

Chapter 17 Defence

Key Points

- The defence presence in the Territory has more than doubled since the early 1990s, with the number of defence personnel and their families increasing from 6223 in June 1992 to an estimated 13 165 in June 2008.
- Of all Australian permanent defence force personnel, 10 per cent are based in the Territory. In 2007-08, recurrent defence expenditure by the Commonwealth in the Territory totalled \$1.13 billion.
- The development of a Defence Support Hub near Robertson Barracks will provide repair and maintenance facilities for major equipment and contribute to the Territory economy through job creation.
- The Territory's economy will continue to benefit from new and ongoing supply and support defence contracts.

The Northern Territory is an integral component of Australia's security strategy by virtue of its location and the personnel and resources within its borders. Major Territory defence sites are an important component of Australia's northern borders protection and will greatly benefit from the deployment of the Armidale class patrol boats and acquisition of Abrams tanks and Tiger helicopters. Defence will remain an important element of the Territory economy for the foreseeable future.

Defence Force Activity

The Australian Defence Force (ADF) presence in the Northern Territory is made up of the three primary services – Army, Navy and Air Force – along with other groups involved in support and coordination functions. Major defence sites in the Northern Territory include:

- Larrakeyah Barracks, which includes the joint forces base Headquarters Northern Command (HQNORCOM) – Darwin;
- HMAS Coonawarra located adjacent to Larrakeyah Barracks – Darwin;
- Robertson Barracks – near Palmerston;
- RAAF Base Darwin (co-located with Darwin International Airport);
- RAAF Base Tindal – near Katherine;
- Joint (United States and Australia) Defence Facility Pine Gap – near Alice Springs; and
- Bradshaw Field Training Area – near Timber Creek.

Other defence sites include the Naval Fuel Installation (Stokes Hill), Joint Logistics Unit North (Winnellie), Defence Establishment Berrimah, the Shoal Bay Receiving Station (near Berrimah), Kangaroo Flats Training Area (near Darwin), Mount Bundy Field Training Area (near the Mary River), Delamere Bombing Range (near Katherine) and the Jindalee Operational Radar Network (JORN) facility near Alice Springs.

Headquarters Northern Command

Headquarters Northern Command (HQNORCOM), based at Larrakeyah Barracks, is the joint and integrated headquarters responsible with Border Protection Command for the implementation, coordination and management

of offshore maritime security, including the protection of offshore oil and gas assets. It is also responsible for the coordination and synchronisation of Defence support to assist the civil community in times of natural disasters.

Navy Border protection is the primary focus of the Royal Australian Navy (RAN) operations in the Territory. Darwin-based patrol boats play an integral role in the surveillance of Australia's northern approaches and form part of Operation Resolute, which protects Australia's Exclusive Economic Zone (EEZ) from illegal fishing, smuggling and unauthorised arrivals. HMAS Coonawarra is home to the Patrol Boat Group Headquarters and 10 of the RAN's 14 Armidale Class patrol boats. These patrol boats have replaced the former fleet of 10 Fremantle Class patrol boats that were decommissioned in early 2007. The new fleet has increased the RAN's surveillance and response capabilities, such as the apprehension of illegal fishing vessels. Construction at the naval base to provide accommodation for the larger Armidale Class patrol boats began in early 2005 and has been completed with the exception of some minor facilities work.

Army The largest military base in the Territory is Robertson Barracks, home to the Army's 1st Brigade. The defence force build up during 1992-2001 primarily reflected the major relocation of the 1st Brigade to the Territory over this period. In March 2007, the 1st Brigade's former fleet of Leopard tanks was replaced with 41 re-conditioned United States M1A1 Abrams tanks (plus a variety of support vehicles).

The North West Mobile Force (NORFORCE) surveillance unit is the land-based component for Operation Resolute, which monitors more than 1900 kilometres of remote northern coastline for poachers, illegal fishing and illegal immigration. At full operational level, NORFORCE has more than 600 personnel, mostly reservists, which includes around 420 Indigenous part-time reservists.

Air Force The main operational and strategic Royal Australian Air Force (RAAF) base in the north of Australia is RAAF Base Tindal, home to an F/A18C fighter squadron. In addition, RAAF Base Darwin is home to No. 396 Combat Support Wing, which commands squadrons based in Darwin, Townsville and Butterworth (Malaysia), and is used as a base for surveillance aircraft. RAAF Darwin is the forward operating base for RAAF operations and exercises, and regularly hosts foreign aircraft during these exercises.

In the Territory, the RAAF also operates the Delamere Bombing Range facility (south-west of Katherine) and one of Australia's three Jindalee Operational Radar Network (JORN) surveillance units (near Alice Springs).

**Joint Defence Facility
Pine Gap** The Joint Defence Facility at Pine Gap is a component of the United States' global missile defence and early warning system. The facility is jointly administered by the Australian and United States defence departments. It employs an estimated 900 personnel (of whom half are Australian) and, together with more than 3000 dependants, accounts for about 12 per cent of the Alice Springs population.

Defence Force Population

The ADF makes a significant contribution to the Territory's estimated resident population of 221 055 (as at 30 September 2008). About 10 per cent of Australia's total permanent defence force personnel are stationed in the Territory, while more than 6 per cent of total defence expenditure occurs in the Territory (Table 17.1).

Table 17.1: Population, Permanent Defence Force Members and Defence Expenditure Proportions, 2007-08

	Defence Personnel ¹	Defence Expenditure
	%	%
New South Wales	33.2	32.2
Victoria	11.1	15.6
Queensland	24.8	22.4
South Australia	4.5	6.2
Western Australia	6.4	8.8
Tasmania	0.2	1.6
Northern Territory	10.1	6.2
Australian Capital Territory	9.6	6.9
Australia	100.0	100.0

¹ Excludes civilians, reserve forces and personnel serving overseas
Source: Department of Defence (proportions as at 30 June 2008)

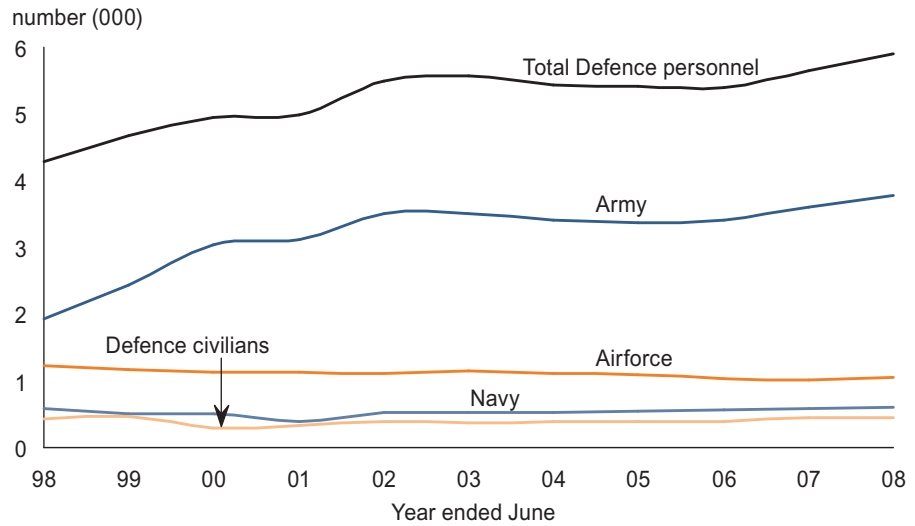
The Territory's population was boosted by the Army Presence in the North (APIN) program, which involved the relocation of about 2300 defence personnel to Darwin over the period 1992-2001 from Holsworthy in New South Wales and Puckapunyal in Victoria.

Since the first major relocation in the early 1990s, the Territory's total defence community (including personnel and their families) has increased from 6223 in June 1992 to an estimated 13 165 in June 2008. This represents about 6.0 per cent of the Territory's population, up from 3.7 per cent in June 1992.

In June 2008, 457 civilian defence personnel and 1103 reservists were based in the Territory. The most recent defence relocation to the Territory was the 1st Aviation Regiment from Queensland in 2006, which increased the total number of defence personnel and their families in the Territory by an estimated 300 people.

The number of defence force personnel based in the Territory (including Department of Defence civilians, but excluding reservists) increased from 2569 in June 1992 to an estimated 5901 in June 2008. This comprises 3786 army personnel, 610 navy personnel, 1048 air force personnel, totalling 5444 military personnel, and 457 defence civilians (Chart 17.1).

Chart 17.1: Defence Personnel Stationed in the Territory



Source: Department of Defence, ABS Cat. No. 3101.0, unpublished ABS data

The defence presence contributes to the Territory economy through consumption and investment expenditure as well as through the partners of defence personnel, often skilled, who enter the Territory’s labour force.

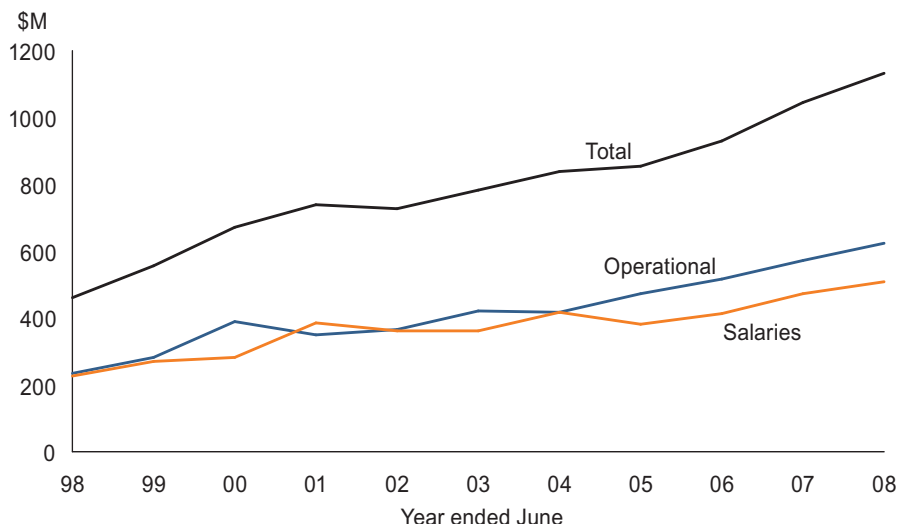
The Australian Bureau of Statistics (ABS) when reporting labour force statistics only publishes resident civilian employment, which does not include permanent members of the defence force. For this reason employment statistics in the Territory under-record the number of employed workers by about 5 per cent (see Chapter 5: Labour Markets).

Results from the Defence Census 2007, released in February 2008, found that around 39 per cent of defence personnel were married, with 16 per cent of defence partners also serving members. Of the non-defence partners, around 51 per cent worked full time in other (non-defence) jobs or businesses. Of all defence partners, 56 per cent had formal qualifications (bachelor degree or higher, certificate or diploma, trade or vocational qualification) and 23 per cent were undertaking some form of study.

Defence Recurrent Expenditure

Defence recurrent expenditure, which includes salaries and other operational expenses, is an important contributor to the Territory economy. In 2007-08 the ABS estimates that defence recurrent expenditure in the Territory was about \$1.13 billion, equivalent to 8.6 per cent of the Territory’s gross state product, up from \$1.04 billion in 2006-07 (Chart 17.2).

Chart 17.2: Defence Recurrent Consumption Expenditure in the Territory



Source: Northern Territory Treasury, Department of Defence, ABS unpublished data

Defence Salaries

Defence salaries in the Territory were \$509 million in 2007-08, representing about 45 per cent of total recurrent defence expenditure (Chart 17.2). Defence force personnel and defence household spending are important contributors to consumer demand. The flow-on effect that defence salaries have on private consumption expenditure in the local economy has continued to be an important contributor to economic growth in the Territory.

Defence Operational Expenditure

In 2007-08, defence operational expenditure increased about 8.5 per cent to \$622 million (Chart 17.2). This expenditure category includes items such as weapons platforms and other defence supplies (including ammunition, transport costs, catering and office supplies).

Defence Industry

Defence contracts are also an important contributor to operational expenditure. The number of defence contracts with Territory businesses has increased due to the continued outsourcing of defence services. In 2007-08, the Department of Defence estimates that defence contracts with local firms exceeded \$270 million.

Examples of contracts awarded locally in 2007-08 include a Comprehensive Maintenance Services (CMS) contract valued at about \$70 million over five years. During 2008-09, additional contracts were awarded to local contractors under the CMS contract for work valued at about \$20 million per annum. In 2008-09, a Garrison Support Services (GSS) contract was awarded valued at about \$151 million over five years. The GSS contract includes grounds maintenance and waste management services.

Defence Capital Expenditure

Major Capital Facilities Projects

The Department of Defence is undertaking seven major capital facilities projects in the Territory (Table 17.2).

Table 17.2: Defence Major Capital Facilities Projects in the Territory, 2008-09

	Total Estimated Expenditure	Cumulative Expenditure 30 June 2008	2008-09 Budget Estimate
	\$M	\$M	\$M
RAAF Tindal Redevelopment Stage 5	58.7		2.0
RAAF Tindal Airborne Early Warning Control Aircraft Facilities	64.2		4.8
Bradshaw Field Training Area Infrastructure	72.6	64.8	6.5
Darwin Naval Base – Patrol Boat Facilities	19.2	13.2	2.0
Robertson Barracks Redevelopment	72.1		9.7
RAAF Darwin Redevelopment Stage 2	49.8		1.8
Heavy Airlift Capability – Permanent Facilities ¹		1.6	16.0
Total	336.6	79.6	42.8

¹ This project has approved budget of \$268.2M covering five locations and includes RAAF Darwin
Source: Department of Defence

Katherine – Tindal Redevelopment Stage 5

This project comprises a number of elements to expand and upgrade existing working accommodation, construct new working accommodation and augment electrical and water supply infrastructure. The Commonwealth has committed \$58.7 million to this project, with construction expected to start in 2009 and completion expected in 2011.

Katherine – Tindal Airborne Early Warning and Control Facilities

This project will provide facilities and infrastructure at RAAF Tindal to support the introduction of the new Airborne Early Warning and Control aircraft. The scope of work includes new taxiways, operational facilities and working accommodation. The Commonwealth has committed \$64.2 million to this project. Construction is expected to start in 2009, with completion expected in 2011.

Timber Creek – Bradshaw Field Training Area Infrastructure

This project provides engineering services and infrastructure to allow the use of Bradshaw as a field training area for 1st Brigade. Works include roads, training force maintenance area, base camp, range control and caretaker facilities. Expenditure has been revised to reflect the current construction program.

Darwin – Darwin Naval Base Patrol Boat Facilities

This project provides upgraded facilities at the Darwin Naval Base, HMAS Coonawarra, for the new Armidale Class patrol boats. Construction started in early 2005 and has been completed in stages to allow for the continued operation of the naval base and to support the staged introduction of the patrol boats into service. Expenditure has been revised to reflect delays experienced in obtaining satisfactory tenders for the remaining works. These remaining minor works are now scheduled for completion in 2009.

Darwin – Robertson Barracks Redevelopment

This project comprises three individual project elements. The Robertson Barracks Redevelopment will provide new and upgraded facilities for training, emergency response, working accommodation and equipment support. The Land 907 facilities project will provide parking and working

accommodation for heavy tank transport vehicles and other tank support services. The Hardened and Networked Army project will provide additional working accommodation and other support facilities. The Commonwealth has committed \$72.1 million to these projects. Construction is expected to start in 2009, with completion expected in 2011.

Darwin – RAAF Darwin Redevelopment Stage 2

This project will upgrade existing facilities including fuel farms and workshops and construct a new logistics headquarters. The Commonwealth has committed \$49.8 million to this project. Construction is expected to start in 2009, with completion expected in 2011.

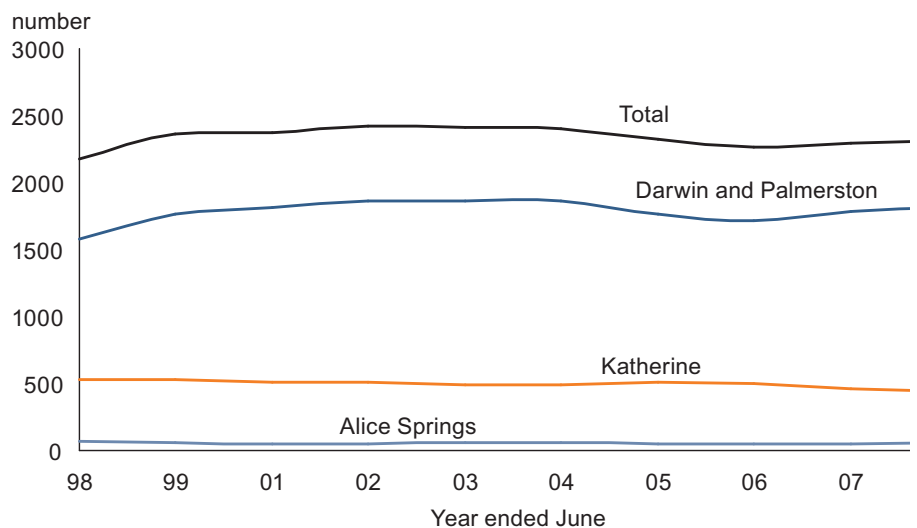
Darwin – Heavy Airlift Capability Permanent Facilities

The heavy airlift capability project will provide new facilities for the introduction into service of the C-17 ‘Globemaster’ cargo aircraft. The scope of the project will include upgrading of airfield pavements, movements and cargo facilities and supporting infrastructure at various RAAF bases including RAAF Darwin. Construction started in 2008 and is planned to be completed by late 2010.

Defence Housing

Defence Housing Australia (DHA) currently manages 2286 dwellings in the Territory, with the majority located in Darwin and Palmerston (Chart 17.3). The stock of defence housing grew strongly between 1992 and 1999, with average annual growth in DHA dwelling stock of 9.4 per cent. The decline in total dwelling stock over the two years to June 2005 was largely associated with a decline in new acquisitions and in the number of properties leased to DHA (which is generally for a term of 12 years) to more sustainable levels.

Chart 17.3: Defence Housing Australia Dwelling Stock



Source: Defence Housing Authority

The composition of defence housing varies to accommodate the different living arrangements of defence families. The number of off-base dwelling properties has increased nearly three-fold since the early 1990s. As at June 2008, there were 1100 off-base dwelling properties in Darwin, 179 in Katherine, 57 in Alice Springs and 16 in Nhulunbuy. On-base property numbers included 408 at RAAF Base Darwin, 131 at Larrakeyah, 202 at Defence Establishment Berrimah and 193 at RAAF Base Tindal.

Planned Defence Housing Developments

Lyons The \$280 million Darwin suburb of Lyons is a joint venture between DHA and the Canberra Investment Corporation, providing 700 residential allotments. Of these, at least 300 blocks, positioned throughout the development, will be supplied to ADF members and their families. DHA has been taking delivery of 75 lots per year since 2006, with an additional 75 lots made available to the public every year. Development is well under way with more than 400 blocks released. DHA has developed 85 houses for defence families with more coming on line every month.

As part of the Commonwealth Government's recently announced Nation Building and Jobs Plan, an additional 185 defence houses will be developed in Lyons over the next 2 years.

Muirhead In late 2006, DHA purchased 152 hectares of land at Muirhead (adjacent to Lyons) for \$18 million. DHA plans to start the development of the new suburb in 2009-10 to coincide with the conclusion of the Lyons development in 2011. Details are being finalised for a portion of the land to be retained for defence purposes.

Muirhead has the potential to yield more than 700 allotments, a proportion of which will be made available for sale to the public. This residential construction by DHA will ensure that defence demand for new housing is met to replace older housing both on and off base.

Larrakeyah Barracks A proposed redevelopment of the Larrakeyah Barracks is planned, involving major renovations or redevelopment of the older DHA stock.

Tindal Defence houses at RAAF Base Tindal in the Northern Territory continue to be upgraded as part of an \$18 million major refurbishment program. This program includes the upgrading of amenities to provide additional living/family areas, master bedrooms, new kitchens and internal repainting.

Defence Operations, Exercises and Deployments

Territory-based defence personnel play a significant role in Australia's military involvement in many areas of operations including the Middle East.

Operation Resolute Defence force personnel based in the Territory are involved in the ongoing primary defence operation, Operation Resolute. This defence operation is conducted to protect Australia's Exclusive Economic Zone from illegal fishing, smuggling and unauthorised arrivals.

Operation Outreach Operation Outreach is the Australian Defence Force contribution to the Commonwealth effort for the Northern Territory Emergency Response. This contribution to the whole of government effort is primarily centred on provision of operational command elements and the delivery of logistical support services such as vehicular and airborne transport, communications, temporary accommodation, contracting support and general sustainment support.

Army Aboriginal Community Assistance Program The Army Aboriginal Community Assistance Program (AACAP) is an ongoing commitment that reinforces the strong association between Army and the Indigenous people of northern Australia. It is a joint initiative between the Department of Families, Housing, Community Services and Indigenous

Affairs (FaHCSIA) and Army that aims to improve health and living standards in Indigenous communities.

Army provides soldiers and equipment to complete project management, construction, health care and training support to communities. The program has facilitated the provision of essential housing, infrastructure, health and training support provided to remote communities across Australia. AACAP mainly operates in the Northern Territory but some projects have been undertaken in Western Australia, South Australia and Queensland.

Defence Exercises

Defence exercises are held regularly in the Territory or adjacent waters. These provide a major boost to the economy through supply and support contracts and increased visitor numbers. In 2008-09, the Territory hosted seven major exercises with defence force participation from countries including the United States of America, the United Kingdom, Japan, New Zealand, Malaysia, the French Armed Forces – New Caledonia (FANC), Singapore, Thailand, Pakistan and Papua New Guinea, with observers from India, the Philippines and Indonesia.

Other Defence-Related Activities

The Territory economy benefits from other defence-related activities such as the private expenditure by visiting naval ship personnel and the Territory Government's involvement in defence-related support activities.

Navy Ships

A large number of RAN and international navy ships visit the Territory when regular exercises, rest and recreation and naval or humanitarian missions occur. Examples include relief operations in response to the 2004 Asian tsunami and 2005 East Timor civil disturbance. These visits provide a significant economic contribution, particularly the expenditure by sailors on shore leave. It has been estimated that each crew member spends about \$200 a day during re-supply and service stopovers in Darwin. Ships remain in port for an average of four days, with crew sizes between 100 and 1000.

In 2008, 41 naval ships visited the Port of Darwin for a total of 165 ship visit days, compared to 47 navy ships and 149 ship visit days in 2007.

Defence Support Division

The defence presence in the Territory provides significant opportunities for local industry. In 2003, the Territory Government established the Defence Support Division (DSD) to help facilitate the growth of Territory industry capability to capture defence-related opportunities. The DSD has taken on the additional role of Defence Community Liaison to help support defence organisations such as the Defence Community Organisation, Defence Housing Authority and Defence Families Association to assist defence personnel and their families posted to the Territory.

Defence Outlook

There has been a substantial increase in the defence presence in the Territory in recent years and the Commonwealth is continuing to add to its already significant investment in defence personnel, equipment and infrastructure.

An increase in the number of Army personnel is expected during 2009 and 2010 due to the split of the 5/7 Royal Australian Regiment (RAR) Infantry

Battalion into 5RAR and 7RAR. While 5RAR is currently at full strength, 7RAR is in the process of building up troop numbers. The increase in personnel numbers for 7RAR is in preparation for this unit moving to Adelaide in 2011. After 7RAR has relocated, Army personnel numbers in the Territory are expected to fall back to the current normal level.

In 2009-10, the Territory will host five major defence exercises:

- Exercise Talisman Sabre 09, a major biennial exercise to be held in July 2009.
- Exercise Sea Predator 10-1, a maritime amphibious exercise involving joint sea trials and ship loading activities.
- Exercise Arnhem Thunder 09-1, a bombing exercise utilising the Delamere Range Facility.
- Exercise Black Dagger 09-3, a ground troops and fast jet support exercise.
- Exercise Pitch Black 10, a major air exercise to be conducted in July 2010, involving about 1500 defence personnel.

Defence will continue to need support from local industry and business to help build, maintain and sustain its personnel and major equipment including patrol boats, tanks and helicopters.

The Northern Territory Government has allocated 53 hectares of land close to Robertson Barracks for the development of an industry park including a Defence Support Hub. This hub will provide a location for industry to grow and align its capability to support major equipment including armoured and non-armoured vehicles. Attracting new long-term contracts to support defence in the Territory is expected to create new jobs and contribute to economic growth.