

# IN DEFENCE OF THE NORTHERN TERRITORY

NT Deputy Chief Minister **David Tollner** speaks to **Sergei DeSilva-Ranasinghe** about the defence of northern Australia.

Compared to other Australian states, the Northern Territory's contribution to Australia's national security is less well known. **David Tollner**, the Territory's Deputy Chief Minister and Minister for Defence Liaison and Defence Industry Support, spoke to **Sergei DeSilva-Ranasinghe** about the contribution of the Territory to the Australian Defence Force (ADF), the relocation of the 7RAR battalion from the Territory to South Australia, the capabilities of the Territory's defence sector, efforts to attract further investment, defence cooperation with other states, and his government's policy initiatives for Territory's defence sector.

**Sergei DeSilva-Ranasinghe:** What contribution has the Northern Territory made to shaping the ADF, Australia's strategic policy, and overseas expeditionary operations?

**David Tollner:** Territorians have had a long history with the defence of Australia from as far back as the establishment of Fort Dundas on Melville Island in 1824 and the bombing of Darwin in 1942. This history is not only with the ADF but also with the defence forces of other nations. Initially, this was exemplified by the United States during World War II, and later with other forces in our region engaging in multinational exercises in the Territory and surrounding regions.

Approximately 10% of the ADF's personnel are located in the Territory. The recurrent defence expenditure in 2011–12, estimated at \$1.58 billion, is a significant contribution to the Territory's economy, and is further boosted

through exercises held in and around the region. Exercise Pitch Black, for example, is estimated to have contributed about \$25 million to the Territory's economy.

ADF personnel and their families are an integral part of our community and I want them to get the most out of their time in the Northern Territory. Darwin-based Defence personnel have been involved in operations to East Timor, Iraq and Afghanistan. In fact, large numbers of personnel from the 1st Brigade in Darwin are serving in Afghanistan. Also, Territory-based personnel engage daily in the border protection activities associated with Operation Resolute.

Defence personnel and their families comprise 6% of the Territory population. Accordingly, most Territorians have friendships or relationships with Defence families. Whether that is while serving on school councils or through involvement in sports clubs or while engaging with the community, we all at some time interact with Defence families. Territorians provide support to Defence families, as does the NT government. For example, we are sponsoring the 1st Brigade's monthly functions for the families of personnel deployed overseas. These events keep families in touch and maintain communication between the brigade and their families. Most of us experience firsthand



**David Tollner** is the Territory's Deputy Chief Minister and Minister for Defence Liaison and Defence Industry Support.

the contribution Defence families make to our community. As Minister for Defence Liaison and Defence Industry support, I aim to maintain a close relationship with Defence and the various organisations that support ADF personnel and their families.

From a policy perspective, the NT government is continuing a long history of engagement with Defence, most recently making submissions to the Senate Inquiry into Defence Procurement, the Australian Defence Force Posture Review, the Defence Industry Workforce Strategy, and the 2013 Defence White Paper. It is important to continue engaging with Defence to promote cost-effective support strategies for Defence presence in our region.

**Sergei DeSilva-Ranasinghe:** What was the rationale behind relocating the 7RAR battalion to South Australia?

**David Tollner:** This is really a question for the federal government. There has been some misconception on the reasons for the relocation of 7RAR to Adelaide, particularly in the South Australian media. In 2005, the Australian government made a commitment as part of ‘The Hardened and Networked Army Plan’ to relocate an Army battalion to Adelaide.

Initially, the Australian government intended to relocate 3RAR from Sydney to Adelaide. The plan went through a number of iterations, and a later decision to expand the Army by two battalions resulted in the delinking of 5/7 RAR in Darwin to establish two separate battalions, 5RAR and 7RAR.

Both 5RAR and 7RAR continued in Darwin until each reached a level of operational capability, allowing 7RAR to be successfully relocated to Adelaide as part of the Australian government’s plan. Due to the growth of 5RAR, the number of Army personnel in Darwin has remained unchanged despite the relocation.

‘The Hardened and Networked Army Plan’ cited Adelaide’s geographic location as ideal due to its access to central and northern Australia via the then new Darwin-to-Adelaide rail link. Retaining mechanised battalions in northern and southern

Australia would improve geographic disposition and provide variety to allow rotations from tropical conditions during a soldier’s service. This has changed a little now that the Army is implementing common structures for its brigades under Plan Beersheba. However, the Adelaide option still provides a rotation for soldiers outside the tropical and subtropical conditions of Darwin, Townsville and Brisbane, where the regular Army brigades are based.

The Territory may only have 1% of Australia’s population, but it also has great opportunity for industry and investment.

**Sergei DeSilva-Ranasinghe:** Tell us about the Territory’s defence sector and what differentiates it from the defence sectors of other states?

**David Tollner:** Before answering this question I need to put a few things in perspective. The Territory’s population is approximately 234,000, about 1% of Australia’s population, of which 130,000 are located in the greater Darwin region. The total permanent labour force in the Territory is 120,000. Based on this, it would not be appropriate to make direct comparisons between the size and depth of Territory industry to that of the larger states.

The Territory may only have 1% of Australia’s population, but it also has great opportunity for industry and investment. Deloitte Access Economics forecasts the Territory economy to grow, on average, by 4.7% annually for the next five years (2011–12 to 2016–17). This is the highest growth rate of all Australian jurisdictions. This growth would be driven by a number of significant resource sector projects and associated investments, particularly in the oil, gas and mining industries. I am sure the southern states suffering from economic downturns would love to have such a growth forecast.

The Territory is renowned for punching above its weight. A large and growing number of Defence platforms are based in the Territory. For instance, 70% of the Armidale-class patrol boats are located at the Darwin Naval Base.

More than 75% of Australia's Tiger armed reconnaissance helicopters are located at Robertson Barracks, along with 70% of Australia's Abrams tanks and a large number of ASLAV and M113AS4 armoured vehicles. Additionally, a full squadron of F/A-18 Hornet jet fighters operate out of RAAF Base Tindal. Indeed, 25% of Katherine's population is made up of defence personnel and their families.

The NT defence support industry is diversified across a number of sectors—predominantly construction, oil and gas, mining and transport. There are very few Territory businesses solely focused on defence. Historically, the workflow from defence has been such that focusing only on that sector was not viable.

To cater to the significant growth in northern Australia's oil and gas industry, mining and the growing opportunities with Defence, the population base within northern Australia needs to grow.

While states such as South Australia and Victoria are focused on building air warfare destroyers and submarines, the Territory's industry has focused on providing capability to sustain equipment based in the Territory. Local small and medium enterprises have been extremely successful in this when given the opportunity by Defence. The local industry is quite innovative and has provided Defence with reliable engineering fixes for recurring problems with some systems. This has been evident in repairing armoured vehicles and patrol boats to cite two examples. NT industry is good at providing practical solutions to real problems.

**Sergei DeSilva-Ranasinghe:** Why is the Territory a suitable location for local and foreign defence sector investment?

**David Tollner:** Development of the local Defence industry is focused on sustaining locally operated major Defence platforms and other platforms

visiting for exercises. The experience gained in servicing heavy equipment in remote locations for the oil and gas, mining and transport sectors makes Top End industry well suited to supporting Army equipment. Industry skills and capability associated with supporting fisheries and other commercial maritime activities are directly transferable to Defence operations. Many Territory enterprises support the Armidale class patrol boat fleet through the prime contractor DMS Maritime.

To cater to the significant growth in northern Australia's oil and gas industry, mining and the growing opportunities with Defence, the population base within northern Australia needs to grow. Also, new technologies associated with oil and gas, mining and defence create economies of scale for investing in upskilling and developing industry capability. The growth of industry needs to be viewed in a holistic way and not focus solely on the individual industry sectors. This provides economies of scale to attract the investment needed to stimulate industry growth.

The agreement for rotations of US Marines through Darwin each year, the increased activity by US Military aviation assets (US Air Force and US Marines) at Australian air bases, and increased visits by US Navy and Marine ships at Australian ports for exercise and training in the region will provide opportunities for local businesses across a range of industries. Also upgrading our own ADF equipment and hardware with new armoured vehicles, replacing the Armidale patrol boat fleet, and replacing the Classic Hornet aircraft will create a critical mass of work in the region and opportunities for local industry to grow.

The agreement announced in June by the Australian government to progress from 250 to a larger rotation of around 1,150 Marines to northern Australia from 2014 provides the next step in opportunity for industry. With larger deployments accompanied by air and ground equipment, possible support opportunities exist for local industry through existing Defence logistics networks. This opportunity should grow for industry in the future, as the intent over coming years is to establish a six-month rotational presence of up to 2,500-person Marine Air Ground Task Force (but not before 2016).

With significant opportunities on the horizon in northern Australia, the strategic location of Darwin as Australia's only capital city in the north and Australia's gateway to Asia, the Territory presents an outstanding opportunity for foreign investment, not just in the defence sector but also in oil and gas, mining, construction, tourism, primary industries, and clean and renewable energy.

**Sergei DeSilva-Ranasinghe:** Is your government seeking to expand cooperation and links with other Australian states or with defence sectors outside Australia?

**David Tollner:** The Territory does not have the vast resources and budgets of the southern states. The ADF is located in the northern part of Australia due to its strategic and geographic importance. We will not argue to have ADF equipment and personnel relocated to the Territory where there is not a strategic benefit to Defence.

At the moment, the Territory does not have the industry base to build air warfare destroyers or submarines. We can, however, support ADF equipment located here and provide economic and operational efficiencies in doing so. We do not need the whole pie, just an adequate portion to allow our industry to provide Defence with effective, efficient and value, and reducing equipment downtime.

With one 1st Brigade battalion, 7RAR, located in Adelaide, we already have a link to South Australia. The Darwin-to-Adelaide rail link provides the logistics supply chain between the brigade and its subordinate unit; it also provides an efficient mechanism to link the tropical training areas at Bradshaw, Mt Bunday, and Kangaroo Flat in the Territory with the non-tropical training area at Cultana in South Australia. Mechanised equipment dispersal between 1st Brigade Darwin and the 1st Brigade detachment in Adelaide facilitates training in the two regions without necessarily moving large amounts of equipment between locations.

With the three regular Army brigades located in Northern Australia (Brisbane, Townsville and Darwin), the Territory engages with industry

in Queensland on associated land maintenance activities and challenges. We have a large enterprise network in Brisbane, Townsville, Darwin and Adelaide. This association, together with links between the Australian Industry and Defence Networks (Northern Territory and Queensland), allows the NT government to identify common issues and challenges.

**Sergei DeSilva-Ranasinghe:** What policy initiatives do you have for the Territory's defence sector?

**David Tollner:** Defence has a very large investment in the Northern Territory base facilities and training areas such as the Bradshaw Field Training Area, which is more than 8,500 sq km in size. The recent ADF posture review confirms the strategic importance of Darwin and the Northern Territory to Defence and its operations.

Defence industry posture on the other hand is concentrated in the southern states. This CLP government will engage with Defence and industry to align industry posture with Defence posture. We will work with Defence and industry to develop industry capability and capacity in the Territory to support Defence equipment, wherever possible, close to where it is based. The benefits for Defence are reduced costs and increased efficiency, such as reduced freight costs of moving to the south parts and equipment for repair and increased availability of equipment due to shorter repair times.

We will continue to promote local industry and communicate the cost effectiveness of using local industry to support Defence in northern Australia. We will draw on the significant opportunity for the growth of the Northern Territory through major resource developments, the increased Defence presence (in particular, the US Marines) and the Australian government's focus on the north as detailed in the Asian Century White Paper as drivers to attract investment in, and commitment to, industry development in northern Australia. We are particularly encouraged by the Coalition's 2030 Vision for Developing Northern Australia. We look forward to participating in the plan.