

Hon Martin Hamilton-Smith MP

Minister for Defence Industries

Thursday, June 8, 2017

Upper Spencer Gulf poised to take advantage of opportunities in Defence

Large-scale defence exercises at the Cultana Training Area and Woomera Range Complex present huge economic potential to Upper Spencer Gulf communities, as outlined in the South Australian Government's submission presented to a Senate inquiry in Port Augusta this morning.

Minister for Defence Industries Martin Hamilton-Smith said the expansion and increased defence sector's use of Cultana and Woomera for training and other activities presents an opportunity for greater involvement by local industry and business, creating jobs and industry diversification opportunities for the region.

The expansion of Cultana has an approximate value of \$80 million, while the Woomera Range Complex upgrade is a \$297 million project, including \$47 million of facilities work on the range. Historically approximately 85 per cent of facilities works are completed by local companies benefitting local communities and organisations.

Industry Advocate Ian Nightingale has given evidence this morning on behalf of the State Government at the *Foreign Affairs, Defence and Trade Reference Committee Inquiry into the Impact of Defence Training Activities and Facilities on Rural Regional Communities*.

Background

Cultana is a Defence-owned training area approximately 320km from Adelaide, used mainly for two-week exercises involving up to 200 soldiers, with one larger exercise, involving thousands of soldiers bi-annually. The Woomera Range Complex is the largest land-based range in the world, encompassing 122,000 square kilometres of arid land, 500km from Adelaide. Cultana has a full time staffing of approximately 13 people and is used sporadically while Woomera has a larger permanent staffing of approximately 150.

The State Government submission addresses economic, social and environmental impacts; consultation and communication with local government and community organisations; investments in new facilities, infrastructure and operations; use of local suppliers and service providers to achieve value for money; and encouraging awareness of tendering opportunities for rural and regional businesses.

Quotes attributable to Minister for Defence Industries Martin Hamilton-Smith

The South Australian Government is keen to work with local councils and the Department of Defence to maximise opportunities for local business in Defence programs in the Upper Spencer Gulf region.

As the training area is developed it is likely that a small army of contractors and consultants will transit or stay overnight in Whyalla. They'll hire equipment and use local retail outlets, restaurants and shops.

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Opportunities include construction activities, upgrading of essential infrastructure and services ongoing maintenance, environmental management, and provision of supplies.

The areas of Port Pirie, Port Augusta and Whyalla have a strong need to diversify into other industry sectors and the development of business opportunities in Defence could provide a real boost for the region.

The Cultana Training Area and Woomera Range Complex are significant national Defence assets based in South Australia and we want to ensure that the Australian Government supports local procurement of goods and services for Defence activities.

The South Australian Government urges Defence to consider increasing the profile of Cultana for use by non-Australian Defence Force organisations, thus providing a more stable flow of work for the area and increased economic stability.