



Ref 140.02.0019

28 November 2006

The Secretary
Public Works Committee
Parliament House
CANBERRA ACT 2600

SUBMISSION 2

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Dear Sir/Madam

Re: Redevelopment of the Propellant Manufacturing Facility at Mulwala

Moirashire Council wishes to support the proposal to expend \$338.7M on the redevelopment of the Propellant Manufacturing Facility at Mulwala NSW.

Moirashire is situated on the Victorian side of the NSW border and is the major population centre that supports the facility.

Council supports the redevelopment for the following reasons:

- a) The Mulwala facility directly employs 350 people and injects \$20m of wages directly into the local economy. The subcontractory arrangements and flow-on effect add many millions of dollars into the local economy.
- b) A rally on 22 June 2001 of up to 6,000 people marched from Mulwala to Yarrowonga. At the conclusion a petition of 16,000 signatures was presented to the then Federal Member for Indi, Mr Lou Liberman. This shows clear community support for the facility.
- c) A public meeting in Yarrowonga was held on 4 July 2001 at which approximately 500 people attended on a very cold and chilly night.

The meeting was addressed by a number of speakers including the then Federal Member for Indi Mr Lou Liberman. The following motions were supported unanimously at the meeting:

1. That local Federal Politicians arrange a delegation, consisting of representatives of the Yarrowonga Mulwala Save Our Factory Group, to meet with the Minister for Defence and the Parliamentary Secretary for Defence to impress upon them the social and economic costs to our communities if the ADI factory is not upgraded.

2. That local politicians, in all political parties, petition for the ADI factory upgrade to be treated as a matter of priority within their electorate.
 3. This meeting send a resolution to the Prime Minister that he show leadership to match his rhetoric and provide a commitment for funding to this important rural and regional manufacturing operation.
- d) Without a viable and locally produced propellants factory in Australia, this nation would rely on imported propellants for our military ammunition and bombs. This would expose Australia to the risk that a foreign country could determine Australia's future supplies which must be considered less than desirable given the involvement of Australian troops overseas. Many of these involvements have occurred since 2001.
- e) Council is also aware of reports from the United States of America, that due to the war on terrorism, it cannot keep up with its basic small arms ammunition supplies and is seeking to import ammunition. Apparently, other countries are encountering similar problems which again makes the redevelopment of this facility a priority for Australia.
- f) The Prime Minister of Australia on 20 September 2001 signed a Memorandum of Understanding with the councils (and by implication the ratepayers of Moira and Corowa Shires and the rural City of Benalla. The Memorandum of Understanding states the following:

"The following commitment is made by the Hon. John Howard MP, Prime Minister of Australia, to the people of Mulwala and surrounding districts and signed on behalf of those people by the Mayors of Moira, Delatite and Corowa Shire Councils.

- 1. The Commonwealth Government is committed to the long term domestic production of propellant and high explosives at Mulwala to meet the requirements of the Australian Defence Force.***
- 2. The Commonwealth Government is committed to the long term domestic production of munitions at Benalla to meet the requirements of the Australian Defence Force.***
- 3. The commonwealth government is firmly committed to invest up to \$220 million to the upgrade of the propellant facility at Mulwala in addition to the current government funding for environmental works at Mulwala.***
- 4. The Commonwealth government will link the production of propellants and high explosives to a long term supply agreement for the provision of a range of munitions to the Australian Defence Force thus ensuring maximization of employment at Mulwala and Benalla.***

- 5. The Commonwealth Government is committed to entering into a contract for the modernization of the Mulwala facility and the long term arrangements for the supply of munitions and seeks to have these new arrangements in place by 2004."**

This was signed by the Prime Minister and the Mayors of the three Councils.

If you have any queries in relation to this, please do not hesitate to contact my office on 58 719 211.

Yours faithfully



**Gavin Cator
CHIEF EXECUTIVE OFFICER**