Socio-Economic Impact Assessment – TERMS OF REFERENCE

Aim

To provide Defence with an understanding of the potential socio-economic impacts of the development of training areas and potential land acquisitions to support extended Australian Defence Force and Singapore Defence Force training rotations. In particular, Defence is seeking a better understanding of the potential socio-economic impacts of the development and additional training activities on the surrounding communities and the Queensland economy as a whole.

Requirements

A detailed analysis of the current and future socio-economic impacts (both the costs and benefits) of the additional training site development and training rotations. This analysis should include the following information.

1. An understanding of the current economic profile of the Queensland regions

1.1. Defining the regional economic profile

The proposed training site development falls across two statistical areas in Queensland. These are the Townsville (Townsville Field Training Areas) region – which includes Hinchinbrook, Townsville, Burdekin and Charters Towers – and the Fitzroy (Shoalwater Bay Training Area) region – which includes Livingstone/Marlborough, Central Highlands, Rockhampton, Banana and Gladstone.

The study will start by providing an understanding of the current economic profile of these two Queensland areas, including:

- the demographic profile of the population – age, education, household incomes;
- employment and occupations in the region; and
- industry profile.

1.2. Defining the training activity profile

This study should also collect information to define the key aspects of the proposed development and additional deployment activities, including:

- additional Singapore expenditure on the upgrade of facilities at the Shoalwater Bay Training Area and the Townsville Field Training Areas;
- proposed land acquisitions and the current industry activity associated with this land;
- the location and timing of the current and additional rotations of Singapore personnel and associated support staff and equipment; and
- the nature and location of activities to be undertaken by the personnel during their rotation, including direct outputs that are likely to generate employment, expenditure and other opportunities for personnel and or their activities to interface with the broader community; and

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1 SA4’s as defined by the Australian Bureau of Statistics in the 2011 Census
• other inputs or activities attributable to the proposed deployment, including those activities that may have unintended consequences for the community, or consequences not anticipated by existing planning exercises.

2. Stakeholder Engagement

The study should also provide an understanding of key socio-economic concerns raised by stakeholders – specifically in relation to the potential impacts on existing public facilities and infrastructure, the workforce and businesses; industry (including agriculture and fishing) displacement, and property market impacts.

The study will take into consideration feedback already collected by the Department of Defence (which will be provided by the Department).

Further, to gain a better understanding of the potential impacts, the study should include consultation with the following representative key stakeholders:

Federal Government
• Department of Industry and Regional Development

State Government
• Queensland Treasury
• Queensland Department of State Development
• Queensland Department of Environment and Heritage
• Queensland Department of Agriculture and Water Resources
• Queensland Department of Natural Resources and Mining

Regional Government
• City of Townsville
• Charters Towers Regional Council
• Rockhampton Regional Council
• Livingstone Shire Council
• Gladstone Regional Council

Peak and Representative bodies
• National Farmers Federation
• property rights Australia
• IBA Indigenous Business Australia
• AgForce
• Capricorn Enterprise
• Chamber of Commerce and Industry Queensland
• Singapore Economic Development Committee

In addition to providing feedback directly to a representative from the list above, individual stakeholders should also be able to provide direct feedback to the study through a dedicated email address published on the Australia Singapore Military Training Initiative page on the Defence website and advertised locally (for example, in QLD papers).

The study should also include qualitative research (for example, 12 focus groups - 2 in each nominated town), and social media analysis (analysing 12 months of past commentary and 2-3 week monitoring) to understand current public opinion on the initiative. This will identify other issues and further inform the design of the public positioning and community engagement plan.

Depending on the nature and detail provided in these initial consultations/forums, the study may include follow-up meetings or calls with particular stakeholders.
3. **Conduct socio-economic assessment**

The study should provide a comprehensive evaluation of the socio-economic impacts associated with the proposed training site development and additional training rotations.

3.1. **Estimate direct impacts**

This assessment should include a current capacity analysis – which will identify any capacity constraints resulting from the additional infrastructure development and activities associated with the increased training rotations. These will include an assessment of potential:

- workforce impacts;
- property market impacts;
- impacts on the demand for public facilities and infrastructure; and
- displacement of existing industry.

3.1. **Conduct economic impact analysis**

The study should include an economy-wide impact assessment using a regional computable general equilibrium (CGE) model. This assessment should quantitatively assess the impact of the proposed training area development (including any land acquisitions/industry displacement) and the additional training rotations.

The analysis should assess the impact on economic activity in the two QLD regions and the QLD economy as a whole, including but not limited to the impact on:

- total GRP/GSP and employment; and
- industry activity and employment.

The economic impact assessment should start by developing a baseline economy from which an assessment can be made as to the potential flow-on impact on the QLD and regional economies.

The information gathered in Stage 1 should be used to estimate the additional expenditure associated with the expansion of the training areas, and the current and new training rotations in QLD. This should include an assessment of the change in activities in the region (both the increase and decrease in particular industries). This information should then be used as input in the CGE model to simulate the economy wide impacts of the training site development and the current and additional training rotations.

The final report should provide a concise, plain language description of the work undertaken and the results produced. The report should be drafted so it is easily accessible to a wide audience. Technical information should be included in appendices.

**Inclusions and exclusions**

The study will focus on quantifying the socio impacts as they relate to the economic analysis.

Findings from the focus groups, stakeholder meetings and social media monitoring will be summarised to provide Defence with a qualitative understanding of other perceived social impacts.

While the study will acknowledge the personal impact of displacement, it will not quantify this impact.