

Defence Sector Strategy

Shoalhaven City Council

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1. Introduction

1.1 Purpose

The purpose of this strategy is to provide a clear direction for Shoalhaven City Council's (Council) involvement in the Defence industry sector. Council intends to provide on-going support for existing, established and potential new Defence sector industries and this strategy provides a basis for that support.

The Defence sector has been a key component of the Shoalhaven economy with major industries being developed around Defence activities primarily at HMAS Albatross and HMAS Creswell. Council has sought to work closely with Defence, establishing the purpose designed Albatross Aviation Technology Park (AATP) to cater for Defence related industries with direct airfield access at HMAS Albatross. Council looks forward to a continued positive and productive relationship with the Defence sector and its industry participants.

1.2 How this Strategy Works

This *Defence Sector Strategy* is the second instalment in a series of industry sector strategies to be produced by Council's Economic Development Office (EDO). The need for industry sector strategies, and the subsequent requirement for Council to produce such strategies, is identified under both Council's *Delivery Program and Operational Plan (2011-2013)*, as well as Council's economic development strategy "*Shoalhaven - an enterprising alternative*".

The *Defence Sector Strategy* is based on a series of strategies and actions to support and address issues within the Defence sector as a whole, or within individual segments of that industry.

The Objectives, Strategies and Actions in the *Defence Sector Strategy* will act as a corporate reference point for preparation of Council's annual Delivery Program and Operational Plan. As such, they will also be subject to Council's resourcing and budget processes / considerations each financial year.

The relationship between Council's strategic planning documents and this *Defence Sector Strategy* is shown in the flow chart at Figure 1.

Figure 1: Industry Sector Strategy Flowchart



1.3 Scope

This strategy seeks to outline the key elements of the Defence sector, and in doing so, to identify its market segments, trends and the history of Council's interventions in the industry. The strategy also aims to identify future interventions which Council can implement, or work in partnership with others to implement, over the strategy period of five years (2011-2015).

The strategy is laid out in five primary sections as follows:

- Section 1: Includes the purpose, scope and a brief overview of the Defence sector;
- Section 2: Provides a review of the existing situation within the Defence sector, broken down into more detailed market segments, and including recent trends and a review of Council's past involvement in each segment;
- Section 3: Identifies the strategic objectives for Council's future involvement in the Defence sector and the reasons for seeking to fulfil these objectives;
- Section 4: Establishes the future strategies and actions for Council (and others where applicable) in relation to the Defence sector; and
- Section 5: Summarises all actions and provides indicative priorities for their implementation.

1.4 Industry Overview

The Defence industry, and in particular the Royal Australian Navy (RAN), has a rich history in the Shoalhaven. The Commonwealth Department of Defence is represented by a number of facilities in the Shoalhaven area, the largest being the Naval bases of HMAS Albatross to the South of Nowra, and HMAS Creswell in the Jervis Bay Territory near the coastal centre of Vincentia.

In addition to these two bases, Defence operate two other substantial sites that also form part of the *Shoalhaven Defence Estate*, being the Beecroft Weapons Range (BWR) on the Beecroft Peninsula, and the Jervis Bay Range Facility (JBRF) which is an additional air field near HMAS Creswell. The locations of these Defence properties are identified in Figure 2.

In total, Defence personnel and support staff number around 1,200 – 1,300 and are believed to inject over \$60m in annual salaries into the local economy¹.

Figure 2: Shoalhaven Defence Properties



¹ See <http://www.shoalhaven.nsw.gov.au/region/econodev/econodev.htm>

HMAS Albatross is the RAN's largest operational establishment and its only air station. The primary task of HMAS Albatross is to support the Naval Air Squadrons that provide air support to the RAN fleet². The flying squadrons current based at HMAS Albatross include³:

- ▶ 723 Squadron (Eurocopter Ecureuil ("Squirrel") and Augusta A109E);
- ▶ 808 Squadron (Eurocopter MRH 90);
- ▶ 816 Squadron (Sikorsky Seahawk); and
- ▶ 817 Squadron (Westland Sea King).

HMAS Albatross is also home to the Fleet Air Arm Museum, which is a high profile tourist attraction in the area.

HMAS Creswell is located on the southern edge of Jervis Bay, predominantly surrounded by the Booderee National Park. The base is primarily a training facility, being home to the *RAN College* as well as other specialist departments such as the *School of Ships Safety and Survivability*. The base also works closely with the adjoining JBRF air field and BWR that is located on the northern edge of Jervis Bay. The Commanding Officer of HMAS Creswell also acts as the Superintendent of Naval Waters for Jervis Bay and as the Lead Authority for Navy's leadership, management and initial entry training around Australia.⁴

A number of opportunities have been identified to strengthen the links between the Department of Defence, the broader Defence industry and the community. Such opportunities include the supply of products and services, joint development facilities, education, training and research. The *South Coast Defence Industry Network* and *Shoalhaven Defence Industry Group* have also been

established to enhance the linkages between various industry representatives and to enhance and promote the area for new Defence related projects⁵.

A number of large Defence projects are progressing or have been identified as potential projects in the Shoalhaven region. These can generally be categorised into three areas:

- ▶ Capability Projects – that relate to the core Defence activities, such as the *Air 9000* projects which are aimed at providing the Australian Defence Forces (**ADF**) with the most appropriate mix of helicopters;
- ▶ Infrastructure Projects – that relate to the maintenance and improvement of Defence land assets, such as the \$86 million HMAS Creswell Redevelopment, and the \$192 million HMAS Albatross Stage 3 Redevelopment; and
- ▶ Accommodation Projects – that relate to the on-site living accommodation of Defence personnel, such as the *Single Living Environment and Accommodation Precinct (Single LEAP) Phase 2* project.

Future projects are estimated to bring up to 400 new jobs to the area over the next 10-15 years, initially as construction jobs, and ultimately as on-going employment associated with the increase in major capability improvements.

While the Defence sector has significant future potential and a number of emerging opportunities, Council's involvement requires close consideration of where it can best co-ordinate and facilitate these projects and activities to the advantage of the Shoalhaven community. These opportunities are explored throughout this *Defence Sector Strategy*.

² See http://www.navy.gov.au/HMAS_Albatross

³ See [http://en.wikipedia.org/wiki/HMAS_Albatross_\(air_station\)](http://en.wikipedia.org/wiki/HMAS_Albatross_(air_station))

⁴ See http://www.navy.gov.au/HMAS_Creswell

⁵ See <http://business.shoalhaven.nsw.gov.au/WorkingintheShoalhaven/Networks.aspx>

2. Existing Situation

This section provides a review of the various market segments that exist within the Defence sector in the Shoalhaven. These include:

- ▶ Defence Presence – Being the physical presence of Defence in the area, including direct employment and flow-on effects;
- ▶ Defence Industries – Being the presence of dedicated industry contractors and their participation in Defence capability projects and the maintenance of Defence establishments; and
- ▶ Defence Infrastructure Development – Being the process of infrastructure improvement and construction on and around Defence establishments, including on-base redevelopment and accommodation projects.

In addition, a fourth market segment relates to non-Defence activities, which are often add-on services to companies that also have Defence interests. This would include for example aviation related industries within the AATP which are not directly related to Defence activities, but which utilise Defence assets in the form of the HMAS Albatross air field. Other areas may also include boat building, drysuits and other resources not necessarily related to aviation.

These market segments are detailed in the following sub-sections.

This section also provides a number of case study “boxes”, which outline examples of best practice, industry snapshots and other issues relevant to Defence in the Shoalhaven. These case studies either highlight examples from outside the local government area (LGA) or are examples from within the LGA that provide a positive reflection of the potential within the Shoalhaven.

CASE STUDY No. 1 – SA Defence Subsidies

A key driver of Defence investment decisions geographically around Australia is the availability of appropriate infrastructure and support mechanisms to enable effective project implementation. This was recognised by the Government of South Australia who established *Defence SA* as their lead government agency for all defence matters, and in so becoming the nation’s only stand-alone state defence organisation.

Working closely with Defence and associated industry, *Defence SA* targets defence investment and expansion opportunities by driving and supporting the delivery of major defence projects and facilities.

In the last five years, South Australia has secured billions of dollars worth of new Defence and security projects. These projects will provide significant opportunities for local defence suppliers for some years and include:

- ▶ the \$8 billion Air Warfare Destroyer build contract and AWD Systems Centre
- ▶ the 1,200 personnel 7RAR Battle Group, to be relocated in 2011
- ▶ the multi-billion 25-year through-life support contract for Collins Class submarines
- ▶ the \$1 billion AP-3C Orion aircraft maintenance and upgrade contract
- ▶ the \$1 billion Customs Project Sentinel contract – the world’s largest fixed-wing civil maritime surveillance program
- ▶ the \$300 million development of Techport Australia, Australia’s Naval Industry Hub
- ▶ assembly of next generation submarines

DEFENCE SA

Source: www.defencesa.com

2.1 Defence Presence

As discussed in Section 1.4, the physical presence of Defence establishments in the Shoalhaven provides for large scale employment and economic stimulus of the area. The Defence industry (including all forms of Defence personnel) currently employ around 1,200 - 1,300 full time equivalent (FTE) people in the Shoalhaven. This number is expected to increase over the next 10-15 years as new capability projects are completed.

In respect of the core Defence facilities in the Shoalhaven, the RAN “Plan Blue” document provides strategic guidance to the evolution of the RAN through to 2025. This document identifies the retention of HMAS Albatross as it is “*crucial to the delivery of capability*”, the retention of HMAS Creswell as a key training establishment, and the recognition of the critical need for the BWR facility⁶. This view is consistent with other strategic Defence and RAN documents and the long-term presence of Defence in the region is considered to be safe.

More recent whole of Defence strategic planning, including the *Defence White Paper*, the *Defence Capability Plan* and *Navy Aviation 2020*, further reiterates the direction of continued Naval investment in helicopter technology and training facilities – which are the core capability roles of the Shoalhaven Defence establishments.

The stability of the Defence presence within the Shoalhaven is further emphasised through the committed capability projects that have been identified for the Shoalhaven. These include⁷:

- ▶ Air 9000 Phase 3 (Sea Hawk Capability Assurance Program (SCAP 1)): SCAP1 is to address a range of tactical and system related issues in the current Sea Hawk fleet. The project is based on maintaining Seahawk capability until the transition to AIR 9000 Phase 8 (see below);

⁶ See http://www.navy.gov.au/w/images/Plan_Blue_2006.pdf

⁷ See <http://www.defence.gov.au/dmo/id/dcp/html/index.html> for details of all projects.

- ▶ Air 9000 Phase 6 (Sea King Replacement): Phase 6 is currently in progress and will see the six Sea King helicopters previously accommodated at HMAS Albatross replaced with MRH 90 helicopters;
- ▶ Air 9000 Phase 7 (Helicopter Air Crew Training System): Commonly referred to as HATS, Phase 7 is intended to provide a rotary wing training capability for both the Navy and Army. Government approval has been given to base the project at HMAS Albatross and will include simulated and actual helicopter training, as well as classroom based activities;
- ▶ Air 9000 Phase 8 (Sea Hawk Replacement): Phase 8 is intended to provide an organic combat aviation capability to compliment Navy’s surface combatant fleet. This includes the acquisition of multi-role naval combat helicopters, weapons, synthetic training, infrastructure, logistics and other support systems. The project is expected to be primarily based out of HMAS Albatross;
- ▶ JP66 (Air Defence Target System): JPT66 Phase 1 is to introduce a new air target system to support operational training and the testing of current and future air defence weapon systems. Such systems have been previously operated and used in conjunction with BWR and JBRF.

While some or all components of the above projects are expected to be based in the Shoalhaven, the full extent of development and expenditure is largely dependent on future Government decisions and contractor agreements. Part of the challenge for the Shoalhaven Defence and wider community is to provide active support and appropriate infrastructure to enable the region to be the most attractive for such projects to proceed.

2.1.1 Trends

Within the area of Defence presence in the Shoalhaven, there are a number of trends that can be seen, including:

- ▶ Ongoing support and long-term security for the continued use of HMAS Albatross and HMAS Creswell within Defence strategic planning documents;

- ▶ Likely increase in Naval capability, including in the area of rotary wing aircraft capacity, as outlined in the Defence White Paper 2009;
- ▶ Indication of new capability projects to be based in the area, further strengthening the ongoing presence of Defence activities;
- ▶ Continued recognition of the potential for growth of Defence activities in the region given key assets such as BWR and JBRF, as well as access to the East Australian Exercise Area (**EAXA**) including Jervis Bay; and
- ▶ Potential for continued operational flexibility in providing a range of activities, particularly in the areas of training and education.

2.1.2 Past Strategies and Actions

Council has been involved in a variety of strategies and actions to support the presence of Defence in the Shoalhaven including:

- ▶ Providing provisions within Council's statutory land use planning documents to assist in ensuring that urban encroachment on HMAS Albatross is minimised; and
- ▶ Advocating and providing funding towards the development of Main Road 92 to facilitate access between Canberra and the Shoalhaven.

CASE STUDY No. 2 – Navy Aviation 2020

Navy Aviation 2020 is a strategic concept paper which identifies the Royal Australian Navy's requirements for its Fleet Air Arm. The paper provides particular emphasis on the principle of rationalising the existing Fleet Air Arm, aiming to operate only two manned helicopter types and one unmanned aerial system.

The manned helicopters would provide multi-mission maritime tactical capabilities, in addition to a maritime combat helicopter that could alternate between warfare and support roles without extensive reconfiguration. The unmanned aerial system would expand intelligence, surveillance, reconnaissance and strike capability. Major components of these capabilities would be based in the Shoalhaven.

The training system to support the Fleet Air Arm operation would consist of a twin-engine type helicopter, with a full range of simulator and computer based training, to be based at a joint Navy/Army helicopter school (proposed to be based at HMAS Albatross). This training system would reduce the training required on front line combat helicopters.

While in relative terms the uniformed force structure would be smaller under this scenario, the supporting structures would also be centred on the Shoalhaven region where partnering arrangements would be in place with a limited number of key commercial stakeholders. Deeper level maintenance would also be largely commercialised, with the breadth of this commercial activity being seen as a key to the sustainment of skills in the local region.



2.2 Defence Industries

Many internationally recognised defence contractors operate in the Shoalhaven, including Serco Sodexho Defence Services, BAE Systems, Raytheon, Partech Systems, Computer Sciences Corporation, Scientific Management Associates and Air Affairs. These industries provide a range of support to Defence including maintenance activities, supply of assets and services, joint development facilities, education, training and research.

Several of these contractors have developed facilities at the purpose built Albatross Aviation Technology Park (**AATP**), which adjoins HMAS Albatross and includes access to its air field and runway. AATP allows businesses with Defence aircraft maintenance and operational contracts to establish freehold sites that support the Defence policy to move Defence contractors off-base where possible.

In addition to meeting the needs of Defence operations, the AATP estate also enables existing and new aviation technology enterprises to service other domestic and export aviation and other technology markets. At full development capacity, AATP could provide over 1,000 employment opportunities.

Alongside the aviation and technology market, a number of fringe industries and services sector companies are also directly connected to Defence activities in the Shoalhaven. These companies may provide professional services, general equipment and consumables, as well as providing general maintenance and services at Defence establishments (commonly referred to as *Garrison Support Services*).

It is estimated that more than 600 people are directly employed within this Defence industry sector in the Shoalhaven.

2.2.1 Trends

Defence industry activities are closely linked to capability projects and ongoing capability activities at Defence sites. As a consequence, trends in area of Defence

industries can change rapidly with changes in Government policy or the award of significant contracts.

Over the last 10-15 years, there has generally been steady growth in Defence industry presence in the Shoalhaven. However, in more recent times, changes to Defence priorities, cuts to projects and delays in expenditure have all contributed to the delay in Defence industry investment in the area. Anecdotal evidence has also suggested that long lead times for project implementation is resulting in shorter contract periods and difficulties in private firms justifying large capital investments over short contract periods. This issue would need to be addressed if ongoing take-up of land in the AATP is to continue.

2.2.2 Past Strategies and Actions

Council has provided a range of support to the development of a healthy Defence industry in the Shoalhaven. Key initiatives include:

- ▶ Development of the AATP to provide off-base sites for Defence contractors as well as to facilitate a more broad based aviation industry in the Shoalhaven;
- ▶ Assistance in co-ordinating a *South Coast Defence Industry Network* which operates to enhance the linkages between prime and sub-contractors in the region;
- ▶ Active participation in the *Shoalhaven Defence Industry Group*, which brings together the State Government (through the Department of Trade & Investment), the Shoalhaven City Council and the Shoalhaven Business Chamber, to work together to secure contracts and share knowledge and skill in order to enhance Defence industry opportunities in the Shoalhaven; and
- ▶ Fostering a sympathetic community towards the needs and actions of the RAN through involvement in a range of corporate and social events, as well as engaging with ex-naval personnel who are community and business leaders.

CASE STUDY No. 3 – CAE

CAE is a world leader in simulation and modelling technologies and integrated training services for military purposes, as well as civil aviation. It operates a simulator training complex at HMAS Albatross with state of the art full motion flight and mission simulators that provide training for the RAN's helicopter aircrew and aircraft maintenance crews to ensure they are mission ready.

CAE Australia has operated at the Simulator Complex at HMAS Albatross since 1999, and employs approximately 20 people who provide maintenance and engineering services to keep the simulators and other training facilities operational. These staff are part of CAE's Australian workforce of more than 200 and global workforce of more than 7500.

In addition to the Defence sector, CAE provide services to health care, mining and general aviation, broadening the scope for future commercial development in the region.



Source: <http://business.shoalhaven.nsw.gov.au> and www.cae.com/en

2.3 Defence Infrastructure Development

Defence infrastructure development relates to the ongoing works associated with the improvement and maintenance of Defence facilities in the Shoalhaven. Whilst this area of the Defence related economy will undergo intermittently intensive investment periods, the value of such investment is a significant injection to the local economy during these development periods.

For example, the previous redevelopment stages at HMAS Albatross have included *HMAS Albatross Stage 1 Redevelopment*, undertaken in the late 1990's at an estimated value of around \$100 million (2009 dollars), and *Stage 2* was undertaken in the early 2000's at an estimated value of around \$60 million (2009 dollars)⁸. The *HMAS Albatross Stage 3 Redevelopment*, the design development phase of which has already commenced, has an estimated outturn cost of around \$192 million. Similarly, the *HMAS Creswell Redevelopment Project*, which is currently nearing completion, has an estimated outturn cost of around \$86 million⁹.

New infrastructure and upgrades are also required to facilitate new capability projects, such as the recently completed 808 Squadron (MRH-90) hanger costing around \$30 million. Similar projects would be required for a number of the capability projects discussed in Section 2.1.

In addition to base redevelopment and capability infrastructure projects, a number of base accommodation development projects are also earmarked for the Shoalhaven. These potentially include the Single LEAP and SMILE accommodation projects, which have previously been identified to provide new and upgraded accommodation to assist in the attraction and retention of recruits¹⁰.

⁸ See http://www.aph.gov.au/house/committee/pwc/albatross_2/report.pdf

⁹ See <http://www.aph.gov.au/house/committee/pwc/hmascreswell/subs/sub1.pdf>

¹⁰ See for example <http://www.aph.gov.au/house/committee/pwc/leap2/report/fullreport.pdf>

These projects provide significant design and construction employment, typically utilising a large amount of local contractors and lasting a number of years. These projects also employ a large number of professional services contractors in respect of planning, design and project management.

2.3.1 Trends

While Defence infrastructure development is a relatively ad-hoc process, the significant planning and development timeframe means that projects will often exist for 10 or more years as they progress through various design stages, Commonwealth Government approvals and construction processes. Trends are therefore difficult to determine with any timeframe accuracy, however the following comments are pertinent to this area:

- ▶ Historical records suggest that infrastructure condition and capacity will continue to be key issues faced by the Defence facilities in the Shoalhaven, requiring significant investment to rectify over time;
- ▶ Ongoing capability and training facility investments in the area are likely to increase on-base Defence personnel employment and accommodation requirements;
- ▶ Upgrade and development of other Defence properties, such as BWR and JBRF, may be required to facilitate future potential capability projects to be based at HMAS Albatross or HMAS Creswell; and
- ▶ The significant commitment to infrastructure projects that have been approved for HMAS Albatross lay the foundations for other new capability projects to be introduced to the site.

2.3.2 Past Strategies and Actions

As with the Defence industry (refer Section 2.2), Council's involvement with Defence infrastructure development has generally been in a role of providing information and networking opportunities. These actions have included

involvement with the *South Coast Defence Industry Network* and the *Shoalhaven Defence Industry Group*, both of which in-directly advocate for Defence infrastructure provision in the Region.

Council has also supported development projects through submissions to Commonwealth Government Public Works Committee (**PWC**), which scrutinises Defences Projects and is a key way for Parliament and the public (through their elected representatives) to ask the Department of Defence and related agencies questions about large-scale projects.

Council, the NSW State Government and other private companies have also invested over \$30 million in works to the AATP, contributing to the overall infrastructure available for Defence related purposes. A similar figure is also likely to have been delivered in plant and machinery, as well as creating over 200 jobs in the area since 1998. Further development of the AATP could also be undertaken in-lieu of infrastructure development on-base should Defence seek to “out-source” some level of infrastructure provision.

CASE STUDY No. 4 – HATS Project

Phase 7 of the AIR 9000 Project, referred to as the Helicopter Aircrew Training System (**HATS**) is intended to provide a rotary wing training capability for Navy and Army, to meet the future rotary wing training needs of the ADF. The project aims to deliver a system that encompasses elements of live, synthetic and classroom aviation instruction.

HATS implementation will include a requirement for new facilities and infrastructure, or the expansion and enhancement of existing facilities and supporting infrastructure. The scope, scale and location of the facilities and infrastructure will depend on the capability option selected by the Federal Government later this year, however a decision has already been mandated to base HATS at HMAS Albatross.

There is a broad range of acquisition options under consideration, which may include a direct capital acquisition or privately financed lease, or elements of both. Initial estimates from 2007 suggest the value of infrastructure development to support the project is around \$100million, whilst ongoing jobs (including trainees) would be in the order of 200 personnel.

AIR PROJECTS
AIR 9000

Phase 7 Helicopter Aircrew Training System

Source: Defence Capability Plan 2009 (December 2010 Update) and <http://www.smh.com.au/news/National/Nowra-will-host-ADF-helicopter-school/2007/10/10/1191695978630.html>

2.4 Non-Defence Activities

In addition to the Defence sectors discussed in the previous sections, further opportunities exist in relation to non-Defence aviation and other activities in the context of the AATP and access to the HMAS Albatross air field. A core purpose of the AATP was to build upon aviation related industries that may or may not be entirely Defence related. Central to this direction was agreement with HMAS Albatross for the air field to be used for non-aviation related uses (with Defence given priority for use where required).

While there is only a small amount of non-Defence aviation related business occurring at AATP, there continues to be high potential for aviation industries that service both Defence and non-Defence activities.

The Naval aspect of the Defence presence also provides for opportunities in the area of boat building/repairs and other water based craft. While there may be limited opportunities for larger scale projects in the short-term, smaller scale opportunities and longer term opportunities may enable this area to become a growth market for the region.

2.4.1 Trends

Broad trends in recent years have seen a marked growth in aerospace research, development and training in Australia. This has largely been in response to the political and economic instability of competing locations, and an increasing awareness of Australia's potential within the Asia/Pacific region.

2.4.2 Past Strategies and Actions

As the developer of the estate, Council continues to promote and provide development direction for the AATP. Council's role in the development of other industrial land at South Nowra has also provided opportunities to assist potential investors to best locate and establish their business in the Shoalhaven.

CASE STUDY No. 5 – Partech Systems

Partech Systems was founded in 2000 in Nowra to service the avionics needs of Defence contractors. The company specialises in high level technical and engineering support in avionics maintenance and repair. Initially employing four specialists, the company quickly grew to a workforce of 20 people, before becoming involved with the \$200 billion Joint Strike Fighter program being developed by Lockheed Martin in the United States.

Since initial involvement with Computer Sciences Corporation, Partech systems has gone on to secure a number of contracts with some of the world's largest Defence contractors, developing considerable expertise in the support and maintenance of Lockheed Martin's dedicated test station for the Joint Strike Fighter avionics systems.

Partech Systems has been recognised by the Australian Government as a supplier of "Strategic Capabilities" to the Australian Defence Force and continues to cement its place within the Australian and international Defence Industries from its base in Nowra. It has also diversified its operations in the area to provide test engineering and electronics design to the rail sector, as well as engineering to the electronics industry as a whole.



Source: www.partechsystems.com.au

3. Strategic Objectives

This section establishes Council’s strategic objectives for its support of and interaction with the Defence sector. These strategic objectives provide an outline of Council’s future involvement and commitment to this important industry sector and its potential for economic and jobs growth in the Shoalhaven.

The strategic objectives consider the current situation, trends and past involvement of Council within the Defence sector as outlined in Section 1.4 and

Section 2, whilst ensuring a pragmatic and focused approach to Council’s future involvement in the sector.

The strategic objectives and a brief explanation of their importance are set out in Table 1 below.

Table 1: Defence Sector Strategic Objectives

Strategic Objective	Reason
Strategic Objective 1: <i>To promote the positive relationship and history between Defence and the Shoalhaven.</i>	To emphasise the acceptance and co-operative relationship between Defence, Council and the broader community to encourage further investment in the region.
Strategic Objective 2: <i>To provide for the on-going viability of Defence establishments including HMAS Albatross, HMAS Creswell and the Beecroft Peninsula through appropriate land use planning.</i>	To ensure that land use planning policies and documents, including Council’s Local Environmental Plan (LEP), effectively reduce potential for land use conflicts through the effective recognition of the potential for impacts from Defence establishments, including air field, flight paths and training activities which may produce noise and other impacts on amenity.
Strategic Objective 3: <i>To encourage the growth of Defence capability in the region by ensuring Defence related industries are effectively catered for in the area.</i>	To ensure the long-term maintenance of, and where possible growth in, Defence sector jobs including both on and off-base positions associated with direct Defence employment and with Defence industry contractors.
Strategic Objective 4: <i>To assist in ensuring that infrastructure of an appropriate quality and capacity are available to Defence establishments.</i>	To ensure that restrictions on external access to infrastructure is not a deterrent to future capability and development projects being introduced to Defence establishments in the Shoalhaven.
Strategic Objective 5: <i>To provide opportunities for, and to promote, direct contact between Defence, Defence Industry and non-Defence industry participants.</i>	To encourage a more direct relationship between all industry participants to encourage better networking opportunities, enhancement of local industry knowledge and to facilitate the capture of future project/capability projects to the Shoalhaven.
Strategic Objective 6: <i>To encourage the growth in non-Defence aviation and other activities through a co-operative relationship between Defence, Defence industries and others where appropriate.</i>	To provide additional support and opportunities to the aviation industry (both Defence and non-Defence) through the secure use of Defence’s air fields and related assets, as well as establishing other fringe activities and industries that could benefit from the presence of high-tech avionics and related industries.

4. Strategies, Actions and Priorities

This section establishes the strategies, actions and priorities for Council (and others where applicable) in relation to the Defence sector.

The term “strategies” is used to describe the overarching activity to be undertaken, lead or instigated by Council, and which may utilise existing industry groups, project partners and others to assist in their implementation. “Actions” are the actual steps in undertaking the strategies, and are provided in a form that can be measured and reported on. Timing and responsibilities have been provided for indicative purposes.

The actions and strategies within this section seek to directly address and relate to the Strategic Objectives identified in Section 3, as well as considering the issues and trends identified in Section 1.4 and Section 2.

Strategy 1: Develop and undertake promotional activities in relation to the Shoalhaven Defence Industry

Purpose: To raise awareness at a range of levels about the availability of appropriate infrastructure, land resources and co-operative approach to Defence activities in the Shoalhaven.

Related Strategic Objectives:

- ▶ Strategic Objective 1: To promote the positive relationship and history between Defence and the Shoalhaven; and
- ▶ Strategic Objective 5: To provide opportunities for, and to promote, direct contact between Defence, Defence Industry and non-Defence industry participants.

Proposed Actions:

<i>Action</i>	<i>Timing</i>	<i>Responsibility</i>
<i>Action 1.1 – Undertake promotional activities, including appropriate marketing, conference attendance and trade show participation, to reaffirm the Shoalhaven as a key location for Defence activities in NSW and Australia</i>	On-going	Council (EDO), NSW I&I, Defence Industry
<i>Action 1.2 – Actively participate in the South Coast Defence Industry Network and the Shoalhaven Defence Industry Group</i>	On-going	Council (EDO)
<i>Action 1.3 – Continue to foster a sympathetic community towards the RAN through participation and support of corporate and social events, as well as engaging with ex-naval personnel</i>	On-going	Council (EDO)

Monitoring: Provide biannual reporting to appropriate Council committee regarding activities undertaken and any achievements.



PART OF OUR SHOALHAVEN COMMUNITY
THE ROYAL AUSTRALIAN NAVY



shoalhaven.nsw.gov.au/business



Strategy 2: Undertake government liaison to ensure the continued recognition of Defence in the Shoalhaven

Purpose: To build on existing relationships and ensure a continued understanding of the sympathetic relationship and history between the RAN and the Shoalhaven residential and business communities.

Related Strategic Objectives:

- ▶ Strategic Objective 1: To promote the positive relationship and history between Defence and the Shoalhaven.
- ▶ Strategic Objective 3: To encourage the growth of Defence capability in the region by ensuring Defence related industries are effectively catered for in the area.
- ▶ Strategic Objective 5: To provide opportunities for, and to promote, direct contact between Defence, Defence Industry and non-Defence industry participants.

Proposed Actions:

<i>Action</i>	<i>Timing</i>	<i>Responsibility</i>
<i>Action 2.1 – Undertake as required meetings with a range of government representatives including with the Commonwealth (including Federal Member for Gilmore as Deputy Chair of the Parliamentary Joint Committee on Foreign Affairs, Defence and Trade), State Government, on-Base staff (include CO and XO) and business industries such as the NSW Business Chamber (formerly ABL)</i>	On-going	Council (EDO with Mayor’s Office as required)

Monitoring: Provide biannual reporting to appropriate Council committee regarding activities undertaken and any achievements.

Strategy 3: Continue promotion and development of the Albatross Aviation Technology Park

Purpose: To build on the existing capability and to facilitate the ongoing viability of the Technology Park through establishing and maintaining a critical mass of Defence, aviation and other related investments.

Related Strategic Objectives:

- ▶ Strategic Objective 2: To encourage the growth of Defence capability in the region by ensuring Defence related industries are effectively catered for in the area;
- ▶ Strategic Objective 3: To assist in ensuring that infrastructure of an appropriate quality and capacity are available to Defence establishments; and
- ▶ Strategic Objective 5: To encourage the growth in non-Defence aviation through the continued use of Defence assets for non-Defence activities where appropriate.

Proposed Actions:

<i>Action</i>	<i>Timing</i>	<i>Responsibility</i>
<i>Action 3.1</i> – Continue to promote the AATP through appropriate mechanisms including Defence and aviation conferences, print advertising and other avenues	On-going	Council (EDO)
<i>Actions 3.2</i> – Ensure appropriate infrastructure availability and maintenance to enable development potential to be reached	On-going	Council (EDO)

Monitoring: Review sales and expenditure in line with Council requirements.

Strategy 4: Provide appropriate land-use protection to Defence establishments in Council's Draft LEP

Purpose: To ensure the long-term viability of Defence establishments, and in particular the HMAS Albatross air field, from the encroachment of sensitive land uses that are inconsistent with Defence activities.

Related Strategic Objectives:

- ▶ Strategic Objective 1: To provide for the on-going viability of Defence establishments including HMAS Albatross, HMAS Creswell and the Beecroft Peninsula through appropriate land use planning.

Proposed Actions:

<i>Action</i>	<i>Timing</i>	<i>Responsibility</i>
<i>Action 4.1</i> – Ensure that strategic planning policies have regard to the requirements of Defence with respect to land-use planning and potential LEP provisions	Short-term	Council (EDO in association with Strategic Planning), Defence
<i>Action 4.2</i> – Undertake a formal review and make a submission to the Shoalhaven Draft LEP	As required	Council (EDO), Defence

Monitoring: Undertake informal monitoring of development applications and their outcomes once the new LEP becomes operational. Should land-use planning implications adversely impact on Defence establishments, appropriate requests for amendment to the LEP would then be sought.

Strategy 5: Work in co-operation with infrastructure providers and Defence to identify solutions to infrastructure related issues

Purpose: To ensure that appropriate levels of infrastructure are available to the boundary of Defence establishments, thus reducing possible blockages to future capability project investments.

Related Strategic Objectives:

- ▶ Strategic Objective 4: To assist in ensuring that infrastructure of an appropriate quality and capacity are available to Defence establishments.

Proposed Actions:

<i>Action</i>	<i>Timing</i>	<i>Responsibility</i>
<i>Action 5.1</i> – Undertake discussions with Department of Defence in respect of identifying an action list of key infrastructure and other base-related issues and potential actions/outcomes.	Short-term	Council (EDO), Defence
<i>Action 5.2</i> – Maintain an action list of infrastructure requirements (for example transport routes and electrical supply), and implement actions as required to address infrastructure shortfalls.	On-going	Council (EDO), Defence
<i>Action 5.3</i> – Investigate options for third party development of sites (under a BOOT or similar arrangement) at AATP for ongoing contractor leasing associated with Defence contracts	Short-term	Council (EDO), Defence

Monitoring: Report to Council biannually with respect to meetings held and outcomes/actions achieved within a context of confidentiality.

Strategy 6: Continue development and implementation of Defence advocacy groups in the Shoalhaven

Purpose: To harness and share the broader information and knowledge of the Defence industry in the Shoalhaven for the mutual benefit and strengthening of the broader industry in the region.

Related Strategic Objectives:

- ▶ Strategic Objective 5: To provide opportunities for, and to promote, direct contact between Defence, Defence Industry and non-Defence industry participants.

Proposed Actions:

<i>Action</i>	<i>Timing</i>	<i>Responsibility</i>
<i>Action 6.1</i> – Continue to convene and co-ordinate interested parties in the <i>South Coast Defence Industry Network</i>	On-going	Council (EDO)
<i>Action 6.2</i> – Continue to be a key participant in the <i>Shoalhaven Defence Industry Group</i>	On-going	Council (EDO)

Monitoring: Report to Council biannually with respect to meetings held and outcomes achieved.

Strategy 7: Provide one-on-one assistance to Defence industry participants seeking to establish, expand or relocate to the Shoalhaven

Purpose: To facilitate growth of Defence industry participants in the Shoalhaven, and in doing so provide for additional employment, expertise and investment in the local area.

Related Strategic Objectives:

- ▶ Strategic Objective 3: To encourage the growth of Defence capability in the region by ensuring Defence related industries are effectively catered for in the area.
- ▶ Strategic Objective 6: To encourage the growth in non-Defence aviation and other activities through a co-operative relationship between Defence, Defence industries and others where appropriate.

Proposed Actions:

<i>Action</i>	<i>Timing</i>	<i>Responsibility</i>
Action 7.1 – Undertake as required meetings with a range of industry investors and agents to facilitate increased participation through confidential and pragmatic relations	On-going	Council (EDO)

Monitoring: Report to Council biannually with respect to meetings held and outcomes achieved within a context of confidentiality.

5. Summary of Actions and Priorities

This section provides a summary of all actions proposed within this *Defence Sector Strategy*. These actions are arranged by indicative timing and with consideration of the priorities of Council. In this respect, Council priorities will continue to be based on economic development and opportunities for jobs growth, as well as available

budgets for implementation. Whilst all strategies and actions are considered important, actions with a higher priority will be progressed in the first instance where resourcing constraints exist.

Table 2: On-going (or as required) Priorities

<i>Action</i>	<i>Current Priority</i>
<i>Action 1.1 – Undertake promotional activities, including appropriate marketing, conference attendance and trade show participation, to reaffirm the Shoalhaven as a key location for Defence activities in NSW and Australia</i>	<i>High</i>
<i>Action 1.2 – Actively participate in the South Coast Defence Industry Network and the Shoalhaven Defence Industry Group</i>	<i>High</i>
<i>Action 2.1 – Undertake as required meetings with a range of government representatives including with the Commonwealth (including Federal Member for Gilmore as Deputy Chair of the Parliamentary Joint Committee on Foreign Affairs, Defence and Trade), State Government, on-Base staff (include CO and XO) and business industries such as the NSW Business Chamber (formerly ABL)</i>	<i>High</i>
<i>Action 6.1 – Continue to convene and co-ordinate interested parties in the South Coast Defence Industry Network</i>	<i>High</i>
<i>Action 6.2 – Continue to be a key participant in the Shoalhaven Defence Industry Group</i>	<i>High</i>
<i>Action 7.1 – Undertake as required meetings with a range of industry investors and agents to facilitate increased participation through confidential and pragmatic relations</i>	<i>High</i>
<i>Action 1.3 – Continue to foster a sympathetic community towards the RAN through participation and support of corporate and social events, as well as engaging with ex-naval personnel</i>	<i>Medium</i>
<i>Action 3.1 – Continue to promote the AATP through appropriate mechanisms including Defence and aviation conferences, print advertising and other avenues</i>	<i>Medium</i>
<i>Actions 3.2 – Ensure appropriate infrastructure availability and maintenance to enable development potential to be reached</i>	<i>Medium</i>
<i>Action 4.2 – Undertake a formal review and make a submission to the Shoalhaven Draft LEP once exhibited for public comment</i>	<i>Medium</i>
<i>Action 5.2 – Maintain an action list of infrastructure requirements (for example transport routes and electrical supply), and implement actions as required to address infrastructure shortfalls.</i>	<i>Low</i>

Table 3: Short-Term Priorities (2010-2012)

<i>Action</i>	<i>Current Priority</i>
<i>Action 5.3 – Investigate options for third party development of sites (under a BOOT or similar arrangement) at AATP for ongoing contractor leasing associated with Defence contracts</i>	<i>High</i>
<i>Action 4.1 – Undertake informal discussions with Council’s strategic planning unit about the requirements for Defence with respect to land-use planning and potential LEP provisions</i>	<i>Medium</i>
<i>Action 5.1 – Undertake discussions with Department of Defence in respect of identifying an action list of key infrastructure and other base-related issues and potential actions/outcomes.</i>	<i>Low</i>

Defence Sector Strategy

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