materials and things that might come from Sydney to Eden as a

result of this complex being here would utilise the Princes Highway. Although it was not a definitive recommendation, it was commented that that would be probable. I would ask why the Hume, Federal, Monaro and Snowy Mountains highways and Imlay Road would not be considered as well, because you are now able to bypass Canberra and Queanbeyan. You are virtually able to bypass Cooma. You would go through Bombala. It may be an alternative access that ought to be considered to have lesser impact on towns than it would if people were coming down the Princes Highway.

7

To do that, I think it would require only some minimal upgrade at the top end of Imlay Road, where there are several hundred metres of unsealed road and a widening of a culvert bridge area that would probably be required. Other than that, the highway is more than capable, particularly for larger trucks now with the construction of the new bridges north of Bombala. So I believe that is something that maybe should be factored into the costing of the overall project—to do what additional works would be required to have that as an alternative access. Imlay Road then gives you direct access to the munitions facility and the wharf on the south side of Twofold Bay.

In conclusion, I want to say that in my role as federal member I am certainly meeting and talking with many people throughout the region. I have had many representations from community people about this project, and I think it would be very fair of me to say that there is very strong support—not only here in Eden but right throughout the south-east region, right throughout my electorate—for this particular project.

TEMPORARY CHAIR—Thank you, Mr Nairn.

[9.13 a.m.]

8

WEBB, Mr Peter William, Member for Monaro, New South Wales Legislative Assembly

TEMPORARY CHAIR—Welcome. Mr Webb, the committee has received your submission, dated 14 February 2000. Do you propose any amendments?

Mr Webb—No.

TEMPORARY CHAIR—It is proposed that the submission and the accompanying Defence response be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The documents read as follows—

TEMPORARY CHAIR—Mr Webb, I would like you to make a submission to the committee.

14

Mr Webb—Thank you, Temporary Chair and committee members. Thank you for the opportunity to speak here today in support of the whole initiative of the Navy ammunition facility and the multipurpose wharf here in Eden. Being the state member for Monaro, my responsibility begins just north of Eden and goes to the Victorian border. It then encompasses the rest of Monaro in a similar way to that of my federal colleague Gary Nairn, who has Eden-Monaro.

Firstly, I need to applaud the vision of the government and the various departments involved in this initiative. I think it is an act of decentralisation which is vital to Australia's future—not just local, regional and state but federal as well. We have seen too much centralisation over the past few years, which I believe has helped to create and make worse the city-country divide that we are hearing about today.

I believe that Eden, whilst isolated some 500 kilometres from Sydney and Melbourne, is not isolated today at all in many respects with the road infrastructure already in place. I certainly support Gary Nairn's comments about the alternative to the Princes Highway route. The fact that it is about halfway between Sydney and Melbourne near the ocean, on the sea lanes, certainly does not make it isolated. Obviously today with e-commerce, the Internet and computer technology, those distances are coming down all the time.

There are many advantages, of course, in Eden being a very suitable site for this infrastructure development. Not the least of which—and I will only speak about it briefly—is the suitability of Twofold Bay itself. It is a world renowned port which is ideally suited to this kind of operation, both from a Navy point of view and a commercial point of view. I am sure that Harris-Daishowa woodchip operation supports that in every way.

I would really like to speak more about the broad context of the whole operation—the need to really grow the economic regional base in Australia through regional development initiatives. Certainly there are job aspects of doing that, both in the short term and the long term. We have just recently seen the spin-offs locally from the ongoing construction of the great eastern gas pipeline, which has invigorated many small towns along the route. It has given Bombala and Cooma a great opportunity to access gas for industry and domestic purposes in line with their city cousins.

There are export opportunities that will come about from having a multipurpose wharf here in Eden, allowing commercial operations for really what is the larger part of the year. It is difficult to quantify beforehand exactly how that will be used and what it will be used for but, once the facility is there, there are many people with vision and investment potential who will look at what is there. Whether it is about exporting spring water or agricultural products across the world, exporting value-added horticulture through to base products like beef, which can be exported to China, or exporting wool and so on, the capability for a wharf like this and the idea of a dual purpose wharf is to be applauded. That is going to make a big difference, not only to Australia but also to the local region businesses and industry base.

The ability for tertiary industry to gear up and actually get into manufacturing on an international export basis is certainly going to happen, as will the value adding in forestry. We have massive potential, not only in hardwood but, more particularly today, in softwood. With the state government's initiatives in carbon credits, reforestation and plantations, it builds the impetus to utilise more fully the vast area of softwood plantation in the Bombala district, which is a very short distance from here. To be able to export that across the country by sea or around the world will certainly be a great advantage. Also, I believe the tourism potential of the wharf here in Eden for stopovers of all kinds will add to the local regional tourism base and the economic ecotourism that we can see here as well, which is a developing industry.

I will move quickly on to the advantages and the defence side of the facility, of course, in the construction phase and the use phase—that is by far the dominant area. I see that there are certainly advantages in decentralising that facility away from Sydney. It really should have happened a long time ago. There have to be savings in the operation for Navy, notwithstanding the distances to travel, when you balance the safety side and the very high capital price of their infrastructure in the Sydney area with the dangerous side of operating in Australia's premier city with about four million people there. I believe, too, that there have to be very good strategic and tactical advantages in the location of the Navy facility here in Eden, particularly located between Sydney and Melbourne—its proximity to the east and north from here rather than being in the Southern Ocean. Yet, at the end of the day, it is not that far going around from the south to the west.

I believe that the facility would ensure that dividends would flow not only to the federal government but also to the state and local governments and regional areas through this investment on a federal basis, with the support and underwriting from the state government in its admitted need to invigorate and kick-start regional development in NSW. This would certainly be the place to start that. The federal government is by far the greater contributor by way of funds, and it really needs the state government to come in in only a smaller way

to facilitate the commercial multipurpose side of the wharf to aid regional development, which not only would assist south-eastern New South Wales but north-eastern Victoria and of course the Canberra region at large.

15

The need for governments to be seen to be involved in regional development and not actually paying for it is a bit like the visionary thing of the Snowy Mountains scheme, the Federal Highway and the eastern gas pipeline. It is vital that governments support their regional and local communities by looking at decentralisation and actually getting involved in doing this. I believe that aspects of EIS have been dealt with fully, and I have mentioned those in my submission.

I believe that the feasibility of the project is certainly assured, that with the ongoing revenue generation in the years to come we will see and realise on a local, regional and federal basis, and that the public value of the initiative in the long term and short term is certainly assured.

TEMPORARY CHAIR—Mr Webb, thank you. I propose to move to joint questioning if that is okay with the witnesses.

Senator CALVERT—I have one question for Mr Nairn. You commented about the alternative road access. I am not a local so I do not really understand it. Could you just give us a bit more detail about that? I have a map here but I do not know whether it is much help to me. Why would you want to keep traffic away from the Princes Highway? I guess there is an easy answer to that one.

Mr Nairn—As the Princes Highway comes down the coast, it basically goes through all the towns. There are no bypasses through the towns. Further north are various parts of it which I would say are of a lower highway standard. The Princes Highway is not a national highway or a road of national importance. It is a road that has state responsibility. Although parts of it are being upgraded, there are still many parts that are winding and which go through the towns, whereas the other route—and I am talking about an alternative route; both routes may be used for various reasons, I suppose—ought to be available. That is the route via the Hume Highway, the Federal Highway, the Monaro Highway and then from Cooma. If you look at your map there, you go Cooma, Nimmitabel, Bombala. Then you go south of Bombala and there is the Imlay Road which heads east from the south of Bombala and comes in to the Princes Highway, very close to Edrom Road—the road that goes to the chip mill currently and which we went along yesterday afternoon. I presume the Imlay Road is shown on there. It is a forest road, but it has been constructed at quite a high standard, and it has been used quite extensively for forest trucks.

Senator MURPHY—What do Forests say about that?

Mr Nairn—I do not believe they have a problem. I have not spoken to them specifically.

Mr MURPHY—Forests have the capacity to close a road, if they so choose, under state law.

Mr Nairn—They cannot close the Imlay Road. It is a public road. Even though it was put there originally for the development of forestry, it is a public road, and I do not believe they have the capacity to close it. That was the route that was in fact talked about in the first instance when this facility was being considered for Eden. As I recall, I do not think there was any problem from their point of view. One of the things that was difficult at the time, going back a few years, was that there were two bridges north of Bombala which were not capable of taking larger trucks and things. Both of those have now been upgraded, so that impediment has now gone.

TEMPORARY CHAIR—Mr Webb, do you concur with the member for Eden-Monaro?

Mr Webb—Yes, absolutely. The Imlay Road, starting from this end back, if you like, is a very high quality road, and probably a better road to drive on than the Princes Highway.

TEMPORARY CHAIR—Mr Nairn, would it be your recommendation that the committee should ask Defence to consider, as part of this project, the upgrading of this 700-metre unsealed section?

Mr Nairn—Several hundred metres. I am not sure exactly how long it is but it is only a few hundred metres; it is not huge. There is one small bridge—I would not call it a bridge, it is more of a large culvert—that would need to be widened, along with that upgrade. They possibly have that detail that they can provide. I would be recommending that that be part of the project, yes, because you would then have that guaranteed alternative access, or it may be the primary access.

TEMPORARY CHAIR—Gentlemen, as leaders in the community, are you satisfied that in all of this process there has been full and open public consultation on this project?

Mr Nairn—Absolutely, Mr Lindsay. I think the department has undertaken an excellent job in that respect. There have been numerous public meetings here in Eden. This is the second Public Works Committee meeting, obviously. In every situation those meetings have been very well publicised, both on radio and in the local newspaper. We have dedicated media in this region for radio and newsprint. I think that everybody has been

kept well aware of what is happening, going right back to the original public meetings and discussions that took place, even prior to the Public Works Committee visit here nearly two years ago.

16

TEMPORARY CHAIR—Mr Webb, would you agree with that?

Mr Webb—Yes, I support Gary Nairn's remarks.

TEMPORARY CHAIR—Thank you. Gentlemen, I do not think the committee has any further questions, so we thank you for your evidence today. I now call representatives from the Department of Defence.

17

[9.27 a.m.]

COX, Commodore Timothy Harvey, Director General, Maritime Development, Department of Defence

ENGLAND, Mr Michael John, Principal, Environmental Planning, Consultant to Defence

FERRARIS, Mr Diego Felice, Project Director, Department of Defence

KELLY, Brigadier Garry Ross, Director General, Project Delivery, Department of Defence

YOUNG, Mr Steven Bruce, Project Manager, Department of Defence

TEMPORARY CHAIR—Welcome, gentlemen. The committee has received a submission from the Department of Defence dated October 1999. Do you propose any amendments?

Brig. Kelly—I would propose some minor amendments. As you say, the evidence was prepared in October 1999, in some hope that we would be able to progress a hearing last year. That now puts some of our projected dates a few months out of timing. So I would like to amend paragraph 154 of our evidence, second sentence, to indicate ‘the intention is to have all work substantially complete and accessible by early 2002’. Then in paragraph 155, I would amend timings as follows: ‘parliamentary approval, May 2000; native title and land tenure finalised, mid 2000; wharf/jetty contract let, November 2000; wharf/jetty construction commencement, February 2001; first onshore contract let, mid 2001; and construction completed, early 2002’.

I would also like to take this opportunity, with your permission, to table a document, the supplement to the draft EIS. As the committee has had access to the initial EIS I think it appropriate to table today the supplement to the EIS which was lodged with the approving authorities yesterday.

TEMPORARY CHAIR—Thank you. It is proposed that the submission be received as amended, that the supplementary EIS be tabled and that the material be taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The documents read as follows—

TEMPORARY CHAIR—Would a representative of the Department of Defence now read the summary statement to the committee, after which we will proceed to questions?

64

Brig. Kelly—Thank you, Mr Chairman. The Department of Defence advocates construction of a Navy ammunition facility at Twofold Bay in New South Wales to provide for the Royal Australian Navy's long-term requirement for ammunitioning the East Coast Fleet that operates out of the Sydney fleet base. The Navy ammunition facility will provide the Navy with the capacity to ammunition and de-ammunition all of its combatants at an appropriately licensed wharf in close proximity to the fleet base and the East Australian Exercise Area off the New South Wales coast between Sydney and the Victorian border.

Up until December 1999 the Navy ammunitioned its East Coast Fleet in Sydney Harbour with explosive ordnance transported by road from armament depots to the Newington Depot, which is now Homebush Bay, where it was loaded onto self-propelled barges. These travelled down the Parramatta River into the harbour to mooring dolphins in Rose Bay to be loaded onto ships. The sale of the Newington depot to the Olympic authority provided for Navy to utilise the licensed wharf at the depot until the end of 1999. Provision has been made for Navy to use the existing facilities at Point Wilson in Victoria until permanent facilities are constructed.

Defence previously proposed to construct an armament complex at Point Wilson with a major upgrade to the existing wharf and jetty and construction of new facilities at an estimated cost of \$62 million. That proposal was referred to parliament on 3 December 1997 and considered by the PWC in the first half of 1998. The PWC suggested that Defence undertake further investigations into alternative arrangements for ammunitioning Navy ships at a location closer to the east Australian exercise area and the fleet base in Sydney. The PWC suggested that Twofold Bay was a suitable alternative site.

The PWC also suggested that Defence consider alternatives to Point Wilson for import of Defence's explosive ordnance to obviate the need for refurbishment of the Point Wilson wharf and jetty. Defence is currently market testing, under its commercial support program, the storage, maintenance and distribution, including import, of explosive ordnance. The location for Defence explosive ordnance imports will be decided by the commercial operator and is not part of this proposal.

Navy requires an ammunition facility that can currently store up to three explosive ordnance outfits. The wharf is to be licensed for 30-tonne net explosive quantity—NEQ—to cater for Navy's largest supply ship, HMAS *Success*, although other navy ships carry less than 12-tonne NEQ. The wharf will be used by the Navy for between 45 and 70 days per year. Defence will make the wharf available for commercial use when not required for Navy use. The main components of the proposed Navy ammunition facility are: a 200-metre by 30-metre multipurpose wharf; a dredged berth to 10.5 metres depth; a dual lane 70-metre jetty between the wharf and the shore; a dual lane 70-metre wide access road between the shore and the existing sealed road; and a land based depot located approximately 15 kilometres inland from the wharf, comprising six explosive storehouses, a transit facility, four truck parking bays, an administration building, a non-explosives storehouse and workshop, and support infrastructure. The New South Wales government is planning to develop an area adjacent to the jetty head for commercial stockpiles of timber products and other compatible industries should the proposal proceed.

The benefits of constructing a Navy ammunition facility at Twofold Bay include provision of an alternative ammunition facility to replace the Sydney ammunition facilities at a lower construction and operational cost than the previous Point Wilson proposal; provision of employment opportunities in the Eden area during construction, and more significantly from potential commercial industry associated with the wharf; and operational benefits for Navy ships arising from the proximity of Twofold Bay to Sydney fleet base and the East Australia exercise area.

Defence and the New South Wales Waterways Authority have jointly prepared an environmental impact statement in accordance with the guidelines issued by the Commonwealth Minister for Environment and Heritage. The EIS indicates that the Navy ammunition facility and commercial storage facility are environmentally sustainable. Development and implementation of a range of environmental management strategies and environmental input into the final design and siting process will ensure that potential adverse impacts are minimised or ameliorated. The Navy ammunition facility will be constructed and operated in accordance with the NATO principles as required under Defence policy.

Land for the wharf and jetty would be leased from the New South Wales government either through the Waterways Authority or the Department of Lands and Water Conservation. The land based depot area would be leased or transferred freehold from state forests. Native title issues are currently being addressed. The estimated cost of this project is \$40 million. This does not include the works required for the commercial storage area that are to be funded by the New South Wales government.

Extensive consultation with statutory authorities and the local community has been carried out during the feasibility studies for this proposal. Statutory consultation has included face to face meetings and formal planning focus meetings with representatives from both Commonwealth and New South Wales state organisations. Community consultation has included a PWC public hearing held in Eden in April 1998, a number of advertised public briefings held by Defence project staff in Eden and consultation with community groups during preparation of the EIS. The local community has generally shown very strong support for the project, particularly in relation to the potential economic benefits of a multipurpose wharf.

65

TEMPORARY CHAIR—Brigadier Kelly, thank you. We will now proceed to questioning of the witnesses from the Department of Defence.

Senator FERGUSON—Brigadier Kelly, in looking over your plans and looking over the site yesterday, it would appear as though the one thing that most people agree on with this proposal is that it will have some visual impact in the area. Would you like to comment on that?

Brig. Kelly—I think of all the aspects that were looked at in the EIS, the visual impact is probably the only one that cannot be very readily accommodated by design and siting principles. However, we consider that the visual impact from the point of view of looking from Eden is relatively insignificant compared with the impact of the HDA plant which is already established on Munganno Point. From the point of view of the visual impact from Edrom Lodge, we believe that the siting of the facility, the design of the facility and the actual operation of the facility, which will not be intense, can ameliorate those concerns.

Senator FERGUSON—Admittedly the vast majority of the submissions made to us support the project, but there have been some people in the community who do not support this project. I am wondering whether you would like to comment on one or two of the issues that have been raised by those people who are opposed to the project. One of them is the Environment Network and part of their submission suggests that, according to strategic defence analysis over the last 15 years, ECAC needs to be located on the central Queensland coast and not south-eastern Australia. I am wondering whether either you or Commodore Cox could comment on that?

Cdre Cox—We have done some extensive studies into where the best place to put this is. We are currently operating 50 per cent of the fleet out of Sydney and we intend to continue to operate 50 per cent of the fleet out of Sydney. Our major training area is here on the east coast off Jervis Bay, where I think we have an impeccable record in environmental protection. We will continue to do that and we want access to an ammunition facility to be able to top up those ships during their training periods. This place is ideally placed in that there is a minimum steaming time from the operation areas for us to come in here and get more ammunition. It is also a minimum distance from Sydney where the ships would undertake their major refit or upgrading process which is when they will de-ammunition. It reduces the steaming time and therefore this is a better place than putting it on the Queensland coast, which would require us two days steaming to ammunition and de-ammunition—four days in total. The cost is 50 tonnes of fuel per day at probably \$500—and going up—for each time we do it. So this is economically and operationally the best place for us to put it. When operating in Northern Australia, we would have no difficulty transporting ammunition to the wharf in Darwin and ammunitioning ships there, if that is so required.

Senator FERGUSON—The Environment Network also suggests that a 30-tonne net explosive quantity is not adequate for Navy's requirements. Would you like to comment on that?

Cdre Cox—The largest NEQ is in HMAS *Success*, which is about 28½ NEQ at the moment. We do not envisage in the next 25 years building any ships that would carry any greater NEQ than *Success*. Most of the combatants are around 12 tonnes with the exception of the last two DDGs, which are 26 tonnes NEQ. The last of those ships will be withdrawn from service towards the end of next year, so we will be talking about ships that have about 12 NEQ rating, and *Success* at 30 NEQ, and that would be the maximum that we will be loading on to any ship in the foreseeable future. If there was a requirement in an emergency situation to do more for something else, then we would probably go to Point Wilson or somewhere else, but we do not have any ships that will take more than 30 tonnes NEQ, and none are planned.

Senator FERGUSON—They also expressed some concerns about transport of explosive ordnance, and I am wondering whether you would like to make some comment on that because there will be some transportation involved.

Brig. Kelly—This is probably an appropriate time to address the points made by the previous witnesses. The licensing organisation with Defence did assess transport from Orchard Hills or other depots to this site. They did look at several options, but that was a preliminary examination only. They did find that the Princes Highway was suitable, and it was preferred because it was a more direct route. However, they did also find that

the route suggested—Hume Highway, Federal Highway, Monaro Highway and Imlay Road—was also suitable from a preliminary point of view subject to a detailed examination. I could table the map which indicates those routes that were examined.

66

Senator FERGUSON—If we could have that tabled, it would help. Can you allay the Environment Network's concern about weapons with depleted uranium in the inventory?

Cdre Cox—The Navy has no ammunition with depleted uranium.

Senator FERGUSON—No ammunition at all?

Cdre Cox—No.

Senator FERGUSON—The final question that I want to ask deals with their submission, and it talks about the ammunitions facility making Eden a military target or a target for sabotage, and then their concern about the possible introduction of nuclear powered or nuclear armed foreign ships. I wonder if you could address both these issues.

Cdre Cox—If I could deal with the last point first, nuclear power: Eden is not a nuclear port. Nuclear ports and nuclear visits are subject to a committee of review and stringent processes, and there is no plan that I am aware of to make Eden into a nuclear warship capable port and, if it was, it would go through that due process, and the facilities here are not suitable for it at the moment. The second part of the question?

Senator FERGUSON—It is about making Eden a military target or a target for sabotage.

Cdre Cox—Unlikely in my view. We do not intend to keep the ammunition here for any longer than we have to, and I think that the chances of it becoming a military target are very remote. It is a long way to come if you accept that the geography of the country says that most attacks on Australia are likely to come across the northern sea-air gap, so it is a long way to get to Eden. In any regional conflict you would require capabilities that are not present in the region at the moment that would get to and attack Eden, and particularly attack an ammunition facility which is remote from town anyway.

Mr HOLLIS—This project, as we all know, has had a long history, a long gestation period. I was somewhat amused in reading one of the submissions to see that this project was being unnecessarily rushed. My point is: have we got it correct this time? In your view, Commodore Cox and Brigadier Kelly, have we got it right?

Brig. Kelly—I believe that by revisiting Eden we were confirming earlier findings from a decade or more ago. The early requirements of the Navy were best satisfied by Jervis Bay or Eden. It was only when other considerations appeared to make them unsuitable that Point Wilson was added to the list. This followed a period of development and examination over several decades. We took to you a proposal at Point Wilson that was seriously flawed from your point of view in some ways, and probably we did not present it with all the heart that we could have because we knew that it was inefficient to have to steam that distance for routine administrative refuelling. So when the committee suggested that we re-examine the way we do business to have another look at Eden, that gave us an opportunity to do that. By changing the way we were going to do business, and in particular by separating the import-export function from the naval ammunitioning and de-ammunitioning function, we were able to come up with a proposal that makes Eden once more suitable. From an engineering point of view and from an environmental point of view, we have put considerable money and a huge amount of effort over the last two years into ensuring that the proposal we bring to you has a sound basis. We are confident.

Cdre Cox—From Navy's point of view, this is the best outcome possible for us, to get this facility at Eden.

Mr HOLLIS—Gentlemen, explain to me the arc. Which arc does this proposal fit into? I mean the purple arc.

Cdre Cox—It is the smallest one. This is the 30-tonne one where the danger area is all on the water and it just touches the point for the green arc. It just goes on that map which we could submit. It is the smallest one that was possible with the NEQ rating.

Mr HOLLIS—So the township of Eden is not within that arc?

Cdre Cox—The township of Eden is not within that arc.

Mr HOLLIS—For the uninitiated, just explain what the arcs mean?

66

Cdre Cox—The purple line defines the minimum distance from an explosive facility within which large public buildings, where many people may congregate or are major community amenities, may not be sited. The yellow line defines the minimum distance from an explosive facility within which inhabited buildings, generally community amenities or major traffic routes, may not be sited. The green line defines the minimum

distance from an explosives facility within which public recreation areas should not be permitted. In the case of the proposal, the green line only just touches the beach on one spot.

Brig. Kelly—The Harris Daishowa woodchip mill and Edrom Lodge are outside the yellow arc. There could be a residential suburb in that area and it would not be of concern. So the arcs are appropriate for the facilities currently in the area.

Mr HOLLIS—Newington is closed now. Is Point Wilson being used now?

Cdre Cox—Yes, it is. The pipeline in Sydney closed on 31 December, and until yesterday we had conducted seven naval ammunition activities at Point Wilson so far this year, which is about standard.

Mr HOLLIS—What have we learnt from that?

Cdre Cox—That it costs us money and it costs us time.

Mr HOLLIS—The long awaited and much discussed white paper is going to come out in a couple of months. Firstly, would it have been better to wait for that? Secondly, will that white paper have any impact on the facilities here? I guess you, like me, do not know what is in the white paper yet so we can only speculate.

Cdre Cox—I do not think the strategic assessment is going to suggest that the Navy moves its facilities from Sydney in the short term. If we continue to operate from the east coast, which has been our planned intention for as long as I can remember and will be as far into the future as one is aware, we will continue to train here off the Jervis Bay area which is our primary naval gunfire support range and our primary missile range.

Mr HOLLIS—To put that in context, basically this site for Jervis Bay is such a good site for this proposal because most of the ships that are going to be using the ammunition or be loaded with ammunition are exercising in this area?

Cdre Cox—Everybody who is based in Sydney and does any exercising which includes work-ups and evaluations operates out here off the Jervis Bay area. We run a large exercise out here once a year and everybody who is part of that exercise has access to this ammunition facility.

Senator CALVERT—I hold in my hand here part 1 of the environmental impact statement. Brigadier Kelly, could you tell the committee how much it cost? Is that possible?

Brig. Kelly—The total cost of the environment assessment for this project has been in the order of \$700,000.

Senator CALVERT—Is that what you would normally expect to pay for an environmental impact statement of this size?

Brig. Kelly—It is about what I would have expected. Other major EISs that I have been involved with—for example, training areas for the Army in the north of Australia—have generally cost in the order of \$700,000 to \$1 million.

Senator CALVERT—I have not read every page of it.

Brig. Kelly—I have to admit I haven't either, Senator.

Senator CALVERT—I take note that at the conclusion it says it is considered that the construction and operation of the proposal are justified on the basis of environmental acceptability, taking into account biophysical, associated cultural and economic considerations, and is in accordance with the principles of ecological sustainable development. So I presume you reckon it was worth \$750,000 to get that tick?

Brig. Kelly—It probably is in this instance. We acknowledge that it is a lot of money, but it is a price we have to pay to get the confidence of the government and the people. We have followed due process and what we are proposing is not an unsustainable risk to the environment.

Senator CALVERT—What I am getting at is whether or not you believe every aspect of this proposal has been thoroughly investigated in that impact statement so that there will be no doubt that you have covered every square.

Brig. Kelly—I believe it has. The process ensures that because the EIS involved considerable public consultation and consultation with authorities. It was then placed on public access for a period of six weeks and public submissions were made on the EIS. We are then required to address those in the supplement. So anything that was missing from our EIS, which was of concern to others, will have been addressed in those submissions and in our response to those submissions. Our finding at the end of producing that supplement remains the same.

67

TEMPORARY CHAIR—Could we also get a comment from Michael England on this?

Senator CALVERT—How long did it take to put all this together?

Mr England—We were commissioned at the beginning of May on this project and, recognising the issues of trying to complete work expeditiously, we had a fairly large team working on it. I would say that the cost of around \$700,000 includes the preparation of the supplementary report which was lodged yesterday. That supplementary report seeks to address the issues raised by the individuals in the community, plus the government organisations and various bodies. It addresses concerns that they have raised and it addresses what they believed were omissions or shortcomings in the original document. The other issue that goes back to the joint state and Commonwealth role is that the EIS also includes the assessment of the commercial component of this project.

Brig. Kelly—I would just follow up that the New South Wales government did contribute to that cost because it did include the commercial facility.

Senator CALVERT—We discussed this briefly yesterday on site. Have you satisfied all the indigenous cultural concerns in regard to this project?

Mr England—I believe we have, Senator. The local Aboriginal land council was involved from the very beginning. We engaged specialist archaeologist and heritage consultants to try to take that particular component of the work. They both consulted with the land council in the first place before they finalised the design for the field survey work and they also had members of that council participate in the fieldwork that was undertaken.

A copy of their report was forwarded independently to the council. We have learnt over the years that it is more appropriate for the consultant to provide a copy of that report directly to the land council rather than through us. So they have been working with them and it demonstrates a transparency in the process. Subsequently, in Appendix B of the supplementary document, the land council have provided a letter saying that they are satisfied they have been consulted through the process. They have participated in the survey. They support the management findings and recommendations and the significant findings in the survey and they also express their support for the project.

Senator CALVERT—I suppose, Brigadier, you have been asked this question before. I think one of us might have asked it a couple of years ago. The preferred site of course is Jervis Bay, but that was out of the question because of some environmental concerns. Were there any other sites between Sydney and Eden that were considered along the way that may have been useful and were discarded?

Cdre Cox—We had a look at Port Kembla but it is really a very unsatisfactory site. To go back in history, Sydney is done by public risk waiver. We cart the ammunition by barge down the harbour to ships on a buoy, and the arc just touches Garden Island. So the only people we are going to impact are ourselves.

If you go to any other city where the wharf is in the city, you have to go for a public risk waiver every time. So all we would do to go somewhere like Port Kembla is move the pipeline to another populated area, and quite frankly I think in the NATO principle that is unacceptable. So I think we have no choice but to go for an area that is remote from the population centres that satisfies these NATO requirements that have been proven over the years to be robust and offer a good measure of safety.

Senator CALVERT—We have talked about Point Wilson and back to Twofold Bay. Do you have any hard figures on the operational savings that are here in use?

Cdre Cox—Every time we go past here to go to Melbourne and come back, it is 100 tonnes of fuel at \$500 a tonne, so it is \$50,000 each time. Our calculations on doing that over a year are that it is going to cost us more than \$2 million a year in steaming time alone.

Senator CALVERT—Quite significant. Do you envisage other navies using the facility?

Cdre Cox—The New Zealanders might, but they have ships of similar NEQs to our own. We do not buy ammunition on the basis of providing it to other navies other than to New Zealand from time to time.

Senator CALVERT—Part of the proposal is to carry out an amount of dredging. Will that dredging operation create any environmental problems such as stirring up the bottom and perhaps dislodging heavy metals that may have accumulated there over the years, and that sort of thing? How much dredging is involved and what part of the project does that take into account?

68

Mr Young—The dredging for this proposal is about 55,000 cubic metres. What it requires is dredging up to a maximum depth of a metre and a half at the landward end of the turning basin. There were tests undertaken in the draft EIS of the sediment characteristics and there were no heavy metals found in the area.

The other aspect is that we are currently undertaking geotechnical investigation out there at the moment. That has indicated that we will be dredging in sediments which are suitable for commercial-type dredging

barges. At this stage there is no expectation that we will need to blast rock or other factors like that. The environmental aspects of the dredging have been included. Further examination of that has been included in the supplementary EIS. It is also subject to gaining EPA and state government approval as a dredging licence. We have not actually started that process yet until we get approval for the project.

Senator CALVERT—Where would the dredgings well be moved to?

Mr England—There are three options that have been looked at. The first option that has been discarded is to actually dispose of it within Twofold Bay. The second option is to actually take it about one nautical mile offshore from the mouth of Twofold Bay into about 50 metres depth of water. We have not actually examined that area and pinpointed exactly where that spot would be yet. That is subject to a further stage of it, but that appears a feasible option. The third option, which we are not expecting to have to go to, is to actually bring it back on the land and then to dispose of it on land somewhere. The material is a fine sand and is almost a beach-type sand with only a small portion of it with fine sediments.

Senator CALVERT—We might be able to sell it to some of the beaches in Queensland. Mr Hollis is not here, but we have approved projects in the past, and one in particular comes to mind where we had signed off on it and everything was fixed but out of the blue a little insignificant animal was found and we had to move at a cost of \$1 million. Have you found anything that could be potentially significant in the area that could be the reason for this project being moved or cancelled or whatever because of an endangered species or an endangered animal, or plant life, bird life, fish life or whatever?

Mr England—The short answer is no. The flora and fauna assessment has looked at all threatened and endangered species, both under the Commonwealth and New South Wales state legislation. It has looked at all flora and fauna in those categories, and that includes marine mammals as well. The approach we have taken is a fairly conservative one. There are always difficulties with seasonal variation and year-to-year variation in actually going out and doing a survey and finding the animals there. The basis of the assessment has been to determine whether habitats suitable for any of the species that are listed as threatened or endangered exist in the area. Where habitat does exist, the species has been assumed to be present and then an assessment has been made as to whether the works would have a significant impact on those species. In each case we have been through a structured process which is set down in the New South Wales legislation called an eight-part test, and that shows that the impact on any species is not significant and will not threaten the viability of those populations.

Senator CALVERT—I have one final question. In the Defence evidence, I could not find any evidence—nor could anybody else, I do not think—which mentioned lightning protection. Is that something you would normally do with a munitions—

Mr Young—Yes, that will be incorporated as part of the standard design to fit into the store houses and other areas, yes.

Senator CALVERT—I thought a place named Eden probably would not have storms but would have beautiful weather all the time.

Senator MURPHY—Could I ask one question going back to the dredging? Is it a one-off thing or an annual thing?

Mr Young—We have looked at this in the supplementary report. Appendix C is actually on the dredging and coastal impacts and it talks about this. We are expecting 55,000 cubic metres of material as an initial dredging program and the results of our work to date have indicated that maintenance dredging, if required, would be very infrequent. In the supplementary EIS, we have said in the order of five to 10 years as a very initial estimate. We are not expecting it to be any less than that, or no more frequent than that.

Senator MURPHY—It was a fairly significant cost first up.

Mr Young—In the overall context of the project, it is probably three or four per cent of the project. With 55,000 cubic metres of dredging material, it is expected that a dredge will be able to move that amount of material in about two weeks. There is a very large establishment cost to get the dredge here but, while that dredge is here, it is a fairly quick operation.

69

Senator MURPHY—So you are saying that you expect the minimum for redredging to be five years?

Mr Young—No more frequent than five to 10 years is the initial indicator.

Cdre Cox—If I can just clarify, in terms of costs one of the reasons that we want this safety margin in the depth of dredging is the cost of propellers. If they get damaged, it is in the order of \$4 million to \$5 million. So we need to balance that up against the cost of dredging.

Senator MURPHY—Are you trying to get me to put that into context? It is \$4 million or \$5 million versus what?

Brig. Kelly—It is \$750,000 for the initial dredging.

Senator MURPHY—That is correct. But if it was an annual thing, for example, \$10 million over 10 years—an odd propeller or two. I would like to see a finer assessment of how often this is going to cost \$750,000.

Mr Young—Any maintenance dredging that would be done, we would not be expecting to remove 55,000 cubic metres again. The initial results have shown that only about 16 per cent of the weather and wave conditions here can actually mobilise the sediments and then it actually relies on the currents to transport those sediments. The currents that are within East Boyd are very low; therefore, we are not expecting them to be transported.

Senator MURPHY—If I can just go to the overall cost of the project, the \$40 million. We had before us a joint project being an import-export facility and loading facility for \$55 million. We have now got a de-ammunitioning facility for \$40 million. We understand that you are looking at getting a commercial operator to determine your import-export facility location. Is there any expected cost to Defence in that process?

Brig. Kelly—No, we are expecting the commercial operator to suggest how they are going to do it and to include all the costs involved in doing that in their bid, which no doubt they will recover through Defence in some way or by some means, but as part of this project we have not considered it. It is likely that a commercial operator would operate through Point Alma, or they may suggest through Point Wilson, in which case they would have to come to arrangements with us as to ownership and maintenance of that facility.

Senator MURPHY—When do you expect those discussions to be finalised?

Brig. Kelly—Tenders are in at the moment. I cannot tell you exactly when the assessment of tenders will be completed or an announcement made. I cannot divulge any of the details relating to those tenders, nor do I actually have any.

Senator MURPHY—One thing that is of particular interest to any community that is about to get some venture put into it is the employment aspect. What is the expected employment potential during the construction phase and what is the net expected employment as a result of the completed project?

Brig. Kelly—I am not sure that in the evidence on this occasion we actually identified the number of projected workers. I would suggest in the order of 60. Mr Young might have a comment.

Senator MURPHY—Are we talking about construction here?

Brig. Kelly—Construction work, yes.

Mr Young—In the draft EIS we actually quoted a number in the construction phase of about 70. That will fluctuate quite dramatically, depending on what operations are happening and where the works are actually being done at the time. I will let Brigadier Kelly talk about the operation side of it.

Brig. Kelly—The operational phase will depend to some extent on how the commercial operator wants to run it. We anticipate not more than about 12 people would be employed to run it.

Senator MURPHY—Would they be full-time or part-time people?

Brig. Kelly—Some will be full-time security staff and a manager and there will be some operators to manage the day-to-day operation. Others would be part-time security people as required.

Senator MURPHY—Do you have any breakdown of them?

Brig. Kelly—I would think about fifty-fifty.

Senator MURPHY—In terms of the commercial activities that might or might not take place at the wharf, you have had some discussions with the state government and some state government authorities. What proposals have they put to you that they might look to use this wharf for?

70

Mr Ferraris—Yes, Senator, we have had discussions. Whilst no definitive proposals have come forward, the studies that the state government commissioned before and during, as part of the EIS, indicated that there were substantial resources in this area that could utilise this wharf. During the EIS, it was actually studied. I turn to Michael to give us the details of that.

Mr England—There was a study done in 1996 for the state government by Maritrade which looked at a range of business opportunities in this particular area. As part of the EIS, we spoke to the state government and they asked Maritrade to go back and revisit that study and update it in the current economic climate.

The situation was that they found there were quite a number of significant opportunities. Most of those related to the timber industry. In the initial phases it may well be sawlogs, progressing to value added products. At this stage my understanding is that there have been a number of people who have expressed a level of interest in using Eden as an export port, although nothing has been confirmed in any contractual sense.

Senator MURPHY—Were the sawlogs that were referred to softwood sawlogs?

Mr England—I believe they were both—hardwood and softwood.

Senator MURPHY—Hardwood and softwood sawlogs?

Mr England—Yes, that is to the best of my recollection.

Senator MURPHY—The state government has no proposal for a crane for loading, as a loading facility?

Mr England—My understanding is that the state government will also either use a mobile crane for loading and unloading operations or they will rely on the ship's cranes for loading and unloading. Both of those options give the state government similar tolerance requirements in respect of vessel movements as Defence.

Senator MURPHY—Mr Nairn mentioned that the state government had some \$5 million which is money out of some old former forestry deal with the Commonwealth that they may commit to the project. Has there been any indication of that?

Mr Ferraris—Perhaps I can answer that, Senator. The discussions with the state have indicated there was this money there. The way we have progressed with the funding of this project was to fund and design it to the defence requirement. We asked the state to confirm whether it met the commercial requirements. If it did not, any delta in cost and design should be met by the state funds. They responded to the effect that what Defence was proposing to do for its own requirements met their needs and they indicated they would be funding any commercial developments associated with the multipurpose wharf from their own funding sources.

Senator MURPHY—If and when the state and/or other commercial users seek to use the facility, what is the process in determining payment?

Mr Ferraris—Management arrangements will be put in place should we get approval. Considering that there is a sort of lead time of about 18 months from approval to have the wharf commissioned there is adequate time to do that. The management arrangements will discuss and address how the individual users will use it, how Navy will get priority for ammunition, the maintenance and the cost sharing arrangements in terms of maintenance and revenue. We believe that we can put in arrangements that will meet Commonwealth requirements as well as the state requirements.

Senator MURPHY—The project is a design and construct project. With regard to the change to the tax system—the introduction of the GST—how is Defence dealing with that in terms of negotiating contracts?

Brig. Kelly—I would just say up front that only the marine aspect of the project at this stage is definitely design and construct. All of the facilities associated with the land base facility will be project managed in a traditional way to accommodate maximum input by local contractors and subcontractors, and some of that could be design and construct and some of it could be head contract.

In terms of the GST, as with most other aspects of the community, there are a number of issues still to be resolved with regard to GST by Defence and by the construction industry. But we will be funded for additional costs arising from the GST and our contracts currently make provision for us to negotiate changes to contracts when the GST is introduced. Contractors will pass on to us their GST costs and we will be funded for those.

Senator MURPHY—Thank you.

71

TEMPORARY CHAIR—Could the storage proposed in this project, in fact perhaps the whole project, the operation of the project, ultimately be subject to a CSP arrangement?

Mr Ferraris—The arrangements under the current CSP process are that the proposal for Twofold Bay is not included in the request for tender and tenderers have not bid for it, but the RFT that went out did have provision for amending the requirements. Should this be approved and built, Twofold Bay will be wound into the contract for CSP, in terms of the storage and management, with a successful tenderer. The actual loading and unloading of munitions is part of that CSP contract and that will also be included.

Brig. Kelly—That is what makes it somewhat difficult for us to assess exactly how an operator might run it and how many people they might require to run it. But I should have said when I talked about the number of people employed here that there will be other opportunities passed on to the community, in most likelihood. For example, standard ammunition and de-ammunitioning require the use of two cranes and, on the basis of requiring those cranes only one day on average per week, a provider would most likely find that it was not worth owning their own and they would seek to hire those cranes from the local community, where available.

TEMPORARY CHAIR—Just so there is no confusion among those attending the inquiry, CSP is not GST related. CSP is Commercial Support Program and gives a further opportunity for locals to bid for that particular work. In your evidence you talked about your geotechnical surveys and you indicated that they were currently under way. Could you give the committee an indication of the results to date of those surveys, what impact you are seeing and what risk remains in what has come out of the current operations?

Mr Young—The geotechnical investigation commenced about three weeks ago. To date we have drilled eight bore holes, some of them to depths of about 30-odd metres. What we have found is what we expected for the local geology in the area. We are currently, in the turning basin area, doing some test probing to ensure that the sediments that we are likely to dredge are dredgeable. It has been confirmed this morning that where we are drilling at the moment they are dredgeable sediments. We will be putting together a report within the next two to three weeks compiling all of that information and that would be available to you if you would like it tabled. As far as the risks go, when we prepared that cost estimate a lot of that work was based on Point Wilson work when we did the proposal down there for not the one that went to PWC but a prior proposal to that. The conditions down there were fairly similar.

As to the costs risk, I think we have that reasonably well covered at this stage. The geotech investigation, which we are just completing at the moment, should minimise any risk of physical characteristics of the site that will preclude the proposal the way it stands.

TEMPORARY CHAIR—Mr Young, through your investigations you are seeing no evidence, in all the work you have done to date, that anything unexpected might crop up that would increase the cost of the dredging that was required?

Mr Young—Yes, that is correct. We are seeing that at the moment.

TEMPORARY CHAIR—When does the full or formal environmental clearance occur?

Mr England—I think a lot of that is dependent upon the government agencies and how quickly they can handle that. It is anticipated that it will probably be around the second quarter of this year.

TEMPORARY CHAIR—In relation to Mr Hollis's green arc, you have indicated that public access should be restricted where it intersects the land. Do you propose to restrict public access and, if so, how do you propose to restrict public access?

Mr Ferraris—Where it intersects Bilgalera Point it is a very rocky outcrop, which is very hard to get access to on foot. We have walked the area, and it is very difficult at that particular spot. We do not foresee that anyone would easily access that. NATO requirements, in terms of green arcs and where they intersect the land, require us to do it at the high watermark. You will note from the green arc on the map in the EIS, which is coloured, that it actually shows a low watermark. So we do not expect the green arc to intersect the land at the high watermark to a great extent at all.

Senator MURPHY—What about fishing boats?

Cdre Cox—There is no difficulty with fishing boats transiting the area.

Senator MURPHY—Recreational fishermen?

Cdre Cox—On the wharf or ammunitioning?

72

Senator MURPHY—Fishing within the green arc?

Cdre Cox—Not on a stationary basis. You have to be in a boat to fish in the green arc.

Senator MURPHY—If I want to take a boat out and fish in the green arc between Bilgalera Point and, say, the proposed jetty, can I do it from a stationary point of view?

Cdre Cox—We would ask you to move. When we were ammunitioning in Sydney Harbour—

Senator MURPHY—Why is that?

Cdre Cox—Because they are the rules that we would like to operate under.

Senator MURPHY—Even on the days when you are not offloading and onloading?

Cdre Cox—On the days that we are not offloading or onloading you can fish to your heart's content anywhere you like, so far as I am concerned.

Senator MURPHY—How will the advice be issued?

Cdre Cox—We will just drop some boats in the water when we are doing the ammunitioning. All the ships carry boats.

Mr Ferraris—The port authority would be issuing notification to mariners in the usual way that it does now.

Cdre Cox—You can transit through. The ammunition buoys in Sydney Harbour had Manly ferries going through all day when they were ammunitioning. Transiting through is not an issue. It is just that the rules say that people should not sit there, so we would just ask them to move.

Senator MURPHY—Will there be public access to the jetty and the wharf for the purposes of recreational fishing when you are not using the facility?

Cdre Cox—Yes.

Mr Ferraris—It will be up to the port manager.

Senator MURPHY—You were shaking your head and he was saying yes. I was not sure whether you were saying no and he was saying yes.

Brig. Kelly—They were both saying the same thing.

Senator MURPHY—I come from the Northern Hemisphere and I think we do things the old way.

Cdre Cox—We have no desire to restrict access to it when we are not using it.

Senator MURPHY—You have not been watching *The Vicar of Dibley*?

TEMPORARY CHAIR—Your evidence is that the wharf must be capable of handling commercial vessels of 20,000 DWT. Is that, in fact, a small vessel? Does it, in fact, restrict the potential commercial operations of the wharf?

Cdre Cox—Probably. It is a reasonable sized coastal vessel. It is the size of the largest tanker we have. *Success* comes in at about 20,000 full load. It is a reasonable size for a medium sized merchant ship — and that is for naval use. It is really going to be a function of draught and depth, but 20,000 tonnes is what we want. We are building the wharf for us.

Mr England—The Maritrade study that was done for the state government indicated that realistically, at this stage, the vessels most likely to use the facility would be up to around 20,000 DWT. My understanding is also that the wharf design is sufficiently flexible that, if demand identifies a need to expand that beyond 20,000, the opportunity would be there to do so, subject to separate independent environmental assessment and approvals being carried out on that change at that time.

Senator MURPHY—You do not require further dredging?

Mr England—It may. My understanding is that it depends on the type of ship coming in there and its configuration.

Mr Ferraris—I might add that the consultants to the state government that looked at our proposed design criteria indicated in their report that it depends on the type of commercial vessel. They did not see any difficulty with ships of up to 27,000 tonnes. It obviously depends on what sort of keel they have got, but certainly that was their report, and I have had access to it.

Senator CALVERT—Commodore Cox, if you had HMAS *Success* in here and you wanted to unload a full amount of ammunition, how long would it take?

Cdre Cox—Estimation is about a day—eight hours alongside a wharf.

73

Senator CALVERT—So the likelihood of Eden being invaded by drunken, sex starved sailors overnight would be pretty remote, wouldn't it?

Cdre Cox—I think that is an unfair description of sailors.

Senator CALVERT—They are not my words; I read it in the evidence.

Cdre Cox—The sailors are well behaved. We have from time to time had incidents from a small number of those sailors, which bring discredit to both them and the Navy. We try to manage that as well as we can. It is quite possible we would be here for two days and, in that case, sailors would come into the town. They would behave themselves in the same way that other 18- to 25-year-olds do, because that is what 90 per cent of them are—both male and female.

Senator CALVERT—So at any one time the maximum stay would be a couple of days?

Cdre Cox—Yes, I envisage that, once the facility is here, we might put ships here over the weekend or for three or four days—on Anzac Day, Australia Day and those sorts of activities. They would be here primarily to visit the town. I think there is a possibility that American ships, destroyers without nuclear weapons, are quite likely to come here for similar sorts of visits.

Senator CALVERT—Just to visit?

Cdre Cox—Yes. They do not bring their bad habits—we hope they do not bring their bad habits—and they do bring money.

Senator CALVERT—Speaking from experience in Hobart, I can tell you that we have always had visiting ships, up to four or five a day sometimes, including aircraft carriers. They are worth a lot to the economy. Generally speaking, there have been very few, if any, problems with the service personnel.

Senator FERGUSON—That injects \$30 million a year into the economy.

Senator CALVERT—That is right.

TEMPORARY CHAIR—Gentlemen, turning from the interesting back to the mundane again, the jetty itself is a very large surface area. It is a very large surface area because it has to provide for a turning circle of a semitrailer. Is that normal in a development like this? Does that add extra cost to the wharf? Is there an alternative way that the ammunitioning can be done? Why do you have to build such a large structure so that you can then just turn a semitrailer around out in the harbour?

Mr Ferraris—On the present facilities at Point Wilson, I think the wharf there is 16 metres wide. When you consider there is a causeway and a jetty that is over two kilometres long, and there is no turning circle at the end of the wharf, a truck has to actually jackknife to be able to turn to go back. It is very impractical for the truck to back down two kilometres. I know that the proposal we have got for you here is a 580 metre jetty, but it is also a safety issue. When de-ammunitioning occurs, there is ammunition on the wharf that is being crated, and there is mechanical handling equipment to load it onto trucks. There is a requirement for the safe and efficient conduct of the ammunitioning for the trucks to turn at the end of the wharf in a clear zone. It does add to the cost of a jetty, but we do not believe that we could do without it. Our proposal for Point Wilson in relation to the wharf was to widen it to allow trucks to turn, and that is one of the reasons why we have come for a 30-metre wide wharf.

TEMPORARY CHAIR—With respect to the linkage from the land to the wharf, is that wide enough to have semi-trailers pass? With so few semi-trailers, why would you build such a large structure? Wouldn't there be an economy in suffering the penalty that you cannot have semi-trailers pass but, because there are so few movements, they can wait if they happen to conflict?

Cdre Cox—I think one of the reasons that you go for that is that in this ammunitioning business it is highly desirable to be able to get out to the wharf if somebody breaks down on the way out there and you need to be able to get past, particularly with fire-fighting services and those other things. Most ammunitioning facilities that I have seen go for this sort of arrangement. It increases your safety as much as anything else.

TEMPORARY CHAIR—Your evidence is that the increase in cost is justified—

Cdre Cox—In my view it is justified so that you increase access to the wharf.

TEMPORARY CHAIR—I am proposing to adjourn for morning tea at this stage, if that is acceptable to the committee. I will recall Defence witnesses when the hearing resumes.

Proceedings suspended from 10.31 a.m. to 10.48 a.m.

TEMPORARY CHAIR—I understand that you wish to add to an earlier answer in relation to the width of the wharf. Would you proceed on that, please?

74

Cdre Cox—The width is driven largely by a safety issue. I believe it would be imprudent for Navy to sign up to a facility where we do not have the ability to get on and off the wharf simultaneously and particularly to be able to pass trucks if they break down or to get fire services out onto the wharf. If for some reason something has broken down and we have to get a lot of people off the wharf in a hurry, then dual access is really quite sensible. I think for us to sign up to a single access, which gives us a single point of failure, at this stage of the project would be foolhardy on our part, so it is a safety concern for me. Mr Young, could you address the cost?

Mr Young—As far as the cost goes, the majority of the cost is actually providing the piling structure to actually get up to the deck level. The jetty is seven metres wide now. If we had a single lane, we would probably have to come back to four and a half metres. That would be the absolute minimum you would want to go back to. That would be of the order of possibly \$1 million dollars cost differential.

TEMPORARY CHAIR—So your evidence is that you could save a million dollars, but the penalty would be the loss of the safety aspects?

Mr Young—And that is very extreme when you consider that one of the ships has 250 sailors, plus all the workers out there. I think it is a very vital safety net; it should be wider.

TEMPORARY CHAIR—In relation to Mr Nairn's evidence and Mr Webb's evidence on access from Sydney, would Defence be prepared to consider the upgrading of the Imlay Road, and how would that process proceed?

Brig. Kelly—Before fully committing to that, I would say that in principle we would be very happy to look at it. As I said, the licensing organisation within Defence has had a look at both routes and considers that both are acceptable. They recommended the Princes Highway, I think primarily on the basis that it was more convenient and more direct and therefore less costly.

In our detailed examination we can address the points that have been made and do a more detailed examination of both routes. If we were required to upgrade the Imlay Road—and the fact that there is some gravel in itself, although only a couple of hundred metres, I do not think would be an issue providing the geometry of the road was acceptable; I have driven the road but I cannot recall the detail—in principle, if it was for our requirements, and the New South Wales view was that it was not for theirs, then we of course would contribute to that or, if necessary, pay total cost of upgrade.

TEMPORARY CHAIR—Why would that be the case?

Brig. Kelly—That is why I say if it was only for our requirements. If it was useful also for the New South Wales government then perhaps we could come to a cost sharing arrangement. We do provide money to local councils, for example, throughout Australia under an agreement called 'Roads of access'. For example, with the road into Shoalwater Bay we contribute to maintenance because we are a primary user of that. But the small number of vehicles that we are talking about would not in any way, I believe, make us a primary user, and we would only consider that if the nature of our vehicles was such that it was way above and beyond the nature of other vehicles—for example, log trucks or whatever—using the road.

Senator MURPHY—Absolutely.

Brig. Kelly—It is something we can negotiate. If all the other traffic that uses the road can comfortably get across existing culverts and we could not, then there would be a strong case for us to contribute or to fully cost that. But if it could not be shown that we were unique in that way, then I think we would not be liable for that.

Senator MURPHY—There would be severe questioning in estimates if you contributed to that road for no good reason.

Brig. Kelly—Correct. And we would not do so. What I am saying is that in principle we would be happy to talk about it.

Mr HOLLIS—I am pleased you said that, Brigadier. I think it is time the New South Wales government put their hand in their pocket. After all, it is a state road and, in New South Wales, if this project is approved, the New South Wales government will get benefit out of it, and I do not see that Defence's role is that of a barrel where everyone can dip in when they want a little bit of sealing on a road somewhere. If this committee recommends that, I would expect the New South Wales government for once to put their hand in their pocket and maybe use some of those speeding points they keep charging me with to go towards sealing that.

TEMPORARY CHAIR—Senator Murphy, any further comments or questions?

Senator MURPHY—I do not disagree with the comments that Colin has made. Frankly, I would be totally opposed to Defence contributing to road work when it is essentially, as I can see from the project and from what is proposed in terms of usage of the road, a non-essential requirement. Imlay Road is a state road and, if it is necessary to upgrade it for whatever reason—and you are talking here about minimal use in anyone's terms—then Defence ought not to be contributing to the road. I am saying to you I would be opposed to it, and we would question it very severely—if they did contribute—in the estimates process.

75

Brig. Kelly—I would agree. As I said, we would only consider it if we had some absolutely unique requirements. And we are still looking for a New South Wales contribution in some ways. Of course, New South Wales had set some money aside for this and they will have to fund the commercial aspects of it. We have not been through the detail yet but we are assuming that any land swaps or lease agreements for the land will be under very favourable conditions for us.

TEMPORARY CHAIR—And your evidence to the committee today is that, following the evidence of the two local members, that you will as part of this whole process look at the access routes and what the implications might be and take account of what the members of the committee have said today.

Brig. Kelly—We are very happy to do that, Mr Chairman.

TEMPORARY CHAIR—In relation to the storage of ordnance on land, there is a technical matter here where you refer to the security measures. You talked about portable microwave or infra-red sensors for

explosive storage hard stand areas. If this is a purpose built facility, why would the sensors be portable? Why wouldn't they just be built, installed and security put in place?

Mr Young—The portable microwaves would be located around the truck holding bays which normally would be just a concrete pad with nothing around them. What we have done recently in a similar facility down at Point Wilson is actually install fixed sensors around those areas. At this stage either option would be acceptable. So it is just a matter of working through the detail and working out what is the most efficient to meet the operational needs.

TEMPORARY CHAIR—I do not understand that. If you are going to have the security and you know where it is needed, surely you just install it? What is the point of having portability if you know you are going to put it there? You are not going to put it anywhere else.

Mr Young—The situation in those truck holding bays is that there are four of them to give some flexibility to the logistics transport. All four may not be used at the one time. If you have actually got fixed sensors there and no trucks inside them and an alarm goes off, you still have to go out there and actually address that alarm. Whereas, if you have some sort of portable system, or some system where you can actually switch those areas off, I think that would be the best operationally.

TEMPORARY CHAIR—You can have a system in a fixed system which switches a zone off. What is the point of having portable gear?

Mr Young—I can see your point. It is probably a detail for when we do get into the design and look at which is the best way of addressing that.

TEMPORARY CHAIR—As for land tenure, is there any risk in relation to the land use agreement that is to be negotiated?

Mr Ferraris—There is a risk there. We have started the process, principally through the state government who are the land owners at the moment, including the bay. At the moment we know that there is no known native title claims on either the crown land or the crown seabed. The advice that we have had from our legal advisers as well as the state crown solicitor is that we should be going down the indigenous land use agreement which gives us the greatest long-term surety. That process has been started. The New South Wales Aboriginal Land Council started their process with determining who the interested parties are in the region. When they have advised the state who they are, we will progress down the path of starting to address those issues.

TEMPORARY CHAIR—In relation to the existing HDA facilities and your evidence that the amount be an agreement to include a first option purchase arrangement with HDA. That is to ensure the Defence facility is safeguarded against future incompatible development of the HDA site. What is this first option purchase arrangement? Does this commit the government to future expenditure of money?

Mr Ferraris—Perhaps I can initially address that. We have broached the subject on an initial basis with Harris Daishowa and its principals in the facility here. Of course, it is on a no commitment basis. The development that they have now, and the advice they have given us, is that they do not intend to make any development that would be incompatible with the current safeguarding of the arcs. So there is no risk while they continue in their current activities. Should Harris-Daishowa at some time in the future determine that they are going to cease that particular business and sell their freehold property, clearly there is a range of developments that could be incompatible with the safeguarding of the arcs we have on the wharf, and Defence would be concerned about the limitations it would put on us in the future. We have had experience in a number of our storage depots that were outside major regional centres and, because of urban development, we have had to limit or close them down. We do not want to be faced with that possibility in 20 to 30 years, which could quite possibly happen.

76

Brig. Kelly—If Harris-Daishowa were sold, technically, in accordance with the regulations, we could have, for example, low density housing in that area which would technically not be of concern but in principle we would prefer that did not occur and, in fact, in principle, Defence prefers to control all of the arcs. What we would be concerned about would be something like a 15-storey Club Med with massive glass fronted buildings and 3,000 people staying in a confined space. That would be contrary to the directions of the purple arc.

TEMPORARY CHAIR—Thank you. In relation to the confidential cost estimates, in the wharf project and in the civil works for storage there are line items for telecommunication services. Both of the amounts are the same. That produces some deep suspicion that while the projects are different there has just been a figure popped in there and it is sort of, 'Here you are, committee; here is an amount of money.' It just cannot be the same and, in fact, with the evidence on what telecommunication facilities would be required at the explosive storage site, the amount of money seems extraordinarily high. If those figures are just plugged in there and

they are just something to fill up the hole, is that what all the other figures are in this confidential cost estimate?

Mr Young—Just to go through the telecommunications costs, at both sides we have to hook into the existing Telstra network along Edrom Road. What we have to do at the wharf is run conduit and cable about 1.3 kilometres to the jetty and then along the side of the jetty. It ends up being of the order of 1.8 kilometres of conduit and cable. Similarly, at the depot site it is about a similar amount of conduit and cable. The figures that are there are primarily for that conduiting and cabling. That is the reason why they are very similar figures. It is because it is actually a fairly similar quantity of work.

TEMPORARY CHAIR—This is a copper cable, not a fibre optic.

Mr Young—We would be putting probably a fibre optic to give flexibility because the actual cable costs are very similar. The conduiting and excavation of putting those in is the primary cost.

TEMPORARY CHAIR—Are you aware of the particular cost of the design services for the depot?

Mr Young—Yes.

TEMPORARY CHAIR—The depot is just basically a series of boxes. Perhaps that is unfair, but there is some description in that regard. Why is that figure so high?

Mr Young—As a percentage that works out to be about 3½ per cent of the capital works. Because we are actually delivering it in smaller packages there may be some inefficiencies in the design rather than if we had actually let that as all one package. The overall concept for the delivery here is to actually design some of those works so that local contractors can actually bid on those works. Maybe the interfacing between some of those works needs to be taken into serious consideration.

TEMPORARY CHAIR—There are a number of different sorts of explosives buildings on the site. Where there are the 27-metre by 22-metre portal buildings, one of those buildings is approximately double the cost of the other. Why would that be so?

Mr Young—With the first line item there are actually two of them. That is the reason why.

TEMPORARY CHAIR—That is a fairly reasonable explanation. I cannot really challenge that. Regarding the truck holding bay, you can see the cost of that. Is that basically a car parking bay?

Mr Young—There is a very substantial cost in that of the internal traverses between each one of those. Within each of those areas there is about a 20-metre by 20-metre pad to park the trucks, and they are situated about 100 metres apart. What you actually need in between each of those is an urban traverse about 4½ metres high to ensure that, if there was an accident at one of them, it would not transverse to the next area.

TEMPORARY CHAIR—I understand.

Mr Young—There is a substantial amount of money in there for straight earthworks.

TEMPORARY CHAIR—And there is a substantial amount of money for the electronic security system. Looking at that particular cost, it looks like it would be gold plated. I do not want to go into the details of the security system. Are you confident that that is a reasonable estimate?

77

Mr Young—Based on the works that we are just completing and commissioning down at Point Wilson, I would think that that is a reasonable cost estimate at this stage.

TEMPORARY CHAIR—The contingency—and Mr Forrest will ask this when we get back to Canberra—is higher than normal. Would you explain why the contingency is in fact higher?

Mr Young—There is an incremental contingency of 12½ per cent for the wharf, jetty and access road works. Keeping in mind that we produced this estimate in about October last year and we did not have the geotech investigation under way at that stage, therefore we wanted to ensure that with respect to the marine works we had some contingency in case we found anything during the geotech investigation that may have increased our costs slightly. Onshore facilities—

Mr Ferraris—Perhaps I could also indicate to the committee that, subject to the environmental constraints that may be placed on us, we may have to stage the construction to suit the migratory patterns of whales, et cetera. That would add cost to it. It depends on when we start and when the construction program could go ahead.

TEMPORARY CHAIR—So on the balance of probability the PWC will not be faced with you coming back to us and saying that there has been a cost over-run on this? Your evidence today is that you are well protected in relation to the cost?

Mr Ferraris—Yes.

TEMPORARY CHAIR—On what basis will the wharf be made available? I would like you to put this into evidence. Has it been determined who will manage this process?

Mr Ferraris—How it will happen has not been determined. It has not been decided yet. We have entered into some preliminary negotiations with the state on how the individual stakeholders' usage rights would be protected. From Defence's perspective, we would want to ensure that the Navy ammunition requirement takes priority. Perhaps the commodore can address how the program is identified to the eventual operator of the port so that there are warnings and so that the commercial operators can fit in around that program. Those details have not been negotiated yet. It is one of the tasks that we have got to undertake. There has been correspondence between the Premier and the minister that have identified that we should go down a more formal path of addressing a memorandum of understanding, and these will be part of those discussions.

TEMPORARY CHAIR—Finally, Mr England, I have not had the opportunity to read the supplementary EIS. On the basis of what I have seen and what is in the papers today, the process has been extraordinarily thorough. In the supplementary EIS is there anything that the committee should be aware of that may not have been covered in the first draft?

Mr England—In general terms, no. The supplementary document examines all the submissions that were received both from the community and from the government agencies and seeks to clarify and address each of the issues raised. In some instances that is being dealt with by way of clarification. In other instances there has been some additional work carried out. Most particularly, you will find that there are a couple of appendices in the supplementary report which deal with coastal processes and also wharf availability. What those additional studies have indicated is that the level of impact that was assumed in the draft EIS has been somewhat conservative. We believe that that was an appropriate situation at the time. The impacts, therefore, have probably been assumed as being slightly worse than the subsequent studies have actually indicated that they are likely to be.

TEMPORARY CHAIR—Thanks, Mr England. Mr Hollis, have you got another question?

Mr HOLLIS—How much money has been spent on Point Wilson? Was there much work required to enable it to handle the ammunition?

Mr Ferraris—Mr Hollis, perhaps I will address this and let Steven give you the detail. The work that we have undertaken at Point Wilson is basically to preserve the structure, so it is to do with cathodic protection to stop any further deterioration. Also, we replaced the guard rail where it was deficient. There are basically a few environmental works continuing on from what we intended to do to clean the site up and a minimum amount of work to allow the Navy's requirements to be met. Steve can give you details on the costing.

Mr Young—Essentially there was about \$2 million worth of work done down there. There were six packages of work: packages one and six were related to fenders for the softer skinned Navy ships. I will not give you estimates because I cannot recall exactly what they are.

The second package was to do with the fire system upgrade on the wharf. At the moment there is a manual system down there which was not very effective. We have put in a fire system this week that complies with the Australian standards for that sort of installation. It is a diesel standby with electric motor as well. The third package was looking at the jetty cathodic protection system to reinstate what was previously there as well as to replace the handrails along the jetty which we have noticed in the last couple of years have actually started to fall off.

78

The fourth package, which was the largest one, was onshore works. There were two small buildings built: one building 24 by 15 metres with a 10-metre canopy for maintenance of the missile containers and a very small transit facility with some civil works. The fifth and final package was to incorporate a security system compatible with what assets were going to be stored there.

Mr HOLLIS—How many people are employed there?

Mr Young—I think there are about five or six people employed there.

Mr HOLLIS—How many people were employed at Newington?

Brig. Kelly—I cannot answer that, Mr Hollis.

Cdre Cox—I cannot answer that at the moment, but we can find out for you.

Mr HOLLIS—What interests me, having lived through the proposal when it was going to go to Jervis Bay and having lived through this proposal, is what has happened to all those workers? Is it because of modernisation or mechanisation? Basically they are still going to be doing the same things but we have gone from 100 workers down to half a dozen. Even BHP did not achieve that rationalisation of their work force. What has happened to all the workers?

Cdre Cox—A lot of them have gone.

Mr HOLLIS—Obviously they have gone but the work is still the same. Have you got a lot more mechanised things there? There must be some reason why we can go from 100 workers to six.

Brig. Kelly—I think we are absolutely speculating here, Mr Hollis, about how Newington did its business and we probably should come back to you.

Cdre Cox—We have changed our ways of doing business. We will have to get that qualified for you.

Mr HOLLIS—Okay, thank you. The main ammunition, the big lot, coming in is a commercial activity, isn't it, that Navy or Defence is not involved in? If it comes into Port Alma or Port Wilson, when the ammunition arrives in Australia—

Brig. Kelly—It will be a commercial operation when the contract is let.

Mr HOLLIS—What is it now?

Brig. Kelly—It currently comes in through Point Wilson, as we previously briefed, under departmental arrangements.

Senator MURPHY—If I can just follow up on that, I want to go back, Brigadier Kelly, and check what you said earlier about the import-export facility. Mr Chairman, I would suggest that we ought to get a brief from Defence as to what they envisage the cost might be and how that is going to work because that was an issue that we had on the table before. It has now been taken off, and I would think that it should be part of our assessment of the overall cost of what was an initial single development. We need to have a look at that, and we would like to, if possible, get a brief.

Brig. Kelly—Certainly we can provide you with a brief after the arrangements are announced, but in fact I may be able to find out if there is any idea of the break-up within that contract by the time we reconvene this afternoon.

Senator MURPHY—Mr Hollis asked a question with regard to the money being spent—or that has been spent—at Point Wilson. It seemed there were about five packages—

Mr Young—Six packages.

Senator MURPHY—Six packages. We would like, or certainly I would like, Mr Chairman, for us to get the total cost of the six packages.

Brig. Kelly—We would be happy to provide those details. I think we might have actually provided them in one of the many briefs that was provided about a year-and-a-half ago in the planning stages. Essentially, it was something we would prefer not to have to have done, but the Point Wilson project that we took up two years ago would have seen the replacement for Newington in place by now, and the delay of two years to look at this process, which we believe is beneficial, has imposed that additional overhead on us to make Point Wilson suitable as an interim. We will provide the details for you.

79

Senator MURPHY—Thank you. With regard to the access for anglers if this development proceeds here at Twofold Bay, I note that the road is proposed to run past the little picnic area down there. What access off the road to the jetty will be provided, and do you envisage any car parking because at the moment, where that road is proposed to come down, it would look to me visually that it might be difficult to get access off a road that is going to swing down around there. Have you looked at that and, if so, what do you propose to do?

Mr Young—We have not quite got to that level of detail as yet. What we will need at the start of the jetty is some sort of access control for people when Navy are doing ammunitioning there. What we probably will put there is a very small building so that a person can actually be housed there to act as security control for that area, and associated with that would probably be a car park of about 10 cars, and that would also serve the function, for any people who are involved in the wharf operations, to keep their vehicles off the wharf and to keep the wharf area as clear as possible.

Senator MURPHY—But what about public access to the picnic area, and also in terms of the public who may want to use it? I understood—I think Brigadier Kelly said, or maybe Commodore Cox said—that access for anglers would be available to the jetty and the wharf area when it was not being used.

Brig. Kelly—I think, as Steve said, we have not got into detail, but I personally see no reason why the jetty would be closed when we are not using it. We would secure our facilities at the end of the jetty and on the wharf, for example, but I see no reason why it would not be available to the public. That, of course, might not conflict with the commercial use, and the commercial operators would have a view on that. But, in terms of providing car parking access, I think what Steve was saying is that we would provide a limited number of car parks for our own workers and, when the port was not in operation, those vehicles would not be

there, so there would be limited access and, presumably, it would be up to the local community and local council to embellish the picnic area that is there, although that might also be impacted by the commercial use. I do not see how our use would impact on that area significantly.

Mr Young—The other consideration there is that it is actually HDA's land. It is actually private land down in that area there. So even though it is a picnic area, or it had the sign that it is a picnic area, it is actually private land.

Brig. Kelly—And you would still have to resolve those land issues with HDA.

TEMPORARY CHAIR—Following Senator Murphy's questioning, Brigadier, you will attempt to bring back that information this afternoon when Defence is re-examined, if it is possible?

Brig. Kelly—If it is available.

TEMPORARY CHAIR—Otherwise, we will get that briefing in Canberra.

Senator CALVERT—Commodore Cox, this morning you mentioned that one of the benefits of the facility would be that you would perhaps be using local portable or mobile cranes, that they were something that Navy would not have and you would subcontract that. Are there any other parts of the operation that would be of benefit to the local community in a similar way?

Cdre Cox—Certainly tug services. Every time we come in here we would want one tug, except when *Success* comes in and then we would want two, and we would want them on entering and leaving. So, for each time we come in, it would be one to two tugs twice and there would be quite a lot of business for the tug company. I think we would probably be using the harbourmaster's services for the first couple of times we come in as well, just to make sure we do not get it wrong. General provisioning for ships will of course take place — bread, milk, those sorts of things, we would normally get whenever the opportunity is presented and we would get them from the local town.

Senator CALVERT—Fresh food and the like?

Cdre Cox—Any time we come into port we normally get milk, bread and whatever else is necessary. We would certainly be taking the opportunity when ships come in here to top up with those things, particularly if we are out off Jervis Bay.

Senator CALVERT—Newspapers, all that sort of stuff?

Cdre Cox—All those sorts of things.

TEMPORARY CHAIR—Gentlemen, the committee has no further questions. Thank you for your evidence and we will recall you at a later time this day.

81

[11.22 a.m.]

BEAUMONT, Ms Rosemary Jane, President, Environment Network Inc.

TEMPORARY CHAIR—Welcome. The committee has received submissions from the Environment Network dated 10 and 11 February 2000. Do you propose any amendments to those submissions?

Ms Beaumont—Yes, I do. I would like to submit a copy of a paper from the Strategic and Defence Studies Centre of the Australian National University on this issue, entitled *East Coast Armaments Complex location project*, by Desmond Ball.

TEMPORARY CHAIR—That is not an amendment, that is just a tabled document. You are seeking leave to table that?

Ms Beaumont—Yes.

TEMPORARY CHAIR—That is not a problem, we will do that. It is proposed that the submissions dated 10 and 11 February 2000 and the accompanying Defence responses be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The documents read as follows—

TEMPORARY CHAIR—I now invite you to make a short statement before we proceed to questions. That statement should be limited to be about five minutes, in support of the submission that you have given to us in writing. Thank you.

110

Ms Beaumont—Thank you very much for the opportunity to speak and give evidence. There are many points I make but I will keep the statement to about three or four. It is our strong belief—and this is looking at analysis—that Eden is quite the wrong place for the location of this facility. That is on the basis of putting it in the context of Australian defence planning. With no disrespect intended, but from reading a lot of the information, you could be forgiven for thinking that this issue has nothing to do with defence planning. The way that it is discussed almost entirely in terms of peace, the basic function and purpose of our defence forces is not brought in as a context within which to examine this issue.

It is not just our view but the view of what would probably be one of the peak bodies—the Strategic and Defence Studies Centre of the ANU—which outlines a myriad of reasons why the focus should be to put this facility somewhere on the Central Queensland coast. This is in line with the fact that the defence policy for Australia and defence planning is totally oriented to the north of the country. Virtually every Australian has as an assumption that that is where we are vulnerable and that that is where defence needs to be focused. The discussion to date, and even the evidence given this morning, takes no cognisance of this fundamental fact in the reality of the lives of Australians. On the criterion for your assessment—the first one on purpose—as a service to all Australians it almost certainly needs to be assessed on that basis.

The discussion of this issue has been criticised because of strategic defence analysis. It does not look at the strategic and operational implications. It means strategic for the national defence and operationally, not in terms of peacetime training needs but the fundamental issue of operational factors in relation to contingencies. As I understand it, our defence policy is now based on projected contingencies that have three levels, two of which are stated as quite likely and occur unpredictably; so the factors of transit time to areas of operation and time on station are fundamental to our defence. I know I am skimming over this.

I will just also mention that two weeks ago the head of the department, Dr Allan Hawke, made a number of comments at the Canberra Press Club. Among them were criticisms of the department and the services for giving insufficient attention to serving the nation and being too inwardly focused. It would be our position that discussion to date on this issue does reflect both of those criticisms, and we would support that.

The other two factors I want to quickly raise—I am aware that I have a short time here—is that we have a very different view about community support, and we hear a lot of criticism and division on this issue. We claim that the community is quite divided on the issue. Where there is support, I have heard that that support is for the commercial wharf, because there is no argument that people right throughout this area, with no discrimination, are united on the fact that we want to see our area move ahead. It actually seems, looking at the issue of the commercial wharf, that there is a lot of evidence to indicate that, commercially, it is not a goer. I would contradict evidence given earlier today on that basis. It almost seems an unfair thing to piggyback the naval proposal onto this hope of a break in our local situation with regard to employment.

It is a very poor area. In the Bega Valley Shire the average household income is only \$13,000. Nine out of every 10 young people leave the area. In rural areas a high number of young people leave their area but in this area it is even worse. This proposal is not going to keep our young people here, particularly the bright ones. In fact, where rural recession has been turned around and areas have been made to boom, there seem to be some factors that support this, and one is good leadership. I would like to talk about that issue. Sadly, we have not had that in this area. We need the leadership that can embrace a lot of difference, a leadership that can move with change. The old style leadership that basically you could name as the style of mates and bullies does not work anymore, and you need a broader approach than that.

Another indicating factor is that what helps in turning rural communities around is the presence of a tertiary institution. They are totally different directions to look at. There are, that I am aware of, three universities interested in putting tentacles into this area. There could be quite a different approach to rural revival in this area. As for the commercial wharf and the study done by the Public Works Department of New South Wales, I stand in contradiction to the person speaking in favour of the draft EIS. It actually says that it looked at all options to develop a commercial wharf in Twofold Bay from 1901—or around that date—to the mid-1970s. It is quite conclusive that it is not economically viable. The factors that it raises to do with shipping economics are even more so now. Coastal shipping has almost gone; big ships will not come in here. You are looking at very small quantities of cargo such as milled timber and fresh water as cited in the EIS. It would hardly justify a couple of ships a year. It is almost unfair to mislead local people with a promise that all evidence would indicate will not come through.

The other point I want to quickly skate over is the issue of community support. I have heard it said in this room that there is enormous community support. I would contradict that. For instance, there are past resolutions of our council in favour of it. You are not local and you may not be aware that the Minister for Local Government has actually sacked our council. There are a number of reasons, one of which was harassment and professional staff interfering with professional advice. Another was the fact that they had no strategic planning and I would ask you to keep that in mind. That is why I say that we have had a dearth of what you could call good leadership in this area. There is good leadership, but it is not the leadership that is getting heard.

111

TEMPORARY CHAIR—We might proceed to questions. I think you have covered the points that you wished to cover.

Senator FERGUSON—I would rather hear what you wanted to raise rather than go to questions.

Ms Beaumont—I wanted to also say that it has been brought to our notice that there has been quite a deal of covert and overt intimidation of people speaking out against this issue. Thank you.

Mr HOLLIS—There are a couple of points I wanted to raise with you. First of all, you seem to be putting a lot of faith on this supplement by Des Ball. When we are talking about misleading—and I am not saying that you are misleading—this document was prepared in 1994, and things have moved on. Robert Ray was the then minister and Jervis Bay was being considered. Just having a look at it, we are dealing with a project here today worth \$41 million. Des Ball was dealing with a project worth \$290 million. That is what he is arguing. He is arguing about a project of \$290 million in 1994. Governments and things do change quite considerably. I think even Des Ball would not write this paper given all the knowledge that has been developed over the last couple of years. I do not think you do your cause much credibility by arguing with what is essentially an out of date document. If you want to use that argument, that is fine. I want to clarify one point straight away. I think there is an error here on page 3 in the second last paragraph where you say:

Two prior Commonwealth Parliamentary Standing Committees on Public Works (1994, 1998) recommended against Eden as a location on the grounds of public safety ...

That is just not true.

Ms Beaumont—Can I comment on that?

Mr HOLLIS—Yes.

Ms Beaumont—What the Navy says is not true. It is actually in a report of your committee in 1998. I can give you the paragraph and page where it does that.

Mr HOLLIS—I was the chair of the committee in 1994. We never dealt with the Eden proposal. I was here in this room at the meeting in 1998 that was chaired, I think, by Wilson Tuckey. We were not making a recommendation. We came here because we were asked to come here and have a look at it. To my knowledge, this committee did not deal with an Eden proposal in 1994.

Ms Beaumont—If I could comment, I would disagree with you. I have a copy of the report of your committee in 1998. It is the third report of 1998 on page 13 in paragraph 62. It discusses Jervis Bay and Eden.

TEMPORARY CHAIR—We have a copy and we will just locate where you are reading from. It is page 13, recommendation 62. Does everybody have that? Please proceed.

Ms Beaumont—It discusses Jervis Bay and Eden and says that the former was unacceptable for environmental reasons and the latter for cost and public safety reasons. Eden is discussed in this report of this committee quite extensively.

Senator MURPHY—That is correct. It was discussed and we were considering an import-export facility with a much higher explosive capacity than what is now proposed. That report actually talked about the east coast armaments facility in total. We are now dealing with an onloading and offloading facility in terms of the public safety. The public safety requirements are now met with regard to the volume of armament capacity that is proposed to be onloaded and offloaded at this facility. There is a different set of circumstances here that we are now considering.

Ms Beaumont—I am aware. All I did there was quote that in that context and I did not imply it was for this new situation. What I quoted was correct. I want to point out that the naval response was quite incorrect. Most of the naval responses to the submission of the environment network really just amount to asserting things with very little backup. I would have to say a lot of it is fairly simplistic and some of it is actually wrong when compared with the original documents.

TEMPORARY CHAIR—Do you agree there has been no reference in the 1994 committee hearing?

Ms Beaumont—As far as I could ascertain, the report on that hearing was not a public document. We were not able to get hold of it.

112

Mr HOLLIS—All our reports are public documents. You will find that at the end of this meeting one of the committee members will move a motion authorising publication and, in fact, when the documentation comes in to us it is always available. The only time that we do not have a public document is when we have something commercial-in-confidence or occasionally, about once every four or five years, when we are dealing with a sensitive defence issue. In those cases, we may go to an in-camera hearing. Otherwise, every one of our hearings is open to the public and all our documentation is open.

Ms Beaumont—We were not able to get hold of that.

Mr HOLLIS—I do not know why you were not able to get hold of that. All you had to do was to make a telephone call to the secretariat and it would have been provided to you. When you say you cannot get hold of it, do not hint that there is some scheme to deny you access.

Ms Beaumont—I am not implying that. That was not my implication.

TEMPORARY CHAIR—I think we understand each other.

Ms Beaumont—Could I please address the point that Mr Hollis made earlier?

TEMPORARY CHAIR—Yes, please do.

Ms Beaumont—In reference to Desmond Ball's article, I do not know if you have read it or not, but if you have not I would strongly encourage it because the issues he makes actually have more weight now even than when he wrote it. To say it was written in 1994 and imply that it is out of date, I believe, is not valid. The points he makes that the strategic and operational factors are not dealt with, I believe, are still valid.

He says that an issue like siting it close to Sydney for training purposes is too narrow a focus and too narrow an outlook of what operational factors are. He also says that there is almost no discussion of strategic factors. He injects that level of discussion into it. To say that this facility needs to be near the fleet in Sydney is not correct. We are talking about peacetime. It is argued that this training should go on where it is going to be most useful, and that is in the north. It is predicted that all areas of operation will be in the north and that increasingly the Australian Navy is involved in regional exercises with our regional neighbours. They all occur in the north. From that argument it seems that that is obviously the place where this facility should be sited. Another factor is that it increases the vulnerability of ships when they are de-ammunitioned to have to come this far south. He discussed the vulnerability factor. The issue of this being a target pretty well got dismissed earlier. It does not get dismissed by a strategic defence analyst. He actually deals with that. He talks about vulnerability in terms of small raiding parties. We have had peace in this country for a long time, and that is a great blessing, but surely the point of defence is to look at other times when we do not have that.

Mr HOLLIS—I have a couple of points to make. This is 10 years out of date. Desmond Ball was dealing with a project of \$290 million 10 years ago. And even with this government containing inflation, given the 10-year inflationary period, I would say that we would be looking at much more than \$290 million. We might be dealing with something like \$350 million. Maybe you would care to comment on where the government of the day might find that money. Bear in mind the project we are dealing with today is \$41 million.

I do not know if you are a defence expert or not, but we have just come through a period of conflict. Rather than being a peaceful period, Australia has just had its largest involvement in conflict in recent times. Many of us on this committee serve on other committees dealing with defence as well. All of the arms of defence are learning from the conflict that we have just come through. You may have heard Commodore Cox give evidence about loading the ships in Darwin. There is no problem. You can take the ships around and they can have the ammunition loaded there in Darwin.

The other point where you are not quite right is where you are saying that all the exercises that Australia is involved in are in the north. That is not true. Many of them are off the east coast, off Jervis Bay. Some of the international exercises that we are involved in are not off Darwin, they are off the east coast of Australia, off Jervis Bay.

Ms Beaumont—I do not think I did say that they are all to the north.

Mr HOLLIS—Yes, you did; you said the conflict there.

Ms Beaumont—Okay. Certainly they are predominantly in the north and I will stand by that. In that document, this committee is actually criticised for looking mainly at issues of cost and physical practicality.

Mr HOLLIS—That is what we are charged to do.

Ms Beaumont—As our elected representatives, I hope you would also look at what is good for the country overall.

113

Mr HOLLIS—I think we do that. At the start of every hearing the chair of the committee reads out what we are tasked to do. One of the things that we are most strongly tasked with doing is making sure the Australian taxpayer gets value for the taxpayers' dollars and the money to be expended on the work can be justified. That is what we are here for. We are charged with the responsibility to make sure that the taxpayers' dollar is spent in a responsible way. That is why I would argue with Desmond Ball. There is no way on this committee that I am going to recommend a facility costing close to \$400 million when we can get it for \$41 million.

Ms Beaumont—I think that is a misreading of—

Mr HOLLIS—It is here.

Ms Beaumont—I know. Nobody is denying that since then ECAC has been separated into two functions. I think everybody knows that. I am not advocating that. I am advocating the basic principle that looking at this issue needs to be brought into line with Australia's defence policy and strategic defence analysis, which does not appear to be occurring.

Mr HOLLIS—I think you will find it is, but that is all from me. Here it is in the first paragraph— \$290 million, and this was in 1994. From \$290 million to what it is today in the year 2000 would be around the \$350 million to \$370 million mark. No government in Australia would spend that amount of defence expenditure on one facility, especially when we can get it for \$41 million.

Ms Beaumont—This is a bit frustrating, because I feel that the point I am validly trying to make is not being heard.

Senator FERGUSON—Perhaps the reason that you feel you are not being heard is that you have based most of your argument on defence strategy and not on the proposal that we are actually here to look into today. We are here looking into the expenditure of some \$40-odd million on this project for Twofold Bay. You say that the Navy is quite simplistic in some of their answers to responses.

Ms Beaumont—Yes.

Senator FERGUSON—I am wondering whether you stand by all of the things that you have in your submission and whether you have done your homework. For instance, you talk about the use of weapons manufactured from depleted uranium. Where did you get that information from? It is on page 6.

Ms Beaumont—I have got it. It actually does not say that. It asks the question whether Australia has weapons made of depleted uranium because they are of great concern. It actually ends with the question: if Australia does have these weapons will they be transported on our roads? It does not say we have them.

Senator FERGUSON—It does.

Ms Beaumont—Fortunately a question in parliament has clarified that we do not. So that is a misreading of our submission.

Mr HOLLIS—It says it here. The fourth line in paragraph 7 says:

The casing of many weapons are now manufactured from depleted uranium ...

Ms Beaumont—That is true. Australians should know that Australia imports most of our weapons. It is asking: does Australia get these weapons?

Mr HOLLIS—No, it is stating that it does.

Senator FERGUSON—I think that before you make those assumptions or ask the committee the questions, perhaps you could have done a bit of research yourself. A simple inquiry would have found out that Australia does not have any weapons that use depleted uranium.

Ms Beaumont—We did do that research. As I point out again, it was raising the issue and asking a question. It was not saying we did have them. We have done our research and we found the answer.

Senator FERGUSON—Who did you ask whether or not the Navy had depleted uranium weapons?

Ms Beaumont—A question was asked in parliament. I have a copy of the *Hansard* print-out. Who asked it?

Senator FERGUSON—And what was the answer?

Ms Beaumont—Senator Bob Brown asked it as a question on notice.

Senator MURPHY—When was that?

Ms Beaumont—It is in my bag further back in the room. Do you want me to get it now?

114

Senator MURPHY—No. Was it this year or last year?

Ms Beaumont—I believe he submitted the question in December and got the written reply late in January.

Senator MURPHY—And you prepared your submission on 10 February this year?

Ms Beaumont—Yes. As I say, it was raising the issue and asking a valid question as a member of the community.

Senator MURPHY—But you already had the answer to that question, if I understood you correctly, from Bob Brown's question on notice late in January.

Ms Beaumont—I can say in all truth—and I am aware that I am under oath—that when this went out we were not aware that we had it.

Senator MURPHY—The date on this is 10 February.

Ms Beaumont—I can only say that, as I understand it, that is when his response came back. It might have come back two weeks into February. I am not exactly sure. We certainly did not get it until after we posted this off.

Senator FERGUSON—Can I return to the issue of consultation, because you make quite an issue of that. What do you think is proper consultation? What do you think should have happened that has not happened?

Ms Beaumont—I think consultation is difficult. One of the criticisms is that all the public sessions have occurred in Eden. The issue actually affects people outside Eden; it affects people all the way along where it is proposed to transport these weapons. They also have a right to comment. Some of the early meetings in Eden were very poorly advertised. In fact, on the day before one meeting was to be held there was an incidental article in only one of the local papers that has a limited circulation. The later meetings were certainly better advertised; the early ones were not. The press releases that went out gave quite an air of the issue being a fait accompli. A lot of people did not realise that the issue has not yet been decided and that they could have input. An inherent difficulty in this is that a lot of public issues are notified by way of an advertisement in public notices in papers. In truth, most Australians do not read this section of newspapers, so there is an inherent difficulty in it. At a level of reaching the region, and certainly other people potentially affected, I would say it has not been sufficient.

Senator FERGUSON—Did you attend the meetings?

Ms Beaumont—No, I did not.

Senator FERGUSON—Did you know they were on?

Ms Beaumont—I knew of a couple of them, yes.

Senator FERGUSON—Why didn't you attend?

Ms Beaumont—I do this because I care about the issue. I am not paid for it and my petrol is not paid. Sometimes I just did not have the money, that was why.

Senator FERGUSON—I do not know how on earth public consultation can take place with every single person in the community if they do not have the money to attend a meeting. I do not know what else you could expect the proponents of the project to do, other than to advertise and to give people the opportunity to make a public comment. If they choose not to, then I do not think they can complain that there has not been proper consultation.

Ms Beaumont—I am aware that I am under oath and I will say I believe there has not been proper consultation.

Senator FERGUSON—How does most of the fuel get down to Eden? Does it come by tanker along roads?

Ms Beaumont—Yes, I believe so. I am no expert on this.

Senator FERGUSON—Would it surprise you to know that I think the odds of a disaster happening with a fuel tanker are about 100 times greater than with a load of ammunition? I think my figures are right.

Ms Beaumont—Yes. We had a very bad accident with a fuel tanker last year.

Senator FERGUSON—I am doubtful whether all the people along the Princes Highway and other options were consulted about fuel tankers going down the road. So should they have been consulted about that as well?

Ms Beaumont—Yes, but not yes to the fuel tanker aspect. I will go back to the point of why we are here today, which is about armaments. As I understand it, it is an issue of natural justice under common law that if people are affected by a decision they have the right to know about it and, if possible, participate in it.

114

Senator FERGUSON—Yes, I agree with you. What I am saying is that there were public meetings that you knew about and which you did not attend. I do not know what more you expect the proponents of a project to do, other than to advertise public meetings and to give people the opportunity to attend. They cannot be expected to provide a taxi service for everybody in the whole district who cannot afford to go there.

Ms Beaumont—The way you are shaping that is quite unfair, I believe—to personalise it in that way. There was one attempt to have an independent meeting here to share information. It was called by three women because they cared, not under the banner of any organisation. We attempted to book the CWA hall. There was one advertisement put in the local paper. We were not trying to beat a drum or anything. We wanted to create an environment where people could get another view. We did, in fact, book the CWA hall, and then we got a phone call to say that it had been cancelled. Some members of the CWA were quite distressed about what had occurred and they were under some pressure to cancel. We then booked the RSL hall. The RSL, similarly, reported pressure not to have this meeting. They took a stand and said that Australian diggers had died in the past for people to have this right to explore these issues without intimidation. Thank heavens for those people who stood by it and we could have the meeting.

The meeting was disrupted. The disruption was organised. It was highly intimidating, very abusive and very difficult. We persisted after that occurred and tried to continue to explore the issue. That is not to say that the people who came all agreed—they did not all agree. But it is an example of how difficult it is to get a fair and open discussion on this issue in this area.

Senator FERGUSON—What do you call an independent meeting?

Ms Beaumont—Not for the proponents of the EIS because it is important to remember that an EIS is not an impartial document. It is a group advocating a particular case and a particular outcome. It was not, say, for a proponent such as the Defence Force that is a party in the discussion.

Senator FERGUSON—An independent meeting is one that is called where nobody involved in the proposed project can attend to answer any question—is that right?

Ms Beaumont—No, nobody was excluded—absolutely not.

Mr HOLLIS—Who was putting this intimidation?

Ms Beaumont—The intimidation consisted of about 70 people arriving, coming in shouting abusive comments and personal comments. When somebody raised an issue or asked there was a lot of jeering and heckling.

Mr HOLLIS—That is what happens in parliament.

Ms Beaumont—Yes, that is exactly right.

Mr HOLLIS—You are hinting that it is orchestrated. We would like to get to the bottom of this. Who do you think is orchestrating it?

Ms Beaumont—I was hesitating because I am trying to remember the source of the information because I do not want to give misleading information. I was told that the Eden Chamber of Commerce did a ring around for people to go to the meeting with that intention.

TEMPORARY CHAIR—You were at the meeting, weren't you?

Ms Beaumont—Yes, I was. I facilitated the meeting.

Senator CALVERT—I would like to go back to your submission and ask a question regarding the environment. You talk about the beautiful and pristine parts of Twofold Bay. We did have a look at it yesterday and I agree that it is a very nice area. You say that the loss of this beauty would forever diminish the superb quality of the area, et cetera. Have you had a chance to look through the huge volumes of the environmental impact statement?

Ms Beaumont—I have read some of it but I have not read all of it. It is not just me who has been behind the submission. Different people have read different sections. I did not personally read that section.

Senator CALVERT—I am wondering whether the impact statement covered all the areas that it should have. For instance, this morning I did ask the author of the document whether any endangered species or plant life were in the area and I was told there were not any, but you say here that the southern brown bandicoot and several other endangered species would be adversely affected by this proposal. I would like to know what those endangered species are so that I can ask about them.

115

Ms Beaumont—If I could take the option of getting you the information in a written answer I could get somebody to answer that. There was a southern brown bandicoot actually seen in the area that is nominated and I believe it is habitat for a number of others. I do not want that to be definitive. I could get you a fuller

answer. On the environment I have an article from a paper that could be of interest to give a perspective reinforcing the environmental issue. It goes back to a time when this was proposed in the past and it is from 1996. It says:

Wharf project in doubt

The State Government's draft settlement strategy for the lower south coast has cast doubt over whether the multi purpose wharf can be built on Twofold Bay.

I will not read it all but I can give you a copy. It identifies the land from Eden to Boydtown to Jews Head as 'being significant for its relatively undeveloped state' and then goes on to reinforce the importance of that.

Senator CALVERT—The other question raised was about dredging. In your letter you say that the proposed dredging would damage the marine environment and that the dredging would need to be ongoing, et cetera. We did ask a lot of questions about that this morning and I do not know whether you heard the answers. As far as we could make out from the answers we received, the dredging was not going to damage any of the marine environment. We were told the ongoing dredging would be minor and it would not be required very often. I would like to know if you could let us know, as you said you would, what are the endangered species that are going to be adversely affected. We have had this happen once before, where we had to move a project because of a legless lizard. I was told this morning there are none in the area, and I do not think there are any mouthless moths either. But if there is something here we do not know about, then I think we would like to know.

Ms Beaumont—With the dredging, it is not my field but, again, I could give you a written response to that.

Senator CALVERT—Whoever's field it is, perhaps they should have a look at this impact statement because there is an article in here all about it. It might be of some use to them.

Ms Beaumont—I can make some comments. We have very sudden floods without prediction in this area. You do not know if there will be one shortly or years off or whatever. When it does happen, there is a huge downpour of rain in a short time and the rivers and creeks flood a lot. It is quite feasible, but certainly not definitive, that the proposed basin could be affected by flooding from the Kiah River which, in one event, could fill the basin.

Senator CALVERT—I suppose that natural occurrence could also affect the southern brown bandicoot and other endangered species in the area too, couldn't it? What I am saying is that the effect of this probably would not be any greater than these sudden floods that you get here.

Ms Beaumont—Are you asking me what is the effect of flooding on the southern brown bandicoot?

Senator CALVERT—No. I am just saying that you made the point about the effect of this proposal on the southern brown bandicoot. You just told me that you have sudden downpours and all sorts of things around here that could cause floods and whatever. I just made the point in passing that that event could affect the southern brown bandicoot or any other endangered species just as much.

Ms Beaumont—I suspect it is not a valid comparison. The point I was making was that it appears that where the dredging basin is proposed could be filled by flood residue.

Senator CALVERT—That is something we might be able to ask when the witnesses come back.

Senator MURPHY—I wanted to ask a couple of questions with regard to the issue you have raised in respect of the quantities of explosives at point 3 on page 4 of your submission. I just want to highlight something to you if I can insofar as putting submissions into any committee. It is always useful to be careful not to distort the facts in providing a submission to a committee. You say in the first paragraph that the licence for the port at Eden will be 30 tonnes NEQ. You then go on to say:

However the Navy clearly states that to satisfy capability requirements "a licenced berth of 250 tonnes NEQ is required to accommodate the Navy's largest ship".

Ms Beaumont—Yes.

Senator MURPHY—You have taken that as a quote from somewhere—

Ms Beaumont—From your committee.

116

Senator MURPHY—Whereabouts is that referred to?

Ms Beaumont—It is in the 1998 report, at page 10, paragraph 46. It is where the two functions are split, one for the import of weapons, which is 1,000 tonnes NEQ. Defence stated that an ECAC is required to satisfy two strategic capability requirements central to the project, the second one being a defence capability to ammunition and de-ammunition the east coast fleet that meets the NATO safety principles. A licence berth of

250 tonnes NEQ is required to accommodate the Navy's largest ship. I am looking at that document. I am not making it up; I am trying to get it in context.

Senator MURPHY—No. I knew it was a quote. I was curious as to where the quote was from and in what context you had put the quote in there. We have heard the evidence and we will get Navy to verify again that their largest ship has a 30 tonne requirement.

Ms Beaumont—Again, it is actually in the document from your committee.

Senator MURPHY—I am not accusing you of making anything up. I know it was a quote. What I am saying to you is that the inference is something other than what is factual.

Ms Beaumont—Okay.

Senator MURPHY—What you have quoted there is factual, but the context in which you have put it into your submission has an inference that somehow somebody is telling pork pies.

Ms Beaumont—I think there are misleading things. On the issue of HMAS *Success*, again in your document it says its capacity is 50 tonne NEQ. I am a member of the public and I read this and I trust it. I heard somebody say something different this morning and all I can say is that I am quoting your own document.

Senator MURPHY—Yes, that I do not have a problem with at all. As I said, it is the context in which it gets quoted. It can quite often be spun to make it something else, and that is what we do not want.

Ms Beaumont—Absolutely. This is actually a direct contradiction. In this literature it says the capacity for HMAS *Success* is 50 tonne NEQ, and this morning it was said to be 30 tonne. They are in direct contradiction.

Senator MURPHY—When Navy come back to respond to you and other witnesses, we will get that clarified for your purpose and, hopefully, to your satisfaction.

I will now ask a question with regard to the study you referred to—and I think you have a copy of it—by the New South Wales government into the commercial viability of an export wharf here in Twofold Bay. In your submission on page 8 you refer to the 1976 study.

Ms Beaumont—Yes.

Senator MURPHY—That was the date of its completion?

Ms Beaumont—Yes.

Senator MURPHY—You then say the report concluded:

... it has never been a viable possibility and the contributing factors since the study, make it even less a feasible idea now.

Can you tell me what are the contributing factors that you are referring to?

Ms Beaumont—The contributing factor explored in the study was the high cost of a ship's time. The shipowner prefers to call to as few ports as possible, which has the additional advantage of cutting down on port charges. The shipowner is interested in those ports from which there are regular returns of cargoes. All this results in ships putting into major ports only and relying on inland transport to collect and distribute cargoes. Why I say it has increased is that I gather over the last 20 years the amount of coastal shipping has decreased. In Australia there is much more reliance on road transport and this, predictably, will increase.

Senator MURPHY—Can I say to you that there has also been an increase in the method of shipping under flag of convenience, whereby a ship will visit a number of ports and transport domestic freight from one port to another. It is also the case now with shipping that a ship that may visit this country may visit a number of ports, dropping off, and then may pick up from a number of ports in terms of export trade. So there has been a change to the nature of shipping. Can you tell me what other contributing factors you are referring to?

Ms Beaumont—The lack of economically viable exports from this area in a way that would justify ships calling in. The EIS mentions the spring water, but I gather that the quantities that would be envisaged are very small.

117

Senator MURPHY—Could we go to page 9 and deal with the issue that relates to softwood. Perhaps you would like to expand on what you say in the fourth paragraph, where you mention that one possible use of the wharf mentioned in the draft EIS is the export of whole softwood logs and products from the Bombala area.

Ms Beaumont—To reiterate what is in the EIS, one of the possibilities that I gather was looked at was exporting whole soft logs, because on the Monaro there are all the softwood plantations that the government planted in the 1960s.

Senator MURPHY—Why is that not viable?

Ms Beaumont—It is not viable because the softwood market internationally is glutted and that, I gather, will continue to be so.

Senator MURPHY—What is the basis for your claim?

Ms Beaumont—From people watching the international stock market on these issues, and with respect to the supply of softwood from other countries where the quality is higher, more of that is coming on line. That will increase rather than decrease. We are in an area where jobs are highly valued. To export the whole logs is like exporting jobs.

Senator MURPHY—Is it not the case that some of those logs are currently going out through a South Australian port at the moment?

Ms Beaumont—I heard through Port Kembla.

Senator MURPHY—All through Port Kembla?

Ms Beaumont—I believe so.

Senator MURPHY—I do not want to get into a debate about the issue of whether the softwood market is growing and whether we should be exporting the logs. Frankly, I have a personal opposition to the export of whole logs per se. But with respect to your consideration, did it take account of the potential for the Bombala processing plant coming on line?

Ms Beaumont—Yes, it did.

Senator MURPHY—Because you do make some comment about that. You say:

However, the venture would need to be tailored to the domestic market.

Ms Beaumont—Because there is not an international market at this time, nor predictably in the future.

Senator MURPHY—As I said, I do not want to debate that issue because I would have a slightly different view in that context. But even if it were tailored to the domestic market, of course, there would be some low grade product, much of which is exported out of this country. I know from my own home state that we export whole pine softwood logs. The ships come in specifically for that purpose. We are somewhat south of Twofold Bay, so I would suspect that there is a market. I think the market for timber in the Asian region is one that will grow significantly, particularly in the area of softwood, as there is a decline in the availability of hardwood in those countries. Again, when we are dealing with these issues, it is important that we try to deal with the facts and that we put it in a context that is as accurate as you can possibly be.

Ms Beaumont—It is accurate having regard to the information I was given. The information I was given is that the international market is glutted and will continue to be so.

Senator MURPHY—I would like to see that information, if you have it?

Ms Beaumont—If you would allow me, I will get that to you.

Senator MURPHY—Thank you for that, because it is important. I agree with you: you do not want the public misled. They have been misled enough on forestry issues. I would be totally supportive of that. Any approach that we take, in terms of seeing whether or not this is a commercially viable operation, ought to be based on what is fact and not on what is pie in the sky. If you have got information that would indicate that the softwood market globally is both glutted and has no potential for growth in the future, I would like to see it.

TEMPORARY CHAIR—Ms Beaumont, you represent the Environment Network: how many members do you have in the Environment Network?

Ms Beaumont—I do not know. I was hoping you would not ask me that question. On the way here today I was thinking that that was probably what you are going to ask me. Again, I can get it to you. It is basically two things: you can be a member of the Environment Network and it is also, like the word says, a 'network'. A lot of environmental groups use the Environment Network's centre which is like a resource centre with some computers.

118

TEMPORARY CHAIR—Where is this centre?

Ms Beaumont—It is based in Bega. It is regionally oriented.

TEMPORARY CHAIR—So in this region how many active members are there that you know of?

Ms Beaumont—There are 280 to 300.

TEMPORARY CHAIR—In this region?

Ms Beaumont—In the region.

TEMPORARY CHAIR—Why is a group with a name like the Environment Network presenting evidence to the committee in relation to Australia's defence policy? How does that link into the environment?

Ms Beaumont—A fair point. As well as having a strong environmental focus, there is a social justice focus and, increasingly, we are looking at ways of supporting rural revival in the area. As commented upon in your own preliminary document for today, many parts of the area are getting revitalised but, sadly, that does not seem to be happening here in Eden. While at many levels there are serious divisions, I do not think anyone would disagree that everybody wants to see Eden thrive, and if there are ways that that can be contributed to, that is absolutely better. Members of the Environment Network live in Eden and around here and it is a concern.

TEMPORARY CHAIR—Okay.

Mr HOLLIS—I take it that your group was in existence in April 1998?

Ms Beaumont—Yes.

Mr HOLLIS—Did you come here when we had the hearing here before? You have actually said that there is not a lot of community support. I heard what you said about the chamber of commerce, but at that meeting there were a couple of hundred people in this room—and I do not know whether you were here or not—and no-one in the room expressed opposition to Eden as a possible area. At that time we got a petition—and I do not know how many hundreds of signatures were on it—and I know that petitions can be orchestrated. I must say that in most of the submissions over the last couple of years or since the Eden proposal was revised or revitalised, we have had very little negative comment about Eden. As a committee we had, prior to the April 1988 hearing and this hearing, a hell of a lot of positive comment for it. I do not know if you were at that meeting here in April 1998.

Ms Beaumont—No, I was not. I would not doubt for a moment that you would get strong support for a proposal that looks like it would help Eden's economy. If you had a totally different proposal, nothing to do with the Navy, you would get people turning up because people do want to see the situation turned around. That is without doubt.

Mr HOLLIS—Sure.

Ms Beaumont—As I understand it, a lot of people were of the belief that the commercial wharf could provide a lot of jobs. It is not going to provide those numbers of jobs. As with our council, you will probably hear that our council has taken a different position on this. There is a big question mark about what the community actually gets out of this.

Senator FERGUSON—You have said that there are 280 to 300 members in your network. Can you tell me whether any of those 280 or 300 attended any of the public meetings?

Ms Beaumont—I believe so, yes.

Senator FERGUSON—And asked questions—

Ms Beaumont—Yes.

Senator FERGUSON—relating to the issues that you have got in your submission?

Ms Beaumont—It is beyond my scope to answer that. I am under oath. I do not know.

Senator FERGUSON—That is all right. You do not have to give exact answers. It is interesting that the issues you are concerned about were raised at a public meeting. In fact, some of the information that you have in here—for instance the depleted uranium weapons, et cetera—could have been dealt with at a public meeting. A simple question could have been answered by one of the people from your network.

119

Ms Beaumont—In some of the feedback that I did get, one person mentioned that when they asked a question they were taken to the side and it was answered in that way. The feedback I got was that there was a kind of dismissive approach to tricky questions.

Senator FERGUSON—Well, that is an interpretation.

Ms Beaumont—Yes, it is. Absolutely.

TEMPORARY CHAIR—Ms Beaumont, thank you for your evidence in relation to moving the Australian Navy north. As the member who represents Townsville, I put the Navy on notice that, if that option were taken up, we would like to have the Navy in Townsville. Thank you very much.

120

[12.22 p.m.]

BARRY, Mr Garrett John, Director, Building and Planning Services, Bega Valley Shire Council**KENNY, Mr Andrew James, Economic Development Manager, Bega Valley Shire Council Council****TEMPORARY CHAIR**—Welcome. The committee has received a submission dated 11 February 2000 from your council. Do you propose any amendment to that submission?**Mr Barry**—No.**TEMPORARY CHAIR**—It is proposed that the submission and the accompanying Defence response be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.*The documents read as follows—*

TEMPORARY CHAIR—We have got to be mindful of the time. Could you please make a short statement now in support of your submission and then we will proceed to questions.

133

Mr Barry—Thank you, Mr Chair. First, if I may, could I tender an apology for the council's administrator, Mr Rod Calvert. He has asked me if I could attend to that for him.

TEMPORARY CHAIR—Thank you. It is so noted.

Mr Barry—In so doing, I present a welcome to the committee to our shire. Senator Calvert has asked me to summarise the council's position as it currently stands and also to tender thanks, particularly to the Department of Defence, for the cooperation we have had in the information made available to us. Council's original submission is contained in the report to council of 14 December 1999, a copy of which is attached to our submission. In that report, eight items were identified where council sought some further information, as it were, before it could come to a firm conclusion on the project. I might just quickly run through those eight points or would you rather just take them as read?

TEMPORARY CHAIR—Please go ahead.

Mr Barry—They are basically: a guarantee of commercial access to the wharf; further information on overseas naval visits; long-term naval aspirations; visual impacts; regional transport; environmental analysis; archaeological impact; and medium- to long-term industrial wharf and transport needs. In the council's opinion, a number of those issues have now been addressed, particularly in our preliminary examination of the supplementary EIS, which we have only been able to access. I will just go through some of those points in turn. Further research indicates that the environmental analysis and the archaeological impacts appear likely to be addressed by conditions of the development approval if that was issued. There will be some unavoidable visual impacts on the bay, which I think has already been dealt with by the information put forward to you this morning. The information we are getting from the community, I believe, is that the majority of the community accepts that impact.

Council's major issue, I guess, relates overall to the viability of commercial use of the wharf. Since our original submission, council has received further assurances from the Department of Defence that they will enter into appropriate agreements with the state government to ensure some sort of a memorandum of understanding of access. Council is heartened by this information; nonetheless, it wishes to stress that we are keen to see some sort of binding agreement in place that does guarantee that commercial aspect of the wharf. We appreciate that Defence are largely funding the project and, therefore, will naturally seek to see that both their short-term and long-term interests are protected. This may see, for example, some growth in naval use of the wharf over time, and we would not like to see that at the adverse impact of the commercial interests. Council's overall position at this time is that they value the project as a true multipurpose facility, and that facility is exponentially greater if it is a true multipurpose facility rather than just a naval facility.

It needs to be pointed out that, in the evidence available to us to date, the project essentially consumes the main viable site left in the bay for a wharf facility. If, for example, that was to be restricted to, say, naval purposes, that would essentially leave an upgrading of Snug Cove, and our understanding is that would be quite expensive. So I think there are some big issues in terms of regional development here to be assured that the commercial aspects of the wharf can be protected.

I will try and cut down on my comments, because a lot of these matters have already been raised. Essentially, the council is saying that there is strong community support. To reiterate, the resolution of the council is that there is support for the wharf. There is strong community support out there, but we are basing our assumptions on the project being a true multipurpose facility. So if there was not, for example, an agreement entered into that secured that access, then it might need to be examined more as a naval facility. It may still be that the community and the council support that project on that lesser scale of commercial activity, but we are basing our assumptions on the fact that there will be true commercial access.

The other issues raised in those initial comments by the council concerned regional transport. We have heard from the local member and others this morning about possible upgrading of the Imlay Road. Council supports that. We add the comment that that is vital for the commercial aspects of the wharf. B-double access—which are the larger type of semitrailer articulated vehicles—is essential basically for the economic growth of this area. It is very difficult to access this area by B-double transport at the moment. Some of our local companies indicate that will increase our margin of competitiveness considerably once we get that facility. Improvement to Imlay Road, as suggested with those culverts and sealing, will give us a decent B-double route to our main target for the wharf, which is that central western area.

With regard to industrial needs, as we have indicated in our submission, the council obviously looks to itself to a degree and to the state government largely to provide those facilities. We accept that, related to the

commercial aspect, but obviously that will require an element of government funding to service the ancillary industrial lands and other facilities around the wharf if it is to be a true multipurpose facility. The land, as you saw yesterday, is largely vacant at the moment and will require some development, some provision of limited water facilities, perhaps some waste disposal facilities et cetera.

134

In summary, as I said, the council does have conditional support for the project, subject to resolving those economic issues. We believe most of the other matters appear to be addressed in the EIS as presented. I will pass over to Mr Kenny to give you a summary on the economic development aspects.

Mr Kenny—In past history, the council has been extensively involved throughout the process of accessing the feasibility of the Navy ammunition facility and also has had the benefit of meeting both the present and past Minister for Defence. We have stressed the importance of the multipurpose wharf. We also believe it is important to acknowledge the vision, particularly of this committee, going from the ECAC proposal to what we are looking at supporting now, which is the \$40 million Navy ammunition facility. We also acknowledge the excellent working relationship with the Department of Defence through Brigadier Kelly and Commodore Cox's office. We have always found them to be transparent in all aspects of the process to ensure the greatest efficiencies are achieved to maximise the benefit, both for the Navy's requirements and with due consideration to the commercial operation and in providing access to a multipurpose wharf.

That said, the primary benefit to the shire and the wider region has already been highlighted by federal and state members, which, from an economic development perspective, creates the foundations for attracting investment and employment in Eden and, indeed, the Australian capital region, which includes Canberra. Neighbouring regions, such as East Gippsland, have also expressed interest in use of the wharf. If you combine these populations, you are looking at a population base in excess of 500,000 people.

The Australian capital region leaders' forum, chaired by the ACT Chief Minister, Kate Carnell, has also given its strong support for the development of the wharf, as has the South East Regional Strategic Planning Forum which comprises a diverse range of the Eden community and business sector.

On a more local level, timber industry restructuring and last year's closure of the Heinz cannery have seen significant job losses in the shire over recent years. The need to create a stimulus for employment has seen a major focus of the council in conjunction with community organisations such as the South East Regional Strategic Planning Forum, the Eden Foundation and the Eden Chamber of Commerce.

The initiatives developed have been well supported by government, particularly with the Commonwealth's \$3.6 million Eden region adjustment package and the state government's \$500,000 Eden development fund. Both packages are directly aimed at creating employment through investment following the Heinz closure and, without speaking out of school as a committee member, we have seen a range of local business expansion and new investment applying for assistance. A number of these identified possible wharf usage.

The opportunity to develop a multipurpose wharf available for commercial use outside the Navy's exclusive requirement facility for 45 to 70 days a year is identified as a priority for the region. The past two years have seen considerable resources contributed by council in strategic planning, identification of economic factors such as the development of much needed industrial land, and also the wider benefits to the community which were well covered in the environmental impact statement. The council wants to highlight these factors and signal to the committee the importance of the development of the wharf as being integral in the long-term development of the region. As Mr Barry highlighted, the Department of Defence has responded to our primary concerns raised in the EIS. However, we cannot emphasise enough the importance of access for the commercial operations.

Although not a direct requirement of the Commonwealth, council would also like to point out the importance of the NSW state government's commitment of \$5 million for the multipurpose wharf. If the project is passed by parliament, we understand the Department of Defence will build the wharf and associated land based infrastructure to suit its requirements while the commercial operations must be funded by external sources.

The council has identified a plethora of land based infrastructure that must be completed to allow for development and the success of the multipurpose wharf. These include a hard stand area, industrial land and associated servicing. We believe this process should be achieved in the course of the construction of the Navy wharf and facilities so that the commercial sector can benefit from the new facility as soon as possible. In short, we would not like to see the facility operational and no commercial land based infrastructure exist.

If this process was supported by the committee, it would assist in ensuring the NSW government prioritises works and delivers much needed assistance via its \$5 million commitment to support the infrastructure

required and lay the foundations for economic development and employment opportunities associated with this wharf. I thank you for your time.

TEMPORARY CHAIR—Thank you, gentlemen. Just for my purposes, is your council the relevant local authority for this area?

135

Mr Barry—Yes.

TEMPORARY CHAIR—Are there any questions?

Mr HOLLIS—One council is enthusiastically supporting the proposal with a couple of things, but what about some of the comments a previous witness made? This committee would not want to see a facility go in that would divide a community. Although appreciating that, I do not suppose you will get any project where you will get 100 per cent support. We are getting two conflicting points of view. You are saying that there is wide community support. A previous witness said that the council and the Chamber of Commerce are supporting it, but there is wide community suspicion. They are two directly opposed points of view. I suppose you are the wrong person to ask. I should ask someone else because you are supporting it and obviously you are going to say there is strong community support.

Mr Barry—If I could just make a comment on that, I am basically the chief planner of the council. I circulate widely in the community. There would not be a community group I have not met or addressed virtually in the last 12 months. I have met a wide range of groups. They discuss their issues with us. I do not hear it coming across widely. There are some groups that are opposed to the wharf. I think that is clear. But numerically I would put them in the vicinity of five per cent of what I have heard. That is from my circulating in the community.

Mr HOLLIS—Is the opposition, though, to the wharf as such or to having this as a Defence facility—although it was established through my colleague's questions that we do not have nuclear weapons here. We heard the Navy say that there would not be nuclear ships coming in there, but this municipality or shire is a nuclear-free zone. Is it still a nuclear-free zone?

Mr Barry—Yes.

Mr HOLLIS—So I guess the peace movement would be fairly active in this area?

Mr Barry—That is true. I think we were saying that if there was, for example, a proposal to have a nuclear facility here, there would be a different community view. It might be quite strongly different. But we are taking it as read that the facility does not have a nuclear capacity. If it were to come up, that would be a matter for further community consultation, we assume, and there would be processes to go through. I think there is an almost unanimous view amongst all groups for further commercial wharf facilities at Eden, as long as they are put in an environmentally responsible way. There is some opposition to Defence uses per se, I think from a peace movement point of view, amongst some of the community. There are others that combine the several together. Even our own council has a concern to ensure that the commercial aspects are guaranteed because, as we said, we may still as a council support just the Navy facility; that may still be positive. I am not saying we do not, but it needs to be seen that if that is all it is, then that is all it is.

Senator CALVERT—I have a follow-up question on community support. What is the status of the council? Has it been elected or appointed? We were told that professional officers have been sacked.

Mr Barry—A council administrator was appointed late last year. The council is under administration until about this time next year.

Senator CALVERT—Is he from Canberra?

Mr Barry—Yes.

Senator CALVERT—Have there been any submissions or petitions to council against the proposal?

Mr Barry—Yes. I believe Ms Beaumont has addressed the council. We have probably received about 15 to 20 submissions against the proposal in some form, but there have been a lot for the proposal.

Senator CALVERT—What about written petitions? Have you had any of those?

Mr Barry—Again, because I am under oath, I cannot say for sure that there is a written petition amongst those, but there may be, yes.

Senator CALVERT—Because normally when there is a—

Mr Barry—There would not have been a large number of signatures, no.

Senator MURPHY—Could you check that information?

Mr Barry—I can clarify that.

Senator CALVERT—I would like to know because sometimes when there is strong community opposition to something you get a barrow-load of petitions. I know that a lot of people sign any petition for any reason, but it usually does give you an indication of just how strongly—

136

Mr Kenny—In the same instance, the chamber of commerce has done a survey which received approximately 99 per cent support for the facility. Through council's involvement in the south-east regional strategic planning forum, it has identified the wharf as a major infrastructure required to facilitate and lay the foundations for economic development for the future. So, on the supporting side of it, that is present as well.

Senator FERGUSON—Senator Calvert partly asked my question but I am still not quite sure: there are no elected councillors in your council?

Mr Kenny—No.

Senator FERGUSON—So you have an administrator. You say that the council is strongly behind this proposal. Are you talking about the administrator being strongly behind it or the previous council—or are those of you that are employed by the council strongly behind it? I need to know who is so strongly behind it?

Mr Barry—Again, there is the qualification about the commercial aspect, which I pointed out. With respect to our administrative team, we have essentially a public person of one, the administrator, and he has qualified support for the project subject to those issues that he has asked me to raise with you today. The rest of us are the senior management team, of which I am one, and Mr Kenny is another part of the management team. We have qualified support for the proposal. The previous elected council had majority support for the proposal. I think there were one or two councillors who had some qualifications, but even amongst those councillors there was largely support for the proposal. They had some concerns about various aspects.

Senator FERGUSON—With respect to the nine issues that you have raised, in evidence we have had we have been given satisfactory answers to all of those questions, except for the concession that there will be a visual impact, and that was one of the nine qualifications you had, wasn't it?

Mr Barry—Yes, indeed. Subject to an adequate agreement for commercial use, which we see as the mechanism for the commercial aspect, I believe that major issue for the council can be addressed. Of course that agreement has not been reached yet, so we look forward with interest to its finality.

Senator MURPHY—Can I go to page 54 of your submission where you make some comments about the commercial operation of the wharf. You say in the second paragraph:

... has the potential for significant economic benefits, not only for the Eden area, but the region, in terms of employment, new industries, etc.

Can you outline to me what the economic benefits are, what you see the new industries being and what you believe the potential employment is?

Mr Kenny—With the development of the wharf, we understand that in the short to medium term it is not a high employment generator, but the foundations need to be laid. One thing that we clearly have a shortage of in this shire is industrial land. The opportunity associated with this wharf is to create an industrial land base that can potentially house industrial uses and create employment.

Senator MURPHY—What industrial uses? I would like something more specific.

Mr Barry—By way of an example, we have a new hardwood mill being re-established in the town at the moment. I have had some discussions with the operators of that mill about looking to some export, value added products from that mill. That would present some difficulties with the current wharf; it is very small, the volume they could load would be quite tiny and it would be cumbersome. This wharf would give them the opportunity to look much sooner to moving to a value added process that may add some extra jobs into that mill and flow on from there. We have to be honest that there are not a lot of immediate industries sitting there ready to start, but we think that the potential is there, over a 15 to 20 year time frame, and a wharf has a long lifespan.

Senator MURPHY—You asked this committee at the outset to say that we will put the project on hold pending a commitment from the state government to spend its five million bucks and develop a whole range of land based infrastructure. I would suggest to you that, for us, or at least for me, I would want to hear some reasonably specific proposal for the usage of the wharf from a commercial point of view before I would be party to this committee saying to Defence, 'We want you to hold off until we get a commitment out of the state government to spend its \$5 million.'

Mr Barry—I was not aware we were asking for any delay.

Senator MURPHY—I may have heard you incorrectly, but I think you suggested to us at the outset that we take account of that.

Mr Kenny—No, if the committee supported that it would help us with leverage on the New South Wales state government.

137

Senator MURPHY—How do we support that if we don't say, 'Put it on hold until we get the state government to come to the party'?

Mr Kenny—If the committee passed this and it went through parliament, that would give the Navy ammunition facility the support which would then help us with leverage on the state government to help. It is a chicken-and-egg scenario. We need to have that infrastructure in place so we can create the opportunities associated with it.

Mr Barry—If I can add a comment on that, we have been having a number of discussions with the state government—my department is responsible for land zoning—and we are advancing a proposal to immediately zone some land for industrial purposes subject to some government agreements.

Senator MURPHY—Where?

Mr Barry—Near the wharf. It is currently forestry zoned land that would be examined for rezoning to allow industrial uses. The state government is listening to us; it is cooperating. The procedures we will have to go through may take some time. I guess the main thing is just to commit that funding to ensure we can service what we are looking to provide in land.

Senator MURPHY—Further on that same page you say:

The community would appear to face significant costs if it had to upgrade Snug Cove to a large-scale commercial facility and there would be limitations and adverse environmental impacts on Eden Township of a major extension of Snug Cove.

You then say in the next paragraph:

Council staff are not experts in commercial shipping, but the EIS contains little detail to clarify and ensure that long-term viable commercial use will be possible without major expansion of Snug Cove.

Can you explain those two paragraphs to me, please?

Mr Barry—As we say, we are not commercial shipping experts. There has been an amount of assessment done by the NSW ports authorities that indicates multi-purpose uses can be accommodated in the current wharf within the days that will be available as indicated from Navy—up to 70 days access.

Senator MURPHY—If I can interrupt you, what I am asking about is that in one paragraph you seem to say that if Snug Cove were to be expanded, then there would be a major problem, environmentally in particular, but then you seem to say that the long-term commercial viability would not be possible without the expansion.

Mr Kenny—It is probably highlighting the limitations to access to the Snug Cove wharf if you had major trucks going in and out of town carting logs or other products.

Senator MURPHY—So you are saying, in terms of Snug Cove, that that is the reason for actually looking to—

Mr Kenny—You have also got your green arc issues too, of course.

Mr Barry—We are also saying, I suppose, that in the EIS there is not a lot of information about commercial, so we are having to make some assumptions, and that is fair enough. It is primarily addressing the naval requirements, and it does that in a very thorough way. But we are told by those who do know about shipping from the state level that the days left available, provided they are scheduled well et cetera, should work quite well for commercial. If that does get successful, though, there may be a future date where the community does have to upgrade Snug Cove as well.

Senator MURPHY—Are you talking about the Snug Cove Wharf?

Mr Barry—No.

Senator MURPHY—I am assuming that is down over—

Mr Barry—That is the current wharf just immediately beside the town here.

Senator MURPHY—Which is essentially a fisherman's wharf.

Mr Barry—It is a small-scale wharf. There have been a number of preliminary evaluations to expand that. There are better experts than me here to talk on that but, as I understand it, there will be some expense and some environmental impact, and obviously it would be some time before such a facility would be available.

Senator MURPHY—So the EIS you are talking about here is not the EIS that was done for the Defence proposal?

138

Mr Barry—In that specific paragraph of our submission?

Senator MURPHY—I may have confused the issue. I looked at it and I thought you were talking about the EIS that was done for the Defence proposal.

Mr Barry—The paragraph does reference that.

Senator MURPHY—It does.

Mr Barry—But, in reality, it is stating the overall view that in the medium term, and I suppose in a long-term sense, our understanding is that the multipurpose aspects of the naval wharf will be adequate for our requirements and that will not need any further major expenditure on Snug Cove. If that does not come across clearly, perhaps it is not drafted as well as it should be.

Senator MURPHY—In that paragraph it says:

... but the EIS contains little detail to clarify and ensure that long-term viable commercial use will be possible without major expansion of Snug Cove.

If we have the new Defence wharf there and there is commercial access to it, does it still mean there has to be a major expansion of Snug Cove?

Mr Barry—The information before us is no, subject to this agreement being ratified with the state government to ensure the level of commercial access.

Senator MURPHY—It will be possible without a major expansion of Snug Cove?

Mr Barry—Yes.

Senator MURPHY—Sorry, I was reading it wrong.

Mr Kenny—It has also highlighted the state government importance that Snug Cove does have for our existing fishing industry.

Senator MURPHY—In terms of the council, as I asked you before, there has been no specific work done to ascertain, if you like, reasonably accurately the opportunities that might exist from a commercial point of view for the commercial use of this proposal.

Mr Kenny—As was highlighted earlier, Maritrade, through the Department of State and Regional Development, undertook a study to assess the feasibility and potential users for the multipurpose wharf back in 1995. During last year, it was requested that they look at updating that, to look at potential users. I know that in the 1995 paper it indicated a potential wharf usage, particularly in the short to medium term, approximating one day per fortnight for the commercial component. They assessed a number of different companies in the region and external to the region. They called for expressions of interest for potential users, and timber was the predominant potential user of the wharf. They are the figures that we have been working off.

Senator MURPHY—Are they now going to update that?

Mr Kenny—Yes, I think they have done. We have not seen a copy of that final report at this stage.

Senator MURPHY—So there is a final report?

Mr Kenny—I believe so, yes.

Senator MURPHY—Would you like to see if you can get hold of a copy and maybe provide this committee with a very short brief of what the potential really is?

Mr Kenny—Okay.

TEMPORARY CHAIR—Gentlemen, I do not think there are any further questions. Can I just apologise to Paddlers for Peace and the salvage company which were scheduled to be on before this time, but we have had a lot of very interesting and detailed evidence this morning.

Proceedings suspended from 12.50 p.m. to 1.18 p.m.

139

PITTY, Mr Hugh Warwick McRae, Co-Founder and Spokesperson, Paddlers for Peace

TEMPORARY CHAIR—Welcome, Mr Pitty. The committee has received an undated submission from you. On that submission do you propose any amendments?

Mr Pitty—I do. I actually have five.

TEMPORARY CHAIR—Do you want to amend the submission?

Mr Pitty—Not amend it but add to it. I have a further two pages of issues and concerns and then three pages of questions.

TEMPORARY CHAIR—We will then incorporate that as part of the evidence. It is proposed that the submission and the accompanying Defence response be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The documents read as follows—

TEMPORARY CHAIR—Mr Pitty, I invite you to make a short statement because, as you know, we are running short of time and we want to make sure that everybody has the opportunity to give evidence. We normally would limit the opening statement to five minutes, so we would appreciate it if you would incorporate the extra information in that five minutes.

147

Mr Pitty—Thank you kindly. First of all, I would just like to thank you for the opportunity to speak to this committee and then preface my contribution by saying that I speak on behalf of not only the Paddlers for Peace but also the teachers at the Mumbulla school in Bega, who asked me to express their concern about the welfare of the children and their future. That was just a little thing they asked me to add. I appreciate that we do have limited time here today. Perhaps we could have another opportunity to address these issues at another time if they are not sufficiently resolved.

I raised six issues of concern in my submission. They include being a nuclear target; the threat to all life in the region; the proposal dividing the people of the shire; the proposal distorting the local economy; the proposal militarising our neighbourhood; and the concern regarding the lack of adequate consultation, particularly by the Department of Defence. I will just speak briefly to those and then move to the headings which the committee has as its terms of reference being: the purpose, suitability, need, cost-effectiveness, amount of revenue generated and the current and prospective value. Then, in whatever times remains, it is possible to ask some pertinent questions.

The first issue of concern is being a nuclear target. I have here before me a book called *I remember Hiroshima*. I would just like to read from a quote in the preface of this book from Pope John Paul II on the occasion of his visit to Hiroshima on 25 February 1981:

War is the work of man.

War is destruction of human life.

War is death.

To remember the past is to
commit oneself to the future.

To remember Hiroshima is to
abhor nuclear war,

To remember Hiroshima is to
commit oneself to peace.

I would also like to remind the committee that there are at this present time 47,000 nuclear warheads around the world still armed and dangerous. We may have experienced something of a thaw in relations, but there are leaders who still carry black suitcases with electronic codes in them, primed for a moment's notice. There are no guarantees during wartime.

The next issue of concern is the threat to all life in the region. This comes from not only the problem of being a nuclear target but the potential for a fire on board a vessel carrying weapons or a fire at the storage depot, the armaments depot, proposed to be situated at Hut Forest Road. If either of these scenarios were to involve radioactive material on board a visiting vessel of a foreign power, who may have neither confirmed nor denied a policy, we would not know. We would in effect have a mini-Chernobyl as a scenario that we would need to have a contingency for.

The next concern is the issue of dividing the people of the shire: the community is already divided here in the Bega Valley Shire. Witness the conflict over the local council being sacked recently and the process of the recent Regional Forest Agreement—both very contentious. This proposal will further divide our community. I would call on the committee and the Department of Defence to respect the unity and harmony of life.

Another concern is that it will distort the local economy. We will have a short-term injection via construction but this is minimal. I question how much it will really benefit the local economy. I think the ongoing effect associated with the rest and recreation for visiting warships will have a much more profound distortion on the local economy. I am talking here about the incidence of prostitution and HIV infection that may result from that. I indicate the experience of another fishing village: a place called Olongapo in the Philippines had a population of less than 1,000 before the US 7th Fleet arrived and the Subic naval base was constructed. It now has over 200,000 people, and there are six-storey brothels there.

Mr HOLLIS—You are not being realistic. Be realistic. That is a bit insulting to us. We are not bringing the 7th Fleet in here.

Mr Pitty—I understand that I am drawing an extreme.

Mr HOLLIS—Yes, you are—very extreme.

148

Mr Pitty—I am deliberately doing that to accentuate what the issues are. It is the same as I have done with Hiroshima. The next issue of concern is the militarising of our neighbourhood: the armaments on trucks will be going through our towns. There will be warships in the bay and offshore, with armaments on board and sailors on rest and recreation in Eden. All of these three things constitute a militarisation of our neighbourhood, which is not welcome.

I believe the conduct of the Department of Defence in relation to consulting the community about this proposal has been dishonest, secretive, self-interested and morally reprehensible. They have been dishonest because they have not told the whole truth, for example, about the issue of targeting—a global issue. They have been secretive. They have concealed these big issues. What about the wartime use of the facility? They have been self-interested. They really want to get themselves out of a problem. They are not allowed to have a facility in Sydney any more, but no-one else wants it. They are not really interested in our needs here in the south-east.

So I say that their conduct has been morally reprehensible, and I do not say that lightly. They are wasting \$40 million of taxpayers' money on a Navy armaments facility when one already exists at Point Wilson in Victoria. They are placing Eden in the south-east region in grave danger and undermining our community cohesion. This demonstrates that they have no respect for life or people in our region. Global and regional issues in both the proposal and the environmental impact study have been neglected. Hence, they have given a focus on local issues that is inadequate.

I will now look at the headings on which the terms of reference of this committee are focused. The purpose of the facility is apparently to enhance Defence capability for the security of Australia, especially the east coast, and then there is the suitability with regard to that purpose. An exchange program involving students from schools and countries in the Asia-Pacific region and students from Australia would be more suitable, I would suggest, in building peace and security in the region and cost far less.

Another of the terms of reference is the need for this facility: there is already an adequate facility at Point Wilson. There is a greater need for federal government expenditure in other areas in our region, for example, schools, hospitals and the list goes on. Another of the terms of reference is cost-effectiveness. Forty million dollars is a lot of money and it would be better spent on promoting peace rather than preparing for war. Then there is the amount of revenue generated. More revenue would actually be generated from a focus on developing infrastructure for tourism, which is the major industry in our region—for example, something as innovative as the South Coast monorail running from Nowra down to Orbost via the wonderful natural areas we have here. There is also the current and prospective value of the proposed work. While the work would be valuable to the Navy, it would be less valuable to the people of the south-east region and of no value to the great diversity of life that currently exists in the region which would be threatened by the proposal. I will now move to questions. First of all—

Mr HOLLIS—I think we are supposed to ask you the questions.

Mr Pitty—Colin, I appreciate that is the purpose of—

Mr HOLLIS—Our role here is not for you to ask us questions but for you to make a submission, and then we ask you questions. I suggest you put your questions in writing, and we will get back to you with the answers to them.

Mr Pitty—I intend to make the final part of my verbal submission in the form of questions. You may answer them now, later or pass them on to the relevant authority, which may be the Department of Defence. I would ask leave of the committee to continue—

Mr HOLLIS—I think, Temporary Chair, you ought to ask that those questions be put in writing.

Mr Pitty—because there are some very pertinent questions.

TEMPORARY CHAIR—Mr Pitty, I suggest you frame your comments now in terms of observations. The observations might be questioning observations, but let's go because we are short of time.

Mr Pitty—We can continue in that way then. If the Public Works Committee were to ask the defence department to guarantee that no foreign warship would use the Navy armaments facility, I am unsure of the answer to that.

TEMPORARY CHAIR—That has already been in evidence and the answer was that there are—

Mr Pitty—They can guarantee that?

TEMPORARY CHAIR—No, there will be foreign ships that could use it.

149

Mr Pitty—Okay.

TEMPORARY CHAIR—That was in evidence this morning.

Mr Pitty—I apologise; I have a young child and I was not able to be here at the commencement of the hearing. Can the committee ask the defence department to guarantee that the Australian Navy will not develop and require storage and transfer of any radioactive armaments?

TEMPORARY CHAIR—That has already been in evidence as well; it was a negative.

Mr Pitty—Can the committee determine the difference between the defence department's perceived risk and the actual risk associated with siting the facility in a bushfire prone area? I witnessed the 1952 bushfire and I really would like—

Senator FERGUSON—You do not look like you could have witnessed the 1952 bushfire.

Mr Pitty—I am speaking in terms of evidence, rather than from personal experience. I have actually witnessed, in the form of slide film and photos taken. I wonder whether the committee has fully examined the 1952 bushfire.

TEMPORARY CHAIR—The answer to that question is in the EIS; it has been covered very extensively.

Mr Pitty—The facility is sited in a bushfire prone area. Further, why has the EIS for the Navy armaments facility been limited to operations during peacetime? What would happen during wartime? How better could the \$40 million of federal government money be spent in the Bega Valley shire, which is otherwise relatively impoverished compared to urban centres? I refer, for example, to hospitals, schools, et cetera. Why not give the community of Eden and, by extension, the people of the south-east, the \$40 million without the requirement to host the naval armaments facility? We could do a lot to create employment in more worthwhile projects—for example, a South Coast monorail and a whole host of other things. Why not put the Navy armaments facility proposal to a referendum of residents in the Bega Valley shire? That will resolve conclusively the issue of consultation which the committee has been quite interested in. What is the net explosive quality—

Senator MURPHY—What would happen if the outcome was in favour of it?

Mr Pitty—If the outcome was in favour of the—

Senator MURPHY—What would your position be?

Mr Pitty—My position would be to accept the outcome of the referendum.

Senator MURPHY—Very good.

Mr HOLLIS—We might well do that. We might take up that suggestion.

Mr Pitty—I think that would be most beneficial if that was an outcome of today's hearing. My next question is a technical one which perhaps the Department of Defence could assist with: what is the net explosive quantity, NEQ, expected to be handled during wartime operations? I am referring there to item 27 in the proposal. What is the actual risk associated with a common nuclear warhead—for example, a Tomahawk cruise missile—and what is its NEQ? Has the committee fully examined the 1952 bushfire? I have already mentioned that, but I am talking there about items 73, 78 and 95. The perceived risk from a fire is different from the actual risk. The difference is the danger. Again, I refer to items 99 and 132.

What is the operational environmental management plan and does it cover wartime operations—item 139? Consultation with government departments at a federal and state level has been conducted, but what about the local and regional level? The community in Eden, the locality here, has been consulted, but not the other localities in our region, especially the community groups outside Eden—items 143 and 147. With respect to the issue of traffic, have all the communities along the transport routes been consulted—item 129? With respect to the question of future works, is the three-ship capacity of the armaments depot and the single load wharf capacity adequate in the long term, that is, in wartime—item 149? Would there be spontaneous expansion in the event of hostilities being declared?

I have a question relating to Edrom Lodge. 'The current Edrom Lodge usage is compatible with the proposed development.' That is a quote from item 152. This is not so. The Mumbulla School class 3-4 camp excursion, which happens each year, would be in conflict with the proposed development. This proposed development will limit the use of Edrom Lodge for educational activities for our young children, such as this Mumbulla School camp.

In relation to the cost of works, how much of the project cost estimated at \$40 million will stay in Eden, how much will stay in the south-east region and how much will go overseas via contracts? My last question is: can the Bega Valley Shire Council hold a referendum on the proposal? How would the Public Works Committee and the Department of Defence view the outcome of such a referendum?

150

TEMPORARY CHAIR—Mr Pitty, thank you for your statement and also your observations. We appreciate that. We will move to questions now.

Mr HOLLIS—On the last point, it is not for us to tell the Bega Shire what to do. But if they wanted to hold a referendum, I personally, as a member of the committee, would have no objection. We would view the outcome with interest. Mr Pitty, I take from what you said that you are in favour of tourism.

Mr Pitty—Most definitely. I work as a tour guide.

Mr HOLLIS—I put it to you in all sincerity that you are more likely to get prostitution and HIV infection as a result of tourism than you are from a visit by the Navy. The Navy personnel, like all military personnel, are quite regularly tested for HIV. If you are worried about HIV, I would have a look at the tourist potential of this area. As I understand it, no tourist coming into this municipality is tested for HIV. Navy personnel would have been as part of the ongoing thing. In relation to the worries about HIV, have a look at the tourists coming into this area, not the Navy.

Mr Pitty—I am happy to do that, but I draw your attention to studies that have been done about the global spread of HIV from Africa around the world via the United States Navy.

Mr HOLLIS—You are talking about the United States Navy.

Mr Pitty—I am talking about the United States Navy.

Mr HOLLIS—We established that it is most unlikely that the 7th Fleet of the US Navy would be coming here.

Mr Pitty—I am not so sure.

Mr HOLLIS—You might not be so sure.

Mr Pitty—They come into Sydney, Hobart and Fremantle.

Mr HOLLIS—Yes, they come into those places but you are talking about here.

Mr Pitty—Yes, Eden. Why wouldn't they call into Eden if they needed to rearm?

Senator FERGUSON—Needed to rearm?

Mr HOLLIS—We will have to put in a much bigger facility than what we are proposing to put in, rest assured of that.

Mr Pitty—In wartime of course.

Mr HOLLIS—You, like previous witnesses, keep talking about war as if Australia has not been involved in war. We have just been engaged in the biggest conflict that Australia has ever been involved in since the Vietnam War. A lot of the questions you are posing have already been answered with the experience we have had to our near north.

Mr Pitty—I wholeheartedly support our involvement in the liberation of East Timor.

Senator MURPHY—You wouldn't allow a ship to do it.

Mr Pitty—No. I think you missed the point. The whole experience of East Timor demonstrates how things can change. The Australian government was not ready for the events in East Timor. It is a side issue.

Mr HOLLIS—We are not here to discuss East Timor, but the events in East Timor and the successful conclusion of the Australian participation there show that the Australian government may have been more prepared than what you are suggesting—whether it was prepared for an ongoing one is a different issue. I do not want to ask a lot of questions because, quite frankly, some of the things you have stated are quite extremist. As for Eden being a nuclear target and your talk about people running around with black boxes, anywhere is a nuclear target if someone is going to go on about that.

Mr Pitty—Anywhere is a nuclear target until we get rid of all of the 47,000 warheads.

Mr HOLLIS—I actually live quite close to Jervis Bay. I suggest that that would be much more a nuclear target than what Eden would be. That is all I have to say.

TEMPORARY CHAIR—Committee, I have allowed a bit of latitude here, but perhaps we should come back to be more formal and return to a questioning process and an answer process, Mr Pitty.

150

Senator FERGUSON—I realise you have allowed some latitude. I have read your submission with interest, and listened with interest. Your point 6 says:

The proponents of this proposal have been dishonest, secretive, self-interested and I believe morally reprehensible.

You would have to forgive us if, having read your submission and listened to what you have said, there may be some people in the committee that would think that you have been dishonest and self-interested. Your attitude and the comments you have made about the Australian Navy I think are morally reprehensible as well because in fact you are accusing the Navy of being somewhat different, or the sailors of the Australian Navy, of behaving in a different manner than other members of the community in Australia, and I simply do not accept that as a fact. As a matter of fact, the discipline that the Navy has I think leads to far better conduct than many members of our society who have a much freer arrangement of their own time. So I do not have any particular questions to ask, because I have listened with interest and we will make our judgment at a later date.

TEMPORARY CHAIR—Thank you, Senator Ferguson.

Senator CALVERT—I just presume that item 2 of your submission follows on from item 1, where you said that this particular thing threatens all life in the region. I presume you mean that because it is potentially a nuclear target, according to you.

Mr Pitty—Two reasons: one, it is potentially a nuclear target; and the second is, as I illustrated, an accident involving any fissile material, radioactive material, that may or may not be present on a visiting warship. There was a study done for the Joint Standing Committee on Foreign Affairs and Defence in 1997-98 into the contingencies for accidents involving nuclear weapons, and I suggest that you have a look at that.

Senator CALVERT—The chairman is down the other end; perhaps you ought to ask him.

Mr Pitty—As a result of that study, for example, places like Sydney were no longer allowed to have any nuclear powered vessels, and there are specific guidelines about distances in relation to nuclear armed vessels, or vessels that may be nuclear armed, and that resulted in an increase in visits to Fremantle because Gage Roads, where they moor, is a greater distance away.

Senator CALVERT—And Hobart is the other place.

Mr Pitty—Yes. I would suggest that the site of the proposed naval armaments facility, including the wharf, is too close to the township of Eden, and you really should consult that report.

Mr HOLLIS—We know; we are part of that report. You have just slipped another word in there, which is one of the real problems. You just slipped ‘potentially’ into your item 1. What you have actually said here in your submission to us is this:

It makes Eden a nuclear target.

That is what you state here. You have just slipped in ‘potentially’ there, which actually somewhat changes it.

Mr Pitty—I was talking about the fire. There is potential for an accident.

Mr HOLLIS—No, come on. Senator Calvert asked you a question. He said that item 2 logically went on from item 1, and then you started quoting what item 1 was to support item 2. But in doing that you slipped the word ‘potentially’ in. Are you saying now—and remember you are on oath—that this facility makes Eden a nuclear target or potentially a nuclear target? I would suggest that everywhere in the world is potentially a nuclear target, so Eden is absolutely no different.

Mr Pitty—Can I answer by saying that yes, of course, everywhere is potentially a nuclear target. They might stray off course, but they spend a lot of money on guidance systems, and they guide them from bases in bunkers, and they make damn sure they land where they are supposed to go—witness the Gulf War.

Mr HOLLIS—You are avoiding the question I asked you.

Mr Pitty—I am not avoiding the question.

Mr HOLLIS—You are.

Mr Pitty—What I am saying is that it is a target. If you bring nuclear weapons in here, you have an armaments depot—

Mr HOLLIS—But who is bringing in nuclear weapons?

Mr Pitty—It is a lot more significant to a hostile power than Eden as a fishing village.

TEMPORARY CHAIR—Mr Pitty, this proposal is not to bring nuclear weapons in here, nor nuclear powered ships in the harbour.

151

Mr Pitty—But it is to develop a facility which may host nuclear weapons.

TEMPORARY CHAIR—The harbour is not licensed and would likely never be licensed for a nuclear capacity.

Mr Pitty—So we can have a categorical denial that there will never be nuclear weapons in Twofold Bay, can we?

TEMPORARY CHAIR—I am not going to give you that—

Senator FERGUSON—You are not here to ask us questions.

Mr Pitty—You cannot do it, because the United States has a neither confirm nor deny policy. This is why the New Zealand government changed hands, and by the largest majority ever in an election in New Zealand. Now all parties, even conservative parties, have a nuclear-free policy in New Zealand—precisely because of this issue.

Mr HOLLIS—You are way off the beam.

Mr Pitty—You may think so, but I do not think so.

TEMPORARY CHAIR—Thanks, Mr Pitty. I guess I should observe that one of the great things about the country we live in—Australia—is that everybody can have a view and everybody can be heard publicly and everybody can be on the public record, and we have witnessed this this afternoon. It has been a colourful session. Thank you for that. I appreciate that. Your evidence is now in the *Hansard* and will be duly considered by this committee when it meets at its next meeting in Canberra. Thank you for being with us this afternoon.

Mr Pitty—Thank you for the opportunity.

[1.45 p.m.]

JOLLY, Captain Richard James (Private capacity)

TEMPORARY CHAIR—Welcome. In what capacity do you appear?

Capt. Jolly—I am appearing as a concerned private citizen who has been a resident of Eden for the last 20 years.

TEMPORARY CHAIR—Captain Jolly, could I just clarify that? Your evidence that we are going to receive into evidence shortly was sent in on the letterhead of a particular company, but you are claiming to be a private citizen. Which is it?

Capt. Jolly—That is correct, Mr Chairman. That is my own small company. I thought I might have a bit more chance of getting on if I sent it in on the letterhead.

TEMPORARY CHAIR—It is so noted. The committee has received the submission from you on ‘K’ Salvage letterhead dated 10 February 2000. Do you propose any amendments to that submission?

Capt. Jolly—No, but I would like to expand on it a little because it was only very—

TEMPORARY CHAIR—All right. You will have that opportunity in a moment. It is proposed that the submission dated 10 February 2000 and the accompanying Defence response be taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The documents read as follows—

TEMPORARY CHAIR—Captain Jolly, I would like to provide you with a short period now, limited to about five minutes, where you can speak in support of your submission, as you indicated that you wished to do, and then we will proceed to questions.

157

Capt. Jolly—Thank you, Mr Chairman. Going through the points in the submission, my first point is that it is vital for our future defence needs. I have been travelling the world—and continue to do so—for the past 40 years. I spend a lot of time working in nearby countries. I am not going to the tourist resorts, I am seeing how the people really live and work there. Many secondary powers in the region have equal, if not more, armed capability than Australia. Australia's most valuable assets are in the industrial region of the south-east. Sure, we do need a defence capability in our far north, but not to the detriment of the rest of the country, and especially the highly industrialised south-eastern part of the country.

Getting on to my second point, the suitable location, an ammunition base in Twofold Bay is located at the centre of our industrialised heartland. It is also in very close proximity to the east coast exercise area, as has been pointed out earlier today. In the case of conflict, the danger to our east coast industrial area could well come from a seaborne attack—from submarine attacks or whatever—not down through the Great Barrier Reef and picking up the Torres Strait pilot or whatever. Therefore, we do need defence capability in this area. In my humble opinion, it is just not on when people say that all the dangers are in the north and that everything should be sent up north.

The third point that I raised in my submission was that Eden was an open port close to deep water. In such situations, there are no narrow channels to be navigated such as at Point Wilson. Narrow channels are easily blocked in time of conflict and they are very hard to unblock. I have spent my life doing it.

With my limited knowledge of submarines—I am not a defence expert like some earlier witnesses—I would think that being close to deep water would be a big advantage, not having to run on the surface or in shallow water to approach the ammunition storage facility. Once again, there are no navigational hazards in Twofold Bay so therefore there is a lot less chance of an accident happening with vessels, both commercial and naval, approaching and leaving the port.

The next point that I raised in my submission was that such a thing would have minimal impact to the environment and future economic benefits. One thing that has been touted in the local paper by some people against the facility—and I have replied to it by letter—is the question of ballast water. I pointed out in my letter, which I could table later if you like, that naval vessels carry little or no ballast water. All commercial vessels are now forced to comply with strict ballast water regulations drawn up by the International Maritime Organisation and strictly enforced by the Australian Quarantine Inspection Service. Therefore, one of the arguments about the environment being damaged by ballast water is diminishing because these regulations are being tightened every day. If people are worried about ballast water, right next door to this facility we have chip boats arriving that carry, on an average, 30,000 tonnes or 30 million litres of ballast water which is pumped into the bay every time they take on a load of woodchips. So, if naval vessels are going to pump out 200 tonnes of ballast, I do not think it is going to make much difference.

As I stated in the letter to the paper, this development is based on minimal impact to the environment. If the development does not go ahead, there is going to be a lot more room in the bay for these pretty little blue drums we have got floating everywhere out there at the moment.

TEMPORARY CHAIR—What are they?

Capt. Jolly—They are mussel barges that are growing overnight. They will soon be taking the bay over, but that is another matter—I will not bring that up here.

Senator MURPHY—We will stop it.

Capt. Jolly—With regard to the future economic benefits of this facility, we will never get any commercial cargoes going in and out of Eden if we have not got a facility. We will never get one tonne. If we have a facility, we may quite well get commercial cargoes. I cannot see into the future, but I do know timber has been mentioned. One thing that has not been mentioned is oil and gas exploration. We get quite a number of oil and gas exploration vessels in here, seismic vessels, rig boats. If we had decent storage areas in the bay, I am sure we could get a lot more of them.

There are a lot of sheep up in the Monaro. Most of them go to Portland at the moment. Why export live sheep from Portland when you could export them from Eden? Unfortunately everybody seems to say that this is going to upset tourism. There is a cargo cult mentality evolving in Australia among certain parties at the moment. Whereas the New Guinea natives used to think the American planes would come back after the war with loads of goodies for them, a lot of people in Australia seem to pin their hopes on sitting on their backsides

doing nothing while streams of 747s drop out of the sky filled with Japanese tourists who will give them money.

158

In my opinion the armed forces are the best ecologically aware land tenants one could hope to get. I have visited the Navy base at Jervis Bay and it appears to be more like a botanical garden than a navy base. The same goes with many British Navy bases that I was associated with some years ago. The Navy may not be classed as tree huggers but they are true conservationists.

Getting back to the economic benefits, even if we forget about the construction phase where local contractors and the local community will benefit greatly, there are certain ongoing economic benefits, as pointed out earlier, such as tug and launch services for all the commercial vessels coming here. You have got to have wharfies, truck drivers and forklift drivers. Any vessels that come in have got to be supplied with foodstuffs, laundry and other provisions—it is an ongoing thing.

The Navy, once established, will spend a lot of money on this town. Apart from the permanent staff associated with the facility, I should imagine naval ships would regularly visit the port for R&R with subsequent economic benefits from the crews and their visiting families. One point that does seem to have been overlooked with economic benefits is that once we get the Navy here in Twofold Bay it will probably lend a lot more weight to maintaining our existing services, such as regional airlines, which are sometimes on very shaky ground and which at various stages have been threatened with being stopped. We could obtain federal funding for such things as upgrading the highways, as has been spoken of before.

With regard to the future expansion of the facility, we look forward not five, 10, 15 or 20 years. The Navy could expand not in the armaments side—people are worried about that—but in such things as ship repair which would bring a lot of local employment. In fact, even without this facility being there at the moment, in the last 12 months quite a number of small naval auxiliary vessels have undergone repair work here in Eden. That is without the base. So you can imagine that once the base gets here the Navy survey boats and support vessels will be coming in and visiting. There are a lot of economic benefits that people have not thought about. Thank you very much.

TEMPORARY CHAIR—Thank you for your evidence. For the record, is it your firm that provides the tug services for the bay?

Capt. Jolly—No, it is not.

TEMPORARY CHAIR—So you do not have a conflict of interest on this evidence?

Capt. Jolly—I have got no conflict of interest whatsoever.

TEMPORARY CHAIR—So you can say on the basis of your many years of experience that you consider Twofold Bay an entirely appropriate site, a good site for a naval ammunition facility?

Capt. Jolly—Yes I do. It is a good, safe, deepwater berth.

TEMPORARY CHAIR—You may not have any experience in what I am going to ask you now. Please say so if you do not. Evidence earlier today about the dredging indicated an option for disposal of the spoil would be at sea. How do you feel about that? Can you enlighten the committee on whether you think that is a reasonable option?

Capt. Jolly—Yes. I am very glad you asked me that question because I have been dredge master on a large trailing suction dredger and on a clamshell dredger for quite a long time, working in various places. I was most surprised when the small figure of 25,000 cubic metres was mentioned, because having regard to the last dredge of which I was master, and the conditions of working in the bay and dumping it one mile out to sea, somebody said it would take a couple of months. I could have done it in about a week, at least.

TEMPORARY CHAIR—I think it might have been 55,000 cubic metres.

Capt. Jolly—I thought they said 25,000. Dumping at sea is normal practice. Even in the centre of Melbourne, they are dredging up heavy metals and real nasties. They get dumped in Port Phillip Bay; it has been going on for years. But in all other areas where I have dredged, the spoil is always dumped at sea. This is sand, gravel or soft rock and would do no harm whatsoever out there.

TEMPORARY CHAIR—Thank you for that.

Mr HOLLIS—You are obviously very familiar with the conditions on Twofold Bay.

Capt. Jolly—Yes, I am.

Mr HOLLIS—We are not, as some of the witnesses have reminded us. One of the submissions that we received said—and I will just read it out:

158

The proposed locations are exposed to east and north-east wind and waves 30 per cent of the time. Considering that movements beyond ... latitude is unacceptable for ordnance loading, the location is inappropriate and poorly researched.

Would you agree?

Capt. Jolly—No. Given the limitations that the Defence Force was working under when selecting the site, it would be a lot better if the wharf were situated further inshore towards Edrom Bay, but then our coloured circles come into play and you are disturbing the wombats if you go in any closer to the bay.

Mr HOLLIS—What about the height of waves?

Capt. Jolly—We get north-easterlies at certain times during the year. The strongest and predominant weather is south-westerlies and southerlies. The predominant swell is south-easterly. You do get north-easters, but in the location where it is, very close to the HDA berth, there are very few occasions when the chip boats cannot be berthed due to bad weather from the north-east.

Senator FERGUSON—Have you been here all day, Captain Jolly?

Capt. Jolly—Yes, I have.

Senator FERGUSON—Are you the first person who has given us evidence today who actually lives in Eden? I think you are. Do you know whether you are the only one who lives in Eden?

Capt. Jolly—I am not sure.

Senator FERGUSON—I will give you time to think about it.

Senator CALVERT—Because of the fact that you live locally, you might be able to reinforce the situation about consultation. You live in the town and you are aware of what is going on here. Could you confirm that the people in the town know what is going on and that it has not been secretive, as has been claimed—or has it been secretive?

Capt. Jolly—No. As far as I am concerned, it has been very open. It has been written up in the local media. You can dial it up on the web site. Any time you want to get information, everything is there on the web. No, it has not been secretive.

Senator CALVERT—I guess that your salvage business here in Eden comes alive on 28 and 29 December every year, when certain boats are heading down my way.

Capt. Jolly—No.

Senator CALVERT—It does not help you?

Capt. Jolly—No; my salvage is mostly overseas. I work for big international salvage companies overseas.

Senator CALVERT—So you do not have anything to do with the yachts?

Capt. Jolly—No.

TEMPORARY CHAIR—Captain, the committee has exhausted the questions. Thank you for your evidence. I appreciate your appearing before the committee today.

Capt. Jolly—Thank you.

160

[2.05 p.m.]

NORMAN, Ms Susan Jean (Private capacity)**TEMPORARY CHAIR**—Welcome. Is there anything you wish to say about the capacity in which you appear?**Ms Norman**—I am a neighbour of the proposed facility—I live off Edrom Road.**TEMPORARY CHAIR**—Thank you. The committee has received your submission dated 15 February 2000. Do you want to propose any amendments to that submission?**Ms Norman**—No, I do not.**TEMPORARY CHAIR**—It is proposed that the submission dated 15 February 2000 and the accompanying Defence response be taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.*The documents read as follows—*

TEMPORARY CHAIR—Ms Norman, I now invite you to make a short statement—five minutes, or perhaps not even five minutes—in support of your submission before we proceed to questions.

161

Ms Norman—I understand that politicians are suffering from the culture of complaint in Australia, particularly from rural areas, where people come back to their local members and complain when things do not go the way they like. So I take it seriously when an opportunity is given to me to respond up front about a proposed development. I read the EIS, I make sure that I understand what the issues are and I make a point of asking questions when I am not sure. That is the reason for me being involved in this.

TEMPORARY CHAIR—We understand.

Ms Norman—When I read the EIS—it is an enormous EIS and I do not think many people have read it; I have not read it right through but I have read the areas that concern me—there were certain things that did not add up and I wanted to get serious responses to those questions. I was at the meeting when the EIS was launched here. The people launching the EIS announced that the number of jobs that would be available to the local area through this development were much less than they had previously stated, and there was a general feeling of disappointment in the room. I question the consultation, which is one of the points that I have raised about agreement to this proposal. The Navy have responded that, for example, the tourism committee did not consider that the proposal would have an adverse impact on Twofold Bay. I think a lot of people responded initially to this proposal believing that it would bring a lot more benefit to the area than it appears that it will.

I travel on Edrom Road to go to work and I was very interested in the risk of the increased traffic on Edrom Road. I read that section of the EIS and I was surprised to find that the EIS did not consider the period when there was a lot of holiday traffic on the road. It is about 10 weeks of the year that that happens. The other thing that surprised me with the EIS was that the position where they measured the amount of traffic on Edrom Road was actually further east of Green Cape Road, which is where most of that holiday traffic goes and most of the actual local traffic goes, apart from the chip mill and Edrom Lodge traffic. When I asked the people who put together the EIS why that was, they said it was the consultant's opinion that that was the best way to do it. It does not seem to add up to me. If you want to count the traffic on Edrom Road, why not count it from where it turns off the highway?

On the issue of fire risk, where I live on Towamba River in Kiah there has been restriction on development in our area because of the fire risk. People living on the south side of the Towamba River in Kiah have restricted development there through the council zoning. The fire risk is because there is a huge area of regrowth from woodchipping and from fires. This was not considered in the fire study in the EIS—the fuel loads were not considered at all—so I question how it can be certain that the fire risk is minimal if that important aspect has not been considered.

With regard to the effect on the heritage values of the Fisheries Beach area, the area just behind Fisheries Beach is actually Aboriginal land. It was handed back to Aboriginal people through the regional forest agreement. When the proposal was first put up, there was an option to build everything on that land, and the local Aboriginal land council were supportive because they thought there would be jobs and development opportunities. The final proposal was not on that land at all; it avoids that land altogether. On speaking with the chairman of the local land council, he told me that there is nothing in it for the local Aboriginal people. In fact, the development impinges on their proposed developments of their land.

What really made me question the whole proposal was the issue of the multipurpose wharf, and that is being discussed by various witnesses today. But when I looked at the studies that were in the EIS about the proposed cargo to go out of the multipurpose wharf, I was surprised to see that they were actually counting the woodchips as part of that proposed cargo. When I asked a question about that of the people from the EIS they said, 'No, that is already obviously going out through the HDA wharf.' That was in one study but it is not a relevant figure. So the issues of the availability of the wharf and whether the wharf is actually needed, or whether the cargoes that are likely to go are more likely to go by road, are not adequately discussed in the EIS. I feel, in a way, that the people of Eden who did support the proposal believe that that was going to be of benefit to them there. None of the witnesses has actually said definitely that there will be this cargo going through the wharf.

The other point was that we talked about visual pollution resulting from the proposal. There is also a problem of noise pollution, and you will find that in the EIS it describes noise pollution to the level of sleep disturbance in certain areas. I know it is not in my backyard but I am one of those people who would be affected by that. HDA have just spent a lot of money on upgrading their wharf to decrease that noise for us—not just for us, but decrease the noise generally—and I am concerned that the whole issue of noise pollution has not been looked at properly.

Looking at the proposal as a whole, I can see that it will increase the danger on the roads, it will increase the noise and visual pollution, it will increase fire risk and it will decrease heritage values. There is no guarantee of any great benefit from a multipurpose wharf. From my point of view I cannot really support this proposal, and I am exercising my democratic right to say so. Thank you.

162

TEMPORARY CHAIR—Well done. Any questions?

Senator FERGUSON—The first thing, Ms Norman, is that I would like to congratulate you on your submission, because you have stated your opposition to the project in plain English language without extravagant claims and, I think, in terms which were easy for us to understand. You say that the environmental impact statement has not addressed a lot of the issues that concern you? Have you had a chance to have a look at the supplementary—

Ms Norman—No.

Senator FERGUSON—That was the point I really wanted to ask—whether they might not be addressed in that.

Ms Norman—As a lay person, it seems a bit strange to me that this meeting is being held before anyone has had a chance to look at the supplementary. Is the timing out by some mischance? How did this happen?

Senator FERGUSON—I cannot answer that question; I do not know why. We were trying to do it even earlier than this. In fact, sometimes we often hold public hearings and get environmental impact statements at a later stage. They are then taken into consideration. How far from the proposed wharf do you actually live?

Ms Norman—As the crow flies, it is probably about three kilometres.

Senator FERGUSON—Even three kilometres away, the environmental impact statement said that you would suffer from the noise?

Ms Norman—I know I would suffer from the noise because we can still hear the chip mill. The noise level of the chip mill was like a truck driving past before. It was quite a loud noise. When the wind is in the right direction, it comes up the river valley and people much further up the river than I can hear that noise. It is a matter of quality of life as well. I live in the bush, I do not live in the city and I feel some of the—

Senator FERGUSON—So do I.

Ms Norman—I feel that some of the statements in the EIS with the traffic—Edrom Road does have light traffic compared to Sydney, but that traffic is of a certain type and it is in a certain place and on certain roads.

Senator FERGUSON—We are not talking about a great increase in the traffic. If there are only going to be ships on 45 to 72 days a year—

Ms Norman—But it is the nature of the type of load that is being carried up and down that road. It is a little bit worrying. I am concerned; the EIS states that there is a risk, if there was an accident, of explosion.

Senator FERGUSON—A far less risk than a fuel tanker though?

Ms Norman—You know about the local fuel tanker experience?

Senator FERGUSON—Yes. I said far less risk than that and they still use the road.

Ms Norman—I am not saying anything other than my feelings on this issue.

Senator FERGUSON—I understand that and you have said them quite plainly which we appreciate.

Mr HOLLIS—I actually do share some of your concerns about the bushfire. I raised it on our inspections yesterday. Can you give me your feelings about that? I have got a real worry about that.

Ms Norman—I was surprised that the professional study done in the EIS made no mention at all of the fuel types. The type of forest surrounding that depot is very dense regrowth forest from wood chipping and from the 1952 bushfire. Not making any mention of it made me question why. Also, in that statement, they mention that the position is a good position because it is close to the Kiah bushfire brigade. It is a voluntary bushfire brigade. I spoke to the local secretary and she was horrified to think that they were going to be called in to fight a fire in that condition.

Mr HOLLIS—We did a hearing last year or the year before up at Lucas Heights about the extension of the nuclear reactor there and that is prone to bushfires. They actually went into a lot of detail to allay some of our fears about how the whole area was cleared. Have you any idea whether they are going to do any clearing out there?

162

Ms Norman—Yes, there is proposed clearing in the area of the depot and that is all within that area.

Mr HOLLIS—Do you get the bushfires down here with that intense heat with the eucalypt?

Ms Norman—In 1952 it was an intense bushfire. Since then in 1980 and 1983 they have not come as far up to that point, but they were intense bushfires. In 1980 and 1983, they completely burnt out large areas of Nadgee, which is now a wilderness area. That is the sort of regrowth that we are talking about in this area.

Senator CALVERT—I too come from a farm. I live close to the bush and, in fact, participated in the 1967 bushfires in Tasmania where 48 people were killed. What precautions do you take against bushfire where you live? Have you had trees cleared away from your house? Is there a controlled burning program in the area because it is a bushfire prone area?

Ms Norman—In certain areas, yes, there are controlled bush burning programs. I live in a house that is over 100 years old and it survived the 1952 fires because it is very close to the river and quite low. We have a reserve dam, we have a special pump and we have a sprinkler system to protect the house from fire.

Senator CALVERT—So you are quite happy with your—

Ms Norman—We believe we have put in adequate protection for ourselves, yes.

Senator CALVERT—Doesn't it follow that if the Navy were to have a similar plan for their establishment to satisfy concerns that you and others have, naturally it would be in their best interests to make sure that fire did not invade their territory?

Ms Norman—Yes. If the Navy go ahead with the depot, they should definitely make sure that they protect their site. We have looked at the regrowth and what the forest is behind us. Why haven't they even stated that? I wanted to know why; that is all.

Senator CALVERT—It may be in the supplementary EIS.

Ms Norman—Can I alert you to look for it?

TEMPORARY CHAIR—They have actually given evidence to the committee which indicates that, apart from the fire fighting precautions, they are going to do two things: they will clear around the depot and they will also have controlled burns on a regular basis, so that the fuel does not build up and will not be there. That is their protection.

Ms Norman—Yes, but the intensity of fire that could be in the area, because of the nature of the fuel of the timber in the area, would defeat those types of preparations. We have got a house to defend. We do not have to defend the country's munitions. What we do is within our ability and means, but we are talking about what the Navy should do and what they should be aware of when they are planning this.

Senator CALVERT—I think that they would be very well aware, and I do not think they leave ammunition sitting outside in the open waiting to catch alight.

Ms Norman—No, I am not saying they do.

Senator CALVERT—The bunkers that they use for storing ammunition I would think would be well and truly protected, even if a fire were to go through.

Ms Norman—What about a truck on the road if the fire came up? Personally, I am not satisfied with what was in the EIS. I will wait to see what is in the supplementary EIS.

Senator CALVERT—For your information—I do not know whether the Navy are as good or as bad as the Army at transporting ammunition—I live 12 miles out of Hobart, and I used to lease an area of land called Fort Direction at South Arm, which is the ammunition area for Tasmania. Probably we do not have as much ammunition down there as they would need here, but ammunition trucks travel on a regular basis, and the ammunition is carted in boxes. You know when there is one coming through because they have other vehicles travelling with them with the appropriate signage to let oncoming traffic know that this is a—

Ms Norman—Is that going to happen in this case? There is nothing in the EIS to say that it will.

Senator CALVERT—I do not know, but that is what happens in our area and there has never been an accident, and I hope there never will be.

Ms Norman—You would think that at least they would do that.

TEMPORARY CHAIR—Even if there was an accident, it may well be that there is little danger, anyway.

163

Senator MURPHY—I ask one question with regard to page 2.3 in respect of the fires. You state: In the risk assessment it is stated that the explosive ordnances are at risk of detonation by fire. The fire risk study (Appendix H) does not take into account the effect of fire and woodchipping regrowth ...

I thought it did in part in addressing the question of vegetation removal and thinning.

Ms Norman—That is just on the site itself. That is not in the surrounding forest.

Senator MURPHY—We will seek to clarify in terms of the overall site, which is about 1,000 hectares.

Ms Norman—One thousand hectares for the depot?

Senator MURPHY—In so far as the site is concerned, as I understand it, from my reading of the thing and from evidence given to us by Defence, it says that fire management strategies would include removal of all vegetation, apart from ground cover, within 25 metres of all buildings and removal of all understorey plants, including saplings, and small trees up to 20 centimetres in diameter throughout the whole fuel free zone. We would probably need to clarify what the fuel free zone is. It then refers to thinning the remaining eucalypt trees to a minimum stem spacing of at least 30 centimetres. We will seek some clarification of these issues, but if it is the case that there is a thinning and maybe even a controlled burn of some of the 1,000 hectare area, those measures would be as good as what you could probably get anywhere, in so far as ensuring that you minimise the risk of that problem. If that were the case, would you find that acceptable?

Ms Norman—I would want to know how they assess the fire risk in the larger area, the surrounding forest area. I read how they were going to manage the depot area and the fire restriction area. For the EIS to actually address the issue of what the fuel loads are in surrounding areas where a wild fire could build up, I am right in line of that if that happens and so is Eden.

Senator MURPHY—I do not know. It just says a preliminary bushfire risk assessment for the depot was carried out by Bushfire and Environment Services. I assume that is a state authority?

Ms Norman—It was private, wasn't it? That is in the appendix. I have read that report.

Senator MURPHY—It is something we would seek some further clarification on. But if that were the case, do you just want some answers to those questions?

Ms Norman—It is basically why I am here: to raise those issues that I am concerned about. I work in Eden as a TAFE teacher and I work with people who were put out of work through the cannery closure. I have worked with people who have worked in other industries that have closed down. People talk to me about their concerns about Eden. There are a lot of people who support the proposal. There are a lot of silent people out there who are concerned so I take the opportunity to speak these concerns.

Senator MURPHY—With regard to noise, it is only the noise of the trucks that you have a concern about?

Ms Norman—No, it would be the wharf operating. If the wharf were operating for the naval side, it would be a limited number of days, but they are talking about for a commercial operation and that would be even more noise. It is described in the EIS as a sleep disturbance level for Edrom Lodge, so how can that not have an impact on Edrom Lodge as a tourist site? Also Fisheries Beach is a recreational camping ground, which is a proposal that the Aboriginal land council is looking at.

Senator MURPHY—I guess—and I am saying 'I guess'—there would be some noise level requirements put upon any commercial operation operating in an area that may have an impact, which is generally the case elsewhere for a commercial facility. They would have some level above which the noise could not go. That is something we will seek to confirm with Defence as well.

Ms Norman—It concerned me in the summary of the EIS. Very few people actually read the whole EIS, and probably not many more read the summary. Those effects were described as negligible. It seems like a very rubbery term.

Senator MURPHY—Thank you.

Senator FERGUSON—I just happen to have looked up the supplementary environmental impact statement, which I have here, in relation to fire risk. They do say there that they are meeting all of the requirements by the New South Wales government but also that the depot would be surrounded by land which has been substantially cleared of fuel for up to a distance of 120 metres. They says that should a bushfire engulf surrounding areas, the depot would not experience radiant heat on any building or storehouse of a level which could give rise to an explosion and that radiant heat at a distance of greater than 100 metres would not be of sufficient magnitude to cause an explosion. They have actually gone into more detail. When you get a chance to read the supplementary, it may allay some of your fears about fire risk—not about other things, but about the fire risk itself.

164

Ms Norman—I was surprised they could make those statements without actually addressing the fuel loads in the forest surrounds.

Senator FERGUSON—It is in here. I just happened to find it. I happened to have it sitting on the table.

TEMPORARY CHAIR—Ms Norman, in relation to your comments about traffic on Edrom Road and where the traffic numbers were measured, you were suggesting that the measurements ignored the traffic to Green Cape Road?

Ms Norman—Yes.

TEMPORARY CHAIR—Is that tourist traffic?

Ms Norman—Green Cape Road leads to Ben Boyd South National Park, the Green Cape Lighthouse and the Wonboyn Lake area where there is the Wonboyn Lake Resort. There is a large amount of traffic that would be going down Edrom Road that would be using Green Cape Road.

TEMPORARY CHAIR—We will ask Defence to respond to that. In relation to the traffic on Edrom Road in general, is it true that the logging traffic on the road is likely to be in orders of magnitude greater than the traffic from this proposed new development?

Ms Norman—Logging traffic on the road exceeds 22 trucks an hour. There have been some accidents with logging trucks—they do not blow up.

TEMPORARY CHAIR—That is all I need to know. Thank you for your evidence this afternoon. We do appreciate that.

[2.30 p.m.]

CHARTER, Mr Neil, Marketing Manager, Bombala Council

TEMPORARY CHAIR—The committee has received a submission from your council dated 11 February 2000. Do you propose any amendments to that?

Mr Charter—No.

TEMPORARY CHAIR—It is proposed that the submission dated 11 February 2000 and the accompanying Defence response be taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The documents read as follows—

TEMPORARY CHAIR—Mr Charter, please take five minutes to speak in support of your submission before we proceed to questions.

175

Mr Charter—I thank you on behalf of Bombala Council for this opportunity to state our position with this development and that is very much a stand-off support for the naval development. In light of recent times, Bombala has gone through an extremely difficult economic period and over the last five years and more recently, perhaps in the last two to three months, with loss of local industry, closure of banks and the relocation of sawmills to other areas.

On top of this, the problems have been compounded by seven years of drought, which has hit the rural economy extremely hard. So it has very much been a typical tale of regional woe and the opportunity such as an infrastructure development of this size is one that is very much looked upon by council with great excitement.

The council is placing a lot of focus on its softwood reserves and especially on the resources that are rapidly coming on line. A major player in that development is Wilmott Pty Ltd. They have under way a very aggressive plantation strategy on top of the existing state forest resources there. With that there have been recent infrastructure developments, such as the full sealing of the Monaro Highway and the recent installation of the gas pipeline from Longford to Sydney. We see the port as a needed addition in infrastructure. We realise it is a chicken and egg situation and it could be argued which comes first. However, we do believe that, in the south-east region, the infrastructure has to be put in place to realise the opportunities that could be there. With our softwood, this is very much one of opening up the outlets for exportation of various wood product. And whilst this may be limited at the moment, with the resources coming on line in the not too distant future, we anticipate that people are going to recognise this opportunity and take advantage of it.

The Monaro region of Bombala is undergoing a difficult time of change and traditional rural industry is looking to diversify. There are opportunities coming online. Bombala Council has been very progressive in exploring those opportunities. We have been looking into non-traditional rural products and have instigated preliminary studies into other areas of broadacre—for example grain drying facilities and the production of winter wheat. We see the port as a facility that is going to rely on the diverse number of products in order to survive and not to be limited to just a few. We hope that down the track we will be able to contribute to that and we see a number of areas of opportunity there with livestock export, with meat and various other farm diversification products.

We also see it as a gateway to East Gippsland, to the Monaro and the far south coast. The potential might be there for tourism in that this is a unique port, the closest to the ski fields in Australia, with the exception of perhaps Mount Wellington if you include that in Hobart. It does position itself to a very diverse region in this south-east area and that may have some potential.

We also see our resource as one that is very accessible to this port through Mount Imlay. As has been discussed, 200 metres or so of resealing will have to be done but with minimum upgrade it provides a very direct route from our resource to the port. For Bombala the benefits are very much in the softwood area of jobs, haulage, harvesting, treated pine products that might be going out and maintenance for bush crews, with everything from fairly basic things but all things very important to Bombala. It might be only a welding business that employs two, three or four people but right now, when we have lost 50 jobs in probably the last three weeks, any industry like that is absolutely critical to maintain our heads above water. We do recognise the need for infrastructure to provide opportunities in this region. We also recognise the need for a diversity of product to go out through this facility. Council also recognises the need for this country to provide appropriate facilities for defence and we are supportive of the development.

Senator CALVERT—Our harbour in Hobart, as you already alluded to, is quite good and has deep water similar to here. One of the things that has happened in recent times because of that is that over this Christmas period and in the New Year we have had 40 cruise boats. There is a circuit of them. They move around from Melbourne through Sydney across to New Zealand and back. Sometimes they go to Port Arthur; sometimes they go to Port Davey. There is no reason that those cruise boats could not come into Twofold Bay if you have got a tourism adjunct that goes with it. I am not saying that would become a regular thing but they like to try something different or something new—

Senator MURPHY—The dock would not cope.

Senator CALVERT—Why not? Not deep enough?

Senator MURPHY—No, the size of the berth. The New South Wales government might have to spend some money.

Senator CALVERT—It would be interesting to see. But that is just a thought. They are not all big cruisers either. There are smaller ones, Senator Murphy. After that negative comment I think someone else can have a go.

176

TEMPORARY CHAIR—In the earlier evidence it was recognised that it was a potential route from Sydney down to this area, a highway route from Cooma through to Bombala along the Imlay Road. In your experience are these roads suitable for semitrailers and would the trucks have to travel through the Bombala township?

Mr Charter—The answer to that is that they are suitable for semitrailers—both bridges have now been upgraded to B-double standard—and they would have to travel through the town.

TEMPORARY CHAIR—So no further upgrading would be needed. Is there a section of dirt on that road?

Mr Charter—On Mount Imlay there is. There is not on the Monaro Highway.

TEMPORARY CHAIR—With the construction of the wharf what kinds of industries do you see being attracted to this region?

Mr Charter—Within the Bombala area I see the opportunity further down the track of meat export, livestock possibly and—

TEMPORARY CHAIR—You mean live cattle exports?

Mr Charter—Yes, and sheep.

TEMPORARY CHAIR—Where would that go—the Middle East?

Mr Charter—Probably the Middle East, yes—sheep exports, I would think.

TEMPORARY CHAIR—Would that need any special handling facilities on the wharf?

Mr Charter—From my experience, I cannot say. With timber product, it is very hard to predict and it gets back to this chicken and egg situation: you put the facility there and you put the opportunity in somebody's mind. I refer to the Softwood Development Corporation's recent intention of establishing in Bombala. I think such infrastructure that has come through as a result of other needs has definitely assisted us. The gas pipeline, the sealing of the Monaro Highway and the upgrading of the standard of bridges have been very important factors in their decision making process as to whether they will establish in Bombala. I think therein lies—

TEMPORARY CHAIR—I am a North Queenslander, so I do not know: is there any rail infrastructure in this area?

Mr Charter—No, there is not.

Senator MURPHY—Have you been fishing in the last two weeks?

Mr Charter—No, I have not. I am too busy.

TEMPORARY CHAIR—Thank you, Mr Charter. The committee will break now for afternoon tea.

Proceedings suspended from 2.41 p.m. to 2.59 p.m.

177

AVEYARD, Mr John Mark, Chairman, Eden Foundation

TEMPORARY CHAIR—Welcome. The committee has received a submission from the Eden Foundation dated 14 February. Do you propose to make any amendments to that submission?

Mr Aveyard—I do not.

TEMPORARY CHAIR—It is proposed that the submission dated 14 February 2000 and the accompanying Defence response be taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The documents read as follows—

TEMPORARY CHAIR—Mr Aveyard, you are now invited to make a five-minute submission in support of the evidence you have provided in written form and then we will proceed to questions.

182

Mr Aveyard—Thank you, Mr Lindsay. I start by saying that I am a resident of Eden, I am a retired person who lives in town and, in addition to my position as chairman of the Eden Foundation, I am a member of a wide range of community groups and organisations. So I believe that the views I express here today reflect the views of a fairly wide cross-section of the Eden community.

TEMPORARY CHAIR—Thank you.

Mr Aveyard—I reiterate my personal support and the support of the foundation directors for this project. We believe it will be of major benefit to the town of Eden and its region. We note that the number of jobs that will be created as a consequence of the Navy facility alone will not be large but, that aside, it will bring new people, new cultures, new thoughts and new money to the town to blend with our existing community, to broaden both our social and economic base and to enhance and support the existing infrastructure of the town.

We note the draft EIS. On behalf of the foundation I submit to you that, in our opinion, this particular document is an excellent model of its kind. It is, of course, not comprehensive, and cannot be, but we believe it makes a credible attempt to canvass the issues and to address them in a practical fashion so this project can proceed in a responsible fashion.

We made a submission to the draft EIS, we acknowledge the reply we received and there are two points I would like to make as a consequence of that. Firstly, in relation to scheduling—and this point has also been raised by the Bega Valley Shire Council and others—we regard that as particularly important. Whilst we acknowledge that the Department of Defence recognise this matter, we believe that there will need to be some much more substantive consideration of this issue, both in the interests of the Navy and also the commercial interests. As we have noted in our submission, we believe the real long-term benefit of this proposal will be in the commercial development of it.

In connection with that, I will tell you of one of the other hats I wear: I am also the chairman of the local advisory committee for the Eden Regional Adjustment Package, which you will recall Gary Nairn mentioned this morning in his evidence. That Regional Adjustment Package brought to Eden, as a job creation incentive consequent on the closure of the cannery, an amount of \$3.6 million. I can tell you today that that package has received 45 applications and the total value of those applications is \$14 million. I use that point to illustrate to you that there is indeed an interest in the commercial development of Eden, both in terms of the development of existing businesses and of bringing new businesses into town. I can go further than that and say to you that a number of those applications made it clear to us that applicants were looking at this wharf to provide an important adjunct to some of the proposals that they have.

The other point that I would like to make in relation to the EIS is to draw to your knowledge the importance that we attach to the environment management plan that is part of the EIS and part of the proposal. It seems to us that this is an extremely important issue to which there has not been anywhere near enough attention given. It is, to my knowledge, the first occasion that a major infrastructure project has been proposed to be established in Twofold Bay that brings with it the sorts of provisions, the sort of advice that an environment management plan would bring, that would provide to the community an ongoing report on the condition of the environment and provide an ongoing opportunity for rectification, where this was needed.

Finally, can I say, before I attempt your questions, on behalf of the foundation and the majority of the Eden community that we believe that this project will be a significant contributor to the present and future public worth of the community of Eden and its region.

TEMPORARY CHAIR—Thank you. For the benefit of the committee, what is the Eden Foundation? What kind of membership does it have? Who does it represent and what does it do?

Mr Aveyard—The Eden Foundation is a public trust company that was originally promoted by the Eden Chamber of Commerce but which is now quite a separate organisation from the chamber. It is a non-profit organisation that exists to enhance Eden and its community, and it is specifically focused on Eden and its community. It has a board of five directors and the members of the Eden Foundation are the entire Eden community. There is no formal membership as such, but the foundation is set up in such a way that the Eden community is indeed the Eden Foundation.

Senator MURPHY—How are the directors elected?

Mr Aveyard—There are five directors, two of whom are required to resign at the end of each year. There are public expressions of interest sought for people who wish to be directors of the foundation, and the directors are selected by the existing directors of the foundation.

183

TEMPORARY CHAIR—Senator Ferguson.

Senator FERGUSON—Mr Aveyard, we have heard some evidence today that this project has the support of the community, and we have heard others say that the community is acutely divided over the issue. I am looking through the list of people who have given us submissions. It would appear that those who say that the community is divided are those that are talking about the wider community, not the Eden community, although we have had somebody who lives close by that is opposed. It is understandable that not everybody is going to be in favour of a project like this. Is your view a gauge of public opinion within the community of Eden itself, that there is strong support for this project?

Mr Aveyard—As I indicated earlier, I move around the Eden community and the community in the region reasonably widely. I hear what people say both informally and formally as part of committee meetings and group meetings. It is my belief that the majority of the community is in favour of this project going ahead. Notwithstanding that, yes, of course, there are people that have concerns. Those concerns would be the obvious concerns that would occur to all of us. Certainly there is a concern of a lot of people about the visual aspect of the wharf. There is a concern about the commercial component. There are people that believe that the commercial aspect of the wharf may turn into a white elephant. There are people also that have a concern about the environmental impacts and the environmental consequences on Twofold Bay as a result of the wharf.

They are legitimate concerns. It is my view, and I think the view of the majority of people, that they are matters which can be and will be addressed during the course of the design and the development and the implementation of the environment management plan. I think a lot of concern, as well as on those three specific issues, is concern about the unknown as well.

Senator FERGUSON—From the people who have given evidence today it would appear that opposition to this proposal tends to come from what one might loosely term ‘the wider community’, or people who live away from Eden but still within the shire, and that in most cases the people that actually live within the township and its close surrounds are basically supportive. Is that a fair assessment?

Mr Aveyard—I regret to have to say that my response to that is probably yes and no. There is widespread support for this project across the region as well as from within the town. I think most of the people that you have heard who are opposed to the project have come from out of town, but I think there is widespread support from right across the region. You have heard from Bombala and so forth.

Senator FERGUSON—Yes, we have. I accept that. Thank you.

Senator CALVERT—You suggest that, if it goes ahead, the Navy department should schedule a public meeting in Eden, say every two or three years, to report to the community on the state of the environment. That is up to the Navy, but I do recall that it sounds very similar to something that happened in the west with Stirling. We had the Garden Island environmental group who had been briefed by the Navy on the environment over there. It seems to work very well and it seems to have alleviated the concerns of that group who were quite active, I might say, in the early days. This committee would recall that. The Navy did a great job of PR with them. It was a rifle range over there, which is perhaps a bit more controversial than a wharfage facility. The ammunition was actually being used rather than stored. That exercise worked very well, and it was in a similar environment to this. Perhaps that is something that the Navy could take on board—pardon the pun. That was the only question I had. You live in the community; do you believe that the Navy and the proponents of the project have consulted widely enough for the community?

Mr Aveyard—Yes.

Senator CALVERT—There again has been that perception that perhaps some people were not aware of what was happening.

Mr Aveyard—I know there is that perception by some people. My personal view is that the consultation has been very wide; it has been very thorough. I have been at every meeting that has been held. I started out with the last Public Works Committee meeting here and I have been at every Navy public meeting since then. Certainly, from my perspective at least, all those meetings were—

Senator CALVERT—How many meetings have there been?

Mr Aveyard—I will ask the Navy that question. There have been a few. That triggers my memory about another point that came up in the course of discussions this morning about the Bega Valley Shire Council. Ms Beaumont made mention that she presented to the Bega Valley Shire Council on this issue. On one of those occasions I also made presentation to the Bega Valley Shire Council. I recall that at the conclusion of that meeting the council, as it was then, passed a motion that had unanimous support for this project.

183

Senator CALVERT—Another question that was raised—and it seems to be quite significant in this whole thing—is the fear of fire. Just how prevalent are fires in this area?

Mr Aveyard—Fires in this area, like in the rest of the Australian environment, tend to be random, if you like. There is a very high fire risk associated with this particular corner of south-eastern Australia. There have been some very severe fires over the years. But, like all other major environmental issues, that is something that is manageable with appropriate programs.

Senator CALVERT—Obviously there are volunteer brigades in the area. Do you have a professional fire brigade as well?

Mr Aveyard—We have a professional fire brigade in town.

Senator CALVERT—And, I guess, several volunteer brigades?

Mr Aveyard—Yes, and several volunteer brigades.

Senator CALVERT—Do they have a regular coordination between each other?

Mr Aveyard—I am sorry; I cannot answer that question. I guess they do. I know they exist but I do not know anything of their administration and their workings

Senator CALVERT—Do you have a state emergency service in this area?

Mr Aveyard—Yes, we do.

Senator CALVERT—Do you know whether they have any special concerns about the likely introduction of—

Mr Aveyard—Not that they have conveyed to me, but I also have to confess that it is not a question I have put to them.

Senator CALVERT—I would have thought that perhaps they might have liaised with the Navy about perceived procedures in case of accident or whatever.

Mr Aveyard—I am sorry, I cannot answer that.

Senator CALVERT—Perhaps that is something I can ask the Navy later.

TEMPORARY CHAIR—Thank you very much. You have satisfied the committee. Thank you for being with us today. I now recall representatives of the Department of Defence.

185

[3.15 p.m.]

COX, Commodore Timothy Harvey, Director General Maritime Development, Department of Defence

ENGLAND, Mr Michael John, Principal Environment Planning, Consultant to Defence

FERRARIS, Mr Diego Felice, Project Director, Department of Defence

KELLY, Brigadier Garry Ross, Director General Project Delivery, Department of Defence

YOUNG, Mr Steven Bruce, Project Manager, Department of Defence

TEMPORARY CHAIR—Gentlemen, can I remind you all that you are still under oath. I understand that it is the wish of Brigadier Kelly to open with some responses before we proceed to questions.

Brig. Kelly—Thank you, Mr Chairman. I have no doubt that we will miss a number of the points that have been made. There are probably very many dozens of points that have been made. I will try to summarise some of the key ones and then pass to Commodore Cox and the rest of the team to pick up some of the things that I might have missed. Before I comment on the submissions that we have heard over the last couple of hours, I did undertake to come back to you with a detailed break-up of the Point Wilson interim works. We were unable to do that over the lunch break. We would like to come back to you in writing.

TEMPORARY CHAIR—Thank you.

Brig. Kelly—We will also come back to you on your request for some information on how the cost of the CSP operation of the import-export function might impact on Defence. I think the committee was concerned that we might be providing a cheaper facility here but that perhaps the logisticians will end up paying a much greater rate for the actual import-export because the contractor will include some of those costs in his rates. We will come back to you on that. It may not be easy to break out those costs and we will not be able to give you a briefing until after April when the CSP provider is decided. However, we would like to inform the committee that the CSP process will not increase costs. If costs increase, we will not go down that path if the status quo was clearly cheaper. We have five bidders for that process, one of which is an in-house bid.

I will move on to the other points. We have heard a lot today about consultation. I would just like to summarise what we did do. There were five public meetings following the PWC hearing here in early 1998 which was advertised by the PWC. The Minister for Defence chaired a meeting here, which looked at the project and the EIS consultation was lengthy and thorough within the community. I would acknowledge that we did not advertise those meetings more broadly than the local area. However, we believe that there was sufficient information that made it into the local area by other means. We have heard that Bob Brown asked questions on notice in December of last year. He also asked questions without notice on 9 March 1999 and released a press statement that day as well. He asked questions on notice on 11 May 1999. So we would have imagined that his contacts within the environmental network might have created some interest at that stage.

I would also like to point out that the guidelines for the EIS were advertised in April of 1999 and then the EIS itself was advertised in November and December 1999. They were advertised in the *Australian*, the *Sydney Morning Herald*, the *Telegraph* and in four local papers. The advertisement that appeared is that advertisement shown there. That is from the local paper. However, it would have had to have been the same size for the *Australian*, which is a national newspaper. It lists all of those locations where the document could be seen and gave information on how to buy the document locally. It was shown everywhere from Hobart to Perth to Darwin and basically all around the country. I think that is a fairly substantial advertisement. I do not think we paid for it.

Mr Ferraris—We did.

Brig. Kelly—We did pay for it. That explains a bit of the \$700,000, I suppose. I believe that indicates that the consultation was with as many people as possible, as the people here have indicated today. We talked about the potential for the silting of the turning basin. I might ask Michael England to pick up on that later. The supplement to the EIS does have a considerable amount of detail that may satisfy that requirement. Bega Valley Council and also the Eden Foundation were concerned about the availability for the commercial use of the wharf. We have already agreed in principle that it will be a sharing arrangement. We have not tied up a memorandum of understanding or some other document more formally, but we will enter into such an agreement. It is possible, given the limited use that Navy requires of it and presumably relatively limited use, at least initially, for commercial vessels that it will be possible to plan ahead and to schedule that operation.

185

There has been mention by a couple of people about the issue of the fire, including resulting from a nuclear explosion—and I will not touch that; I think the committee adequately discussed that. But there has been some concern about bushfire, and Michael England might like to pick up on this. I guess there are two issues from our point of view: one is the damage that we might sustain to our facility, and the other is the impact of an explosion of the stored ammunition as a result of fire. I am not an expert in this area. I am advised that there is not a huge possibility of explosion, it is more likely that most of the ammunition would simply burn, but I do not claim to be an expert in that area.

Nor am I an expert in the definition of the green arcs and so on, but I thought it might be useful to give some definition which I have taken from a briefing that was given to the PWC towards the middle of 1998 and which explains a little better what you might expect in the different arcs as a result of an explosion at the critical mass. It said that within the green arc, unprotected dwellings would suffer damage such that to repair them would cost 10 per cent of the value of the building. In the yellow arc, unprotected buildings would suffer damage such that to repair them would be five per cent of the value of the building. That would be on average, I presume. But I would point out that in neither of those arcs would we permit inhabited buildings. Within the purple arc—that is, Edrom Lodge and the HDA facility—perhaps 50 per cent of windows would be broken but there would be very little other damage. So I would make the point that there would be no limit on the use of Edrom Lodge. Someone said that Edrom Lodge would not be useable anymore as a tourist facility or for school groups or something. There would be no impact on the use of that lodge from what we are doing, other than the visual impact.

A couple of the submissions have touched on the ideological or philosophical view of war. Everyone is entitled to a view, and we respect that right. I would simply make the comment that, in general, the Australian public is very supportive of their Defence Force, and that has been particularly evident throughout the Timor issue. In fact, I was surprised last week to hear that a recent survey has shown that over 80 per cent of Australians are supportive of the US alliance, which has also taken something of a hammering here today. I suspect that it would be very hard to get 80 per cent agreement on any issue within our communities, so 80 per cent support for the US alliance would indicate that we are on relatively firm ground in some of our proposals. The fact is that we do have a Navy; the fact is that half of it—the surface combatants in particular—are located in Sydney Harbour and that they need to be supported locally. That should be done in an efficient and effective manner, and that is primarily what this proposal is about.

Captain Jolly made a number of comments, one included dredging and the fact that, in his experience, dredging had been disposed of at sea. We have just completed a dredging experience in Garden Island in Sydney Harbour and, because of the heavy metals in that area, we were required to dispose of it on land. I would point out that that came at the end of a very substantial environmental assessment process, which was alluded to, which we would have to undertake.

Sue Norman raised a couple of important points. One was traffic. Again, I might just put some meat on the bones here so that we understand a little better what we are talking about. The total project, including the commercial operation, is described in the EIS as having a relatively high number of vehicle movements, et cetera. But my advice is that the actual ammunition coming here from Sydney for a normal ammunitioning process would be two trucks probably, two to three times per fortnight, and for a major ammunitioning process it would be seven to 10 trucks perhaps once a month. That is not at a rate which would, in my view, justify us upgrading roads in the area. That would then change, within the internal movements from the depot down to the wharf, to about 17 light vehicles in and out per day and nine trucks in and out per day when there was an ammunitioning process going on. So it is a reasonable number of vehicle movements, but in comparison with what is already going there with HDA and with what the commercial operation might generate, we would be a relatively minor part of that, as would we be with noise. I cannot imagine that Navy, through their process, would create much noise and they anticipate a daytime only operation, so it would be mainly the commercial operation that would create that.

Sue Norman also made a comment about the timing, as to why we just released the supplement yesterday when we are having a hearing today. This process is one that creates a great deal of angst for us because we are running a number of issues in parallel here. In addition to this, we have the native title issues and the consultation with the New South Wales government. Many of the outcomes of one process impact on another and contribute to the development.

We have had to proceed with a number of these issues in parallel. It has just worked out by coincidence that the EIS supplement was released yesterday. We would have liked it to have been out a bit earlier but when you see the size of it you can see how much effort has had to go into it. Without telling the PWC its business, we presume that the PWC will not recommend this project until it has seen more of the outcome of the environmental process, or at least would make recommendations with some qualifications based on the

expected outcome of the EIS process. I think it would satisfy Sue Norman's concerns in that area that this committee does not sign off on behalf of the environmental issues. We do acknowledge that the committee has been seen to be something of a de facto approval process for the environment today because many of the issues have related to environment. I might pass to Commodore Cox to pick up a number of Navy issues.

187

Cdre Cox—The first one I would like to address concerns the report of 1998 which we took down at Point Wilson. I think that reflects our confusion in presenting our arguments to the committee on the particular day, and there is some confusion about the 250-tonne NEQ that is mentioned in there. That is a reflection of us trying to split these two processes apart and where we have ended up is that we have now separated totally the business of import and export from the supply and desupplying of ships here in Eden.

The NEQ issue is that *Success* is our largest NEQ ship and it has an NEQ not exceeding 30 tonnes and that is what we have asked for—the 30 tonnes. The mention of the 50 tonnes and the 100 tonnes deal with contingency operations by which we mean war, and in those cases we would move the arcs out. In the case of the green arc, that actually goes out another 100 metres for the 50 tonnes. We would carry that as deck cargo and we would seek a public risk waiver and it would be at a time when the country is under attack or we are involved in some overseas operations for both those sorts of weights. So that, I hope, clarifies that issue. But in any other times we would look at the 30 tonnes being the maximum, and all our operational ships after the DDGs retire have less than 15 NEQ.

As far as some of the other issues that were raised, we are quite happy to share the wharf with other users. We would want priority for the Navy. We plan ammunitioning by starting an ammunition conference about six to eight weeks before we do the ammunitioning so I believe that we can provide enough notice and that we can manage this facility with commercial interests without people getting their noses out of joint and without causing undue disruption to any commercial interest and also looking after the Navy's interest.

I would also remind you that the Navy generally stops work or stops going to sea around about 15 December and we do not go back to sea until just after the Australia Day weekend. The reason we do that is we recognise that school holidays are on and we do not like using the Jervis Bay practice areas when people are taking their major holidays during the year. So as for the business about us coming down here to ammunition at that time of the year, I think those fears can go away. The only exception would be that, if we had a ship going to Timor in support of our current operations, we might have to come down to pick up some ammunition, but that is more an outside and an unlikely event.

Finally, on the question of naval ammunition—it will melt and it is unlikely to explode. It will melt because all our ammunition requires fusing and there are three parts as to how it will go off. If some of the powder that we would have stored over there caught fire, it would certainly make the fire a memorable event. So there are things in there that will contribute to the fire but explosion is a very remote possibility in that sort of context.

TEMPORARY CHAIR—Mr England, you were invited by the brigadier to add some words of response. Do you have those?

Mr England—I do. I believe Mr Ferraris would like to provide some.

Mr Ferraris—I would just like to lead off by addressing the fire issue. There has been some concern expressed over the management of the forestry area around the storage depot in relation to how it would contribute to the fire potential for the depot and also externally. There has been preliminary discussion with the state government and State Forests in relation to this block of land. We have not yet defined what the size of it is because it needs to be determined through consultation with what is a reasonable parcel and it is up to State Forests to make it available.

The arrangement we have in place on a preliminary basis is that Defence is not in the business of timber resources and in any arrangement we would have with State Forests, whether it is leased or freehold, we would make sure that State Forests continued to manage those bits of the forest within the purple arc in an ongoing management process. Part of that would be that they would be controlling the regrowth. They have an active burn program now. The only bits that we would want to manage are those inside the storage areas and around our administration area where we would have cleared and fuel-free zones.

Senator MURPHY—There would not be any inside the purple arc?

Mr Ferraris—I beg your pardon?

Senator MURPHY—There will not be any of it as I see it. There will not be any of the land where you are going to put the depot inside the purple arc.

TEMPORARY CHAIR—No.

187

Mr Ferraris—No, there is a purple arc around the depot.

Senator MURPHY—I am sorry.

Mr Ferraris—That is why we are talking about 700 to 1,000 hectares around there. I would like to hand over to Michael England.

Mr England—Just in relation to the fire risk assessment that was undertaken in the EIS, Appendix H in that document deals with a range of things. It talks about the methodology that was used. The basic process, particularly in New South Wales, is to look at what they call ‘bush fire hazard’. In order to determine bush fire hazard, you need to take into account a number of factors. One is slope, one is aspect, the other is vegetation type, which includes the species, the likely fuel loadings and, in addition to that, weather.

The assessment of the depot site found that within the area of the site something like 99 per cent of the area fell into a low to medium risk category and within one kilometre of the depot site 90 per cent of the land fell within that low to medium risk category. There are areas of high risk. They are located certainly to the east of the depot site and to the north. But the assessment in relation to the specific depot site is that the area around it is primarily in a low to medium risk area.

In map 5 within Appendix H of the original EIS, you will find that there is a plan which identifies those fire hazard ratings and that provides a very good picture of the issues with respect to the depot. The recommendation that came from that which was incorporated into the EIS was in the first instance to recognise the hazard rating of the area and then to look at what are effective strategies that might be able to be used to deal with that particular hazard rating. That is the approach that the paper that was prepared by Bushfire and Environmental Services undertook. What they came up with was a recommendation that there be a fuel-free zone immediately surrounding the depot and on the outside of that there would be a fuel reduction zone. Jointly, those two zones provide what they call the ‘fire protection zone’.

In section 12 of the supplementary report there is a component that deals with the actual risk of fire. As to the way we have tried to explain it here, and this is in response to the submissions that were received on the EIS, there is a formula for calculating the concept of radiant heat—that is, if the intensity of a burn gets to a particular point, how far in front of that fire-front things will start to burn. The formula is specified in there. What it basically shows, by applying that formula, is that radiant heat at a distance of greater than 100 metres would not be of a sufficient magnitude to cause the munitions to become affected by that heat.

The proposal for the depot site is to have a 120-metre break. That is 20 metres beyond what was considered to be the maximum effect. We have an additional 50 per cent margin on top of that, so 120 metres out from the depot is a fuel-free zone—that is, the ground cover is maintained at virtually zero, the vegetation is removed within that area and then there is a fence at the end of that period. Beyond that, there is a fuel reduction zone which goes out several hundred additional metres and the intention is to manage the fuel loadings and the level of vegetation within that area. As Mr Ferraris indicated, State Forests have provided a submission which indicates that they will be quite prepared to manage that for Defence.

I should also note, in regard to the submissions on the EIS, that one of the submissions was from the NSW fire brigade. They indicated that they had assessed the project in terms of the potential risk and that they felt quite comfortable with the arrangements being made. They did make recommendations about the provision of a fire hydrant system to ensure full protection of the facilities.

If I may take the opportunity whilst I am on a little bit of a roll, I will address some of the other issues that have been raised beyond fire. There was an issue that was raised in respect of the traffic. There are probably a couple of key points in relation to that. One was the question about the positioning of the traffic counters in the original survey. When that survey was done, three counters were put out—one to the north of Edrom Road on the Princes Highway, one to the south of Edrom Road on the Princes Highway and one east along Edrom Road and that counter was put, as Ms Norman said, beyond the Green Cape turn-off. The reason for positioning those indicators in that manner is that it allows us to determine the volume of traffic at each particular point within the area of roads that are being affected. Traffic travelling south down the Princes Highway that then turns into Edrom Road will not trigger the counter to the south of Edrom Road, so we know how much has turned into Edrom Road from the north and vice versa with traffic travelling north.

The traffic counter that was placed on Edrom Road to the east of Green Cape Road gave us a figure of vehicles travelling along Edrom Road beyond Green Cape Road. We already knew how many were turning into Edrom Road from the difference on the highway and we then knew how many were continuing down Edrom Road so we were aware of how much traffic was turning into Green Cape Road. That is a fairly conventional process. She is quite right: the consultants do make value judgments as to where they can put counters to get the best available information. Our view is that they have done that.

There was a question about the traffic assessment not being during peak period. As Commodore Cox has indicated, under normal circumstances the Navy would not be operating ammunition and de-ammunitioning procedures during that period. Notwithstanding that, the information that was collected on the counters was compared against the annual average daily traffic counts that are prepared by the Roads and Traffic Authority. Our indication from those counts was that the numbers were, I think, about 18 per cent below what would be expected during a reasonably peak period of activity. We therefore took a value judgment again. We adjusted the traffic volumes by about 25 per cent to take them much closer to a peak period. It is not normal practice and it is not commonsense for roads to be designed to cater for traffic during absolute peak periods. They cater for a level at about the 80th or 90th percentile and they accept that during peak periods there will be some additional level of congestion which is not there for the rest of the year. Certainly, the traffic numbers were adjusted to reflect the potential peak use during the holiday periods.

With respect to some of the other issues that were raised, the economics in particular, the EIS dealt with two issues. There was the demand issue, and I would refer the committee to section 5 of the EIS. Within that section, it identified a number of potential sources of likely exporters. It indicated in there, through the Maritrade study, that some people have pointed to the potential to export springwater and there was also talk about the possibility of utilising the Heinz-Watties cannery for some fish production. We did note there that we did not believe that the forecasts of export potential were likely to reach base cargo levels. For that reason we believed that the primary product likely to be used through the facility in the short-term would be timber based product and there are a number of figures in there which deal with the potential volume.

Of that volume there is something like 480,000 cubic metres of logs and sawn timber as a potential source of movement through the facility. There is a further 600,000 cubic metres of available hardwood in the East Gippsland region which has been indicated as a potential source of supply. As for the issue of woodchips, our understanding is that the material from the East Gippsland region is generally only suitable for woodchips. Therefore the indication that there may be some woodchips available to be sourced through this facility relates to that Gippsland material; it does not have any bearing on the current HDA operation.

In respect of flora and fauna, I will clarify a point in relation to some comments that were made earlier. The advice I gave the committee before was that we had looked at the potential for threatened species to occur in the area. Our assessment was based on the potential for those species if the habitat was available for them. It was not whether or not we had caught them. We recognised that there are some species on the threatened species lists, both the Commonwealth and the state government lists, which are likely to occur in the area. The eight-part test that we referred to previously deals with all those species. There are three flora and fauna species. There were 13 fauna species. That included the southern brown bandicoot. The assessment under each one of those tests was that there would be no significant impact on that species, its viability or its survival as a species as a result of this proposal.

The supplementary report deals with the southern brown bandicoot issue in particular. It also deals with the tiger quoll, which was an issue that was raised. It also provides, as I indicated before, an eight-part test on the marine mammals—whales, leatherneck turtles—and a couple of shark species as well. That area has been quite comprehensively dealt with. We are not claiming that there are no endangered species in this area. Yes, there will be. What we are saying is that there will be no impact on the survival of the threatened populations as a result of this proposal.

The last point I would like to make in respect of economic issues flows from the comments I made before about woodchips. Tourism has been indicated as a major opportunity in this area and I do not think anyone would dispute that. The submissions that were provided in respect of the environmental impact statement, when it was on exhibition or as the draft document, included three letters—one from the Norwegian Capricorn Line, one from the Garden of Eden Caravan Park and one from the Eden tourism committee—all of which supported the proposal and believed that it would have no 'disbenefits' and was likely to have major benefits in respect of tourism in the area. During the consultation period of the EIS, meetings were held with various individuals and groups in the town. That included a number of the whale watching operators. They all indicated support for the proposal. They felt that the proposal would be beneficial. They may be able to even utilise the small vessel landing area if the wharf is available. One of the issues that Senator Calvert or Senator Murphy raised was in relation to tourist vessels visiting the port. I have a report which I would be quite happy to table for the committee. It is the 1998-99 annual report of the New South Wales Department of Transport. It actually shows a picture of a tourist vessel berthed in the port. I believe that was a 5,000 tonne vessel. I believe that a couple of years ago there was a vessel in here called the *Europa*, of up to about 40,000 tonnes, which was berthed in the port as well. I believe it anchored offshore and ferried people ashore. I have that document available for you if you wish.

Senator MURPHY—My position was with a 20,000 tonne wharf whether or not you could berth a 45,000 tonne boat.

Mr England—The key thing relates to the keel configuration. My understanding is that the depth of water that will be created at the wharf—and Mr Young may be better placed to comment on this—will accommodate at least a 20,000 tonne vessel. It may accommodate larger vessels depending on their keel configuration.

Senator MURPHY—I think that is what the evidence was.

Mr England—With respect to noise, what the EIS found was that the operation of the commercial facility—and it is the commercial facility; it is not the naval facility, bearing in mind that the commercial facility is intended to have the opportunity of operating 24 hours a day—could give rise to sleep disturbance if there were not adequate controls put in place. One of the controls that was recommended was the preparation of a noise control plan which would form part of any ongoing environmental management plan. The level of sleep disturbance was identified as being at Edrom Lodge and not beyond Edrom Lodge. It is probably an appropriate time to draw to a close.

Mr Young—If I can add one point. There was some discussion today about what impact the Towamba River would actually have on the dredging area. That is covered in the supplementary report. There is a report that GHD prepared in Appendix C. Section 5.1 actually covers this exact topic. Essentially, there was a flood in 1971, which was one of the most extreme events the Bega area has experienced. We have modelled that coming out through the Towamba River and the impact at the turning basin is that it produces a velocity of between 0.2 and 0.4 metres a second. Based on empirical data, you need a velocity of about 0.5 metres a second to transport the sediments. On that basis, we said in that event you possibly could have had sedimentation but that would be a very extreme event. Therefore, in more common flood events that were less extreme there would be minimal in-filling of the dredged area from the Towamba River. Another comment on maintenance dredging: HDA have been in that area for 30-odd years and they have not undertaken maintenance dredging in that period.

TEMPORARY CHAIR—Any other comments, gentlemen?

Mr Ferraris—Just a bit of clarification: a number of witnesses today mentioned the importance of an environmental management plan. Defence and the New South Wales government have undertaken to put an environmental management plan in place. We have not done so yet because we are waiting for the environmental conditions that we are going to get from the environmental assessment authorities, but discussions have occurred on the basis of it. Once we are sure that we will get those environmental conditions, we will certainly put one in place.

Senator CALVERT—Would Navy be looking to part of the state emergency plan here? Would you expect your facility to be part of that if there is a local plan? I suspect there would be.

Cdre Cox—We would, and we will undertake that consultation.

Senator CALVERT—Good.

Cdre Cox—That is what we normally do.

Senator MURPHY—I just wonder if you have been able to track down the Point Wilson costings yet.

Brig. Kelly—No. We would like to provide those to you out of session. We were unable to get the figures over lunch.

Senator MURPHY—I want to go back to the question of access and clarify for the third time that we will get access for fishermen on the jetty and the wharf.

Cdre Cox—You will get access except when we are ammunitioning. If there are any commercial operators, Customs and immigration may put some restrictions on where they can go on the wharf. As far as the Navy is concerned, if we are there and not ammunitioning, fishermen are most welcome.

Mr HOLLIS—Gentlemen, are you aware of the Des Ball document that was presented to the committee this morning?

Cdre Cox—Yes.

Mr HOLLIS—Do you have any comment on it?

Cdre Cox—It is one opinion. I do not think personally that it is one that would sustain itself in the current environment.

Mr HOLLIS—And the costing?

Cdre Cox—The costing was for a project that was very different. I think that the costing would have probably doubled from what he forecast in there. I thought your estimates were probably conservative.

Mr HOLLIS—Okay.

TEMPORARY CHAIR—Gentlemen, I think you have comprehensively answered many of the issues that came up in evidence today. I would just like to know the answer to this particular one. It was mentioned that there was concern of an accident on Edrom Road. It is my understanding that if there is a truck accident where the truck is carrying ordnance it does not explode. Can someone give me some elucidation on that?

Cdre Cox—There is no reason why it should explode. This is all packed in accordance with NATO rules. If you have a fire as a result of the accident, yes, it is going to be a good fire but that is the only way it is going to go off. It does not blow up. The ammunition requires three things: an electrical impulse, a time mechanical—which is a distant movement—and to be fused to go off. It needs velocity. The ammunition is inherently safe. We have been embarking this stuff in Sydney Harbour for 82 years. We have not had an accident that I am aware of during ammunitioning operations and the ammunition today is much safer than it was then.

Senator FERGUSON—It can enhance a fire but it cannot explode?

Cdre Cox—It should not explode.

Senator FERGUSON—It should not?

Cdre Cox—It will certainly make a fire better. There is some good stuff inside some of it.

Senator FERGUSON—Are you saying it can explode or it should not explode?

Cdre Cox—Should not explode.

Senator FERGUSON—So it is still possible?

Cdre Cox—My advice is it will not and I will never go for 100 per cent because I will always be caught out.

Mr Ferraris—In my former life in the Navy I was an ordnance engineer and I had responsibility for quality assurance of munition production at government factories. In the latter part I was the Navy person in charge of proof at our major proof range at Port Wakefield in South Australia. I can assure you from my studies overseas that we test the ammunition to destruction to make sure that it does not misbehave when it should not.

Mr HOLLIS—Gentlemen, there has been a lot of discussion today about consultation. I would take it that if the committee did indicate approval of this project that consultation would continue. That would not be the end of it, would it?

Brig. Kelly—I suspect that at the detailed level it would only just be starting in many ways in terms of sorting out the sorts of things Commodore Cox was talking about—how we would get the locals to provide the support that is required, how we would tie into SES plans and so on.

TEMPORARY CHAIR—It is proposed that the submissions and the accompanying Defence response be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The documents read as follows—

TEMPORARY CHAIR—I thank all of the witnesses who have appeared before the committee today, the committee members, Hansard, the secretariat and particularly the people of Eden.

Resolved (on motion by **Senator Calvert**):

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it in submissions presented at public hearing this day.

Committee adjourned at 3.54 p.m.