



# The Coalition's Policy

## Key Commitments

The Coalition is investing in jobs and growth through our comprehensive plan for an advanced defence industry.

We are increasing defence funding over the next ten years and will deliver on our 2013 election commitment to return defence spending to two per cent of GDP within the decade.

Only the Coalition can be trusted to invest in defence industry and capability – our national economic plan is a commitment to both economic and national security.

We are investing in new capability, including:

- investing in Australia's future safety and security through 12 new regionally-superior submarines to be built in Adelaide, which will create around 2,800 jobs and ensure that Australia has a regionally-superior submarine capability for decades to come
- a continuous naval shipbuilding programme, commencing with nine Future Frigates and 12 Offshore Patrol Vessels, which will create more than 2,400 shipbuilding jobs
- the sustainment of 21 Pacific Class Patrol Boats at Cairns, which will see more than \$400 million invested in Queensland
- enhanced intelligence, surveillance and reconnaissance, space, electronic warfare and cyber capabilities
- support for Australian Defence Force personnel – providing them with the advanced training, modern equipment and health care they deserve

The Coalition is also undertaking comprehensive upgrades of defence infrastructure across Australia to support our larger future force, including at key bases. This will also see the creation of local jobs.

We will provide \$24 million toward the upgrade of the Cairns Marine Precinct.

Our commitment will contribute to:

- enhancing and modernising the existing shipyard infrastructure within the Cairns Marine Precinct to ensure Cairns can become a marine maintenance and sustainment hub in Northern Australia
- upgrading the wharfs and floating docks within the Cairns shipyards, allowing improved servicing of vessels
- reconfiguring the Cairns refit yards to enable them to operate more effectively and to boost their competitiveness to secure future refit contracts
- upgrading workshops, hardstands and ship refit areas across the Cairns shipyards
- upgrading services allowing for future increases to capacity at the Cairns shipyards

## Our Plan to Upgrade the Cairns Marine Precinct

The Coalition will provide \$24 million toward the upgrade of the Cairns Marine Precinct.

Our commitment will support the enhancement and modernisation of shipyards within the Cairns Marine Precinct, ensuring improved capability and capacity of existing maritime infrastructure.

By enhancing the capacity and capability of the shipyards within the Cairns Marine Precinct, the Coalition will ensure Cairns is well placed to secure additional maintenance and sustainment work for both the Royal Australian Navy and commercial customers.

Our commitment will create local jobs and provide a sustainable boost for the Cairns economy over the long-term.

The Cairns Marine Precinct is adjacent to HMAS Cairns and provides vital facilities and support services to our Defence Force. There are around 1,300 people employed in the shipbuilding, repair and service sectors within the region. HMAS Cairns is home to around 900 naval and support staff and 9 naval vessels are currently homeported at HMAS Cairns.

Our commitment to upgrade the Cairns Marine Precinct will ensure these local jobs are sustained, as well as generating new jobs for Cairns.

This commitment will secure jobs immediately as the infrastructure enhancements are undertaken and will provide a future pipeline for job opportunities as Cairns is developed into a maritime maintenance and sustainment hub in Northern Australia.

The Cairns Marine Precinct is a critical part of the local economy and local jobs.

An economic report carried out for the Department of Defence found that:

*“The economic multiplier for the Cairns Defence Precinct is 2.25. That is, for every \$1 spent, a further \$1.25 of overall economic value (output) is indirectly generated in the Cairns Region economy. When the indirect contributions at the state level are modelled this multiplier increases to 2.92. Of the overall economic value (output) that is created, the total contribution (direct plus indirect) to the value added component (profits and wages) of the Cairns Region economy is estimated to be \$112.9 million, and the total value added contribution to the Queensland state economy is estimated to be \$138 million.*

*In terms of employment, for every two Defence full-time equivalent (FTE) jobs in the Region, approximately one extra FTE job is created elsewhere in [the] Cairns region economy...in terms of output/turnover and employment, 35 per cent of the total indirect contributions generated by the presence of the Cairns Defence Precinct are generated beyond the Cairns Region Economy and into the wider Queensland*

*economy. While in terms of value added, approximately 29 per cent of the total indirect contributions flowed beyond the Region and into the wider Queensland economy.”<sup>1</sup>*

The Coalition will continue to support our defence interests and local jobs.

Our \$24 million toward the upgrade of the Cairns Marine Precinct will contribute to:

- the enhancement and modernisation of the existing shipyard infrastructure within the Cairns Marine Precinct as the first step toward Cairns becoming a marine maintenance and sustainment hub in Northern Australia
- upgrades to the wharfs and floating docks within the Cairns shipyards, allowing improved servicing of vessels
- the reconfiguration of the Cairns refit yards to enable them to operate more effectively and boost their competitiveness to secure future refit contracts
- upgrades to workshops, hardstands and ship refit areas across the Cairns shipyards
- upgrades to services allowing for future increases to capacity at the Cairns shipyards

The Coalition’s commitment will provide the Cairns region with the opportunity to develop a long-term strategic marine maintenance and sustainment facility.

Through our investment in this strategic infrastructure, the Coalition will secure the Cairns region as a long-term and sustainable maintenance hub for marine vessels. In particular, our commitment will allow the Navy to leverage the world-class expertise in marine services, maintenance, sustainment and repairs available as it expands its presence at HMAS Cairns.

The Coalition’s investment in the Cairns Marine Precinct will be in addition to the \$420 million over the next two decades that the Coalition will invest in the development of additional wharf space and other support facilities at HMAS Cairns. These improvements are required to enable the Navy to base some of the 12 new larger offshore patrol vessels that are being acquired to be based in Cairns.

Our \$24 million commitment also comes on top of the recent announcement that more than \$400 million of maintenance work on the replacement fleet of up to 21 Pacific Patrol Boats will be conducted at the Cairns Marine Precinct over their 30 year life.

The Coalition will work closely with local stakeholders, including industry and local and state governments, to identify the specific infrastructure requirements that will improve the sustainability of the Marine Precinct and support long-term industry growth.

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<sup>1</sup> Department of Defence (2010) “The Economic Contributions of Three Queensland Defence Precincts,” pp. 4-5.

## The Choice

The Coalition has a strong record of supporting a highly capable defence industry that is innovative and creates local jobs.

We are investing in Australia's future safety and security through our future submarine programme – an investment that will generate 1,100 Australian jobs and a further 1,700 Australian jobs through the supply chain.

We are investing in our Future Frigate programme and in our Offshore Patrol Vessel programme – programmes that ensure local jobs by guaranteeing continuous naval shipbuilding in Australia.

Our naval shipbuilding plan will provide the certainty that defence industry needs to create over 3,600 long-term highly skilled Australian shipbuilding jobs.

Labor's approach did nothing to improve Australia's national security or certainty for our defence industry.

Under Labor, Defence spending as a share of GDP dropped to 1.6 per cent in the 2012-13 Budget – the lowest level since 1938.

In 2012-13, the Labor government's 10.5 per cent cut to Defence was the largest single cut since the Korean War.

Between 2009-10 and 2013-14, \$18.8 billion of Defence funding was cut by the Labor government, resulting in critical capability and security gaps and uncertainty for industry.

During their six years in government, Labor failed to commission a single naval vessel from an Australian shipyard, causing the downturn in jobs that we are now experiencing.

Despite the changes in the global security environment in six years, Labor didn't pass a single law to strengthen national security agencies.

Labor ignored urgent requests from our agencies for national security law reform and investment in our defence industry and capability.

Labor also slashed over \$700 million from the Customs and Border Protection Service budget, while losing control of our borders, resulting in 50,000 unauthorised arrivals and over 1,200 deaths at sea.

## Costs

The Coalition will invest \$24 million toward the upgrade and modernisation of shipyards within the Cairns Marine Precinct and local jobs in Cairns.





**THE NATIONALS**  
*for Regional Australia*

For further details of the Coalition's plan go to  
[www.liberal.org.au/our-plan](http://www.liberal.org.au/our-plan)  
[nationals.org.au/our-plan/](http://nationals.org.au/our-plan/)