

**Submission
No 13**

**INQUIRY INTO THE DEFENCE INDUSTRY IN NEW
SOUTH WALES**

Name: Orange City Council

Date received: 16 June 2017

Submission to the
Standing Committee on State Development
DEFENCE INDUSTRY IN NEW SOUTH WALES

INTRODUCTION

This submission to the Inquiry is made by Orange City Council. The City of Orange is located in Central NSW in the Central Tablelands and:

- is 257km (3 hours 38 minutes) from Sydney CBD and 280km (3 hours 23 minutes) from Civic (ACT)
- has a Local Government Area (LGA) population of 42,356
- has a regional (SA3) population of 60,105
- is the fourth largest inland city in NSW and the 36th largest city in Australia¹

The Council is the key body for attracting industry, business development and relocation to the city and the region and it actively seeks diversification of the local economy. The diversity of the economy, amenity and quality services is what attracts people to relocate to Orange.

The Orange economy was traditionally built on agriculture and mining. Newcrest Limited continues the tradition of mining with its Cadia Valley Operations and is a major economic contributor. The Orange region continues to expand its range of agricultural produce. From fat lambs and wool to dairy and beef cattle, from intensive horticulture to cropping. Orange is a diversified agricultural region and is becoming well known for high altitude wine and niche agricultural product.

The region has not rested solely on its agricultural and mining activities but has been proactive in encouraging diversification of other industries sectors as well as encouraging innovation and entrepreneurship. This approach, together with its location, has seen Orange grow to be the largest city in the Central NSW Region and a major regional service centre.

The services sector was responsible for more than 60% of employment in Orange (2011 Census) with healthcare and social assistance now the largest industry employer in Orange.

The health industry is set to continue growing at a rapid rate in Orange. The Orange Health Service and its public private partnership with Spotless already employs more than 1500 staff. A recently announced partnership to build a new private hospital adjacent to the Orange Health Service will see an additional 500 jobs once the project is operational, and Charles Sturt University is actively pursuing the establishment of the Murray Darling Medical School in Orange.

Orange has a proven track record of:

- attracting business and government to relocate
- facilitating industry structural adjustments

- creating appropriately zoned land
- nurturing growth industry sectors
- strategically managing the retail precinct to encourage activity
- working closely with health and higher education to develop a more qualified workforce.

Orange also has a proven track record of supporting the relocation of significant government departments and their staff. This occurred with the NSW Department of Agriculture Head Office² in 1992 and the former Commonwealth Department of Employment, Education and Training in 1994. The lessons learned from these events can be readily applied to the establishment of a defence force base or defence industries in Orange.

On this basis, Orange City Council feels qualified to make an informed contribution to the inquiry.

SUMMARY

The summary of the submission against the terms of reference are categorised below in accordance with the terms of reference structure.

a. maximise opportunities for NSW-based companies from Defence's growing exports and investment in defence capability – in both acquisition and sustainment

Companies, and the broader industry, must have be flexible and responsive to industry opportunities and resilient to set backs to be able to maximise economically beneficial opportunities. The companies operating within Orange have shown themselves to be flexible and adaptive opportunities as well as overcoming adversity to continue to find additional opportunities.

b. encourage defence industry innovation, research and education including developing the future workforce

Orange City Council will not be commenting on this point.

c. identify targets, programs and projects for defence spending in New South Wales

Orange City Council will not be commenting on this point.

d. maximise the economic benefits of locating defence force bases and defence industry in the regions

The primary economic benefits to the region are:

- additional wages injected into the economy
- more people in town spending money
- additional career paths for people in regional locations
- flow on effects to the economy creating additional employment

Some of the additional benefits to the region include:

- visitation from family and friends contributing to the visitor economy.
- additional students at local schools attracts additional resources for the school, equating to additional employment in the economy.

Economic benefits to the government include:

- regional locations offer opportunity to establish defence entities and allows for the use of existing infrastructure or upgrade of existing infrastructure to meet user needs.
- a reduction of pressure in metropolitan areas for off-base housing, housing for defence industry personnel, traffic and public transport pressure.
- lower population and traffic density in regional location can reduce the direct costs of security.
- a reduction in welfare through direct and indirect employment servicing the defence entity or to service the defence entity.
- a defence entity may have a range of higher level or skilled staff with skilled partners. These partners can be utilised in other government roles, improving the skilled labour pool for the government.

e. how to establish and sustain defence supportive communities

Council believes there are three key attributes for defence supportive communities:

- a critical mass of infrastructure and services
- a supportive and active community
- strong community leadership.

Orange has the following infrastructure and services that make it suitable to host a defence force base or defence industry:

- significant population base of more than 40,000
- located within 4 hours of Sydney and Canberra
- a significant health system with category 5 trauma unit
- extensive range of medical specialists
- good private health options including a current and future private hospitals
- a diverse industry with substantial engineering capability
- a good range of public and private secondary education as well as tertiary education
- easy access to freight and regular passenger transport services/corridors
- a good mix of housing options

In terms of a supportive community, Orange has a long experience of accommodating industry and workforce changes. The first example of this was the conversion of a World War II small arms factory to a major appliance manufacturer under Emmco, which became Email Ltd and most recently the international firm Electrolux. This brought thousands of new residents, mostly post-war migrants into Orange.

Sadly the Electrolux factory closed in 2016 displacing over 600 staff over the previous 12 months. The Orange community rallied to support and provide alternative employment for displaced workers. Within a year the net loss of jobs had been absorbed back into the economy and the employment figures were achieving new records of people in employment.

Another example of accommodating industry and workforce expansion is the absorption of a large temporary workforce of over 2,000 to support major construction of the Newcrest Cadia East project, the Orange Health Service and Charles Sturt University School of Dentistry.

Such examples don't happen in a vacuum, but require local leadership to establish constructive relationships with new industry entrants, and bring the community along in partnership. In a number of cases cited in this submission, leaders in the Orange Council and business community have been at the forefront in finding effective solutions to take advantage of growth opportunities, or to soften the impact of economic shocks.

f. further enhance collaboration between the NSW Government and Commonwealth agencies

Orange City Council will not be commenting on this point.

g. any other related matter.

Orange City Council believes it can firmly stake a claim for Orange as a location for a defence entity. The Council has been developing a greenfield business park around the existing airport that would be highly desirable to companies in the defence industry. There is also suitable land around the Orange region that can be acquired for the purposes of establishing a defence force base.

Orange City Council invites the Standing Committee on State Development to hold a session of the enquiry in Orange so that the members are able to experience for themselves the foundations for a successful establishment of a defence base or entity.

SUBMISSION

That the Standing Committee on State Development, with reference to the *New South Wales: Strong, Smart and Connected Defence and Industry Strategy 2017*, inquire into and report on opportunities to incentivise and grow the defence industry in New South Wales to generate economic development and in particular:

a. maximise opportunities for NSW-based companies from Defence's growing exports and investment in defence capability – in both acquisition and sustainment

Companies, and the broader industry, must have be flexible and responsive to industry opportunities and resilient to set backs to be able to maximise economically beneficial opportunities. The companies operating within Orange have shown themselves to be flexible and adaptive opportunities as well as overcoming adversity to continue to find additional opportunities.

There are a range of engineering (metal manufacturing) companies in Orange that are flexible, innovative and responsive to the prevailing situation in the economy. The companies have formed a cooperative called RENWELD. This is effectively a legal entity to a manufacturing/engineering cluster. The establishment of a defence industry manufacturing company in Orange could also benefit from synergies RENWELD members. These companies have been working collaboratively for the past 10 years, developing innovative design, manufacture and construction capabilities that would be attractive to new defence sector businesses. Charles Sturt University has recently established an engineering faculty and in 2017 commenced a new government funded program to encourage innovation and entrepreneurialism.

A good example of Orange's capacity to support, and benefit from, economic expansion is the way in which several major developments were managed over the last ten years. During that period a large temporary workforce was drawn to Orange by the simultaneous construction of the new Orange base hospital (Orange Health Service), the new School of Dentistry at Charles Sturt University, and the expansion of the Newcrest Cadia Operations gold mine.

Collectively these projects required more than 2,000 workers. While the accommodation and other economic benefits were shared around neighbouring LGAs, Orange was the major centre for accommodation and support services. Importantly, the economic expansion drew additional businesses into Orange, and stimulated the growth of many others which remained in a service relationship with Newcrest in particular. Effectively, Orange was able to maximise the economic benefits, short and long term, and significantly averted the problems associated with fly-in-fly-out workforces. In fact, Orange has become a regional service centre, from which the workforce provides FIFO services to other state and national projects.

b. encourage defence industry innovation, research and education including developing the future workforce

Orange City Council will not be commenting on this point.

c. identify targets, programs and projects for defence spending in New South Wales

Orange City Council will not be commenting on this point.

d. maximise the economic benefits of locating defence force bases and defence industry in the regions

Locating defence force bases and defence industries (collectively referred to as defence entities in this document) in the regions not only creates economic benefits for the host region but can also create efficiencies and benefits to the Commonwealth Government.

For a host community, the successful integration of defence force or defence industry businesses and personnel will maximise the economic benefits to the area both directly and indirectly. Direct economic benefits include:

- additional wages injected into the local economy
- the purchase of local goods and services
- creation or attraction of new businesses to service the defence entity
- additional jobs and career paths for regional residents, including unemployed and under-employed
- skilled spouses/partners of entity personnel filling existing skills gaps

Other indirect economic and social benefits include:

- increased 'visitor economy' revenue through visitation of friends and family of defence entity personnel
- relocating families create additional students strengthening local schools and educational institutions
- additional population create demand for additional services
- existing workforce which secure defence jobs create more opportunities for unemployed / underemployed residents to backfill job vacancies
- defence entity personnel relocating to the region strengthen cultural, sporting and social clubs by contributing their time and skills.

The benefits to the government of locating defence entities in regional areas include:

- reduced establishment costs for defence entities by using existing infrastructure capacity or upgrade where required
- reduced pressure and cost savings for housing, traffic and public transport compared to metropolitan locations
- reduced security costs through greenfield sites separated from large urban populations (ie for military bases), lower resident population and traffic density
- reduced welfare expenditure through increased direct and indirect employment
- spouses and partners of defence personnel fill chronic regional skills gaps in public and private sector industries eg health
- reduced personnel turnover / churn costs if the regional location is attractive to individuals and families

In economic development terms, the establishment of a defence entity in a regional location will help further diversify the regional economy. Depending on the size of the entity being established in a regional area, support businesses will either be attracted, created or expand, in turn creating job opportunities. The types of businesses include:

TABLE 1: Service Business Types

| | | |
|------------------------|-----------------------------|--------------------------|
| Child Care Centres | Hairdressers | Solar Energy |
| Accountants & Auditors | Banking | Other Financial Services |
| Cafes | Carpet & Furniture Cleaning | Cleaning Contractors |
| Employment Services | Engineers | Insurance |
| Furniture Removals | Party Supplies | Schools |
| Take Away Food | Building & Construction | Car sales |
| Caravan sales | Boat sales | Travel agent |
| Architect | Labour hire | Security firms |

Orange as a preferred location:

Orange has the largest gross regional product of any city or local government area in Central NSW at \$2.7 billion³. The next largest economy is Bathurst at \$1.9 billion⁴. The Orange economy is not only diverse, but Orange acts as a major service centre for the wider region.

As the largest economy in the region, Orange has significant drawing power for employment, with some people travelling up to 145 kilometres to work in Orange (59 people in 2011 Census). With 23% of the local workforce coming from outside the Orange Local Government Area, the economic benefits are spread across the wider region.

The following table gives an indication of the place of residence of people working in Orange.

TABLE 2 – Journey to work patterns

| LGA | Persons |
|------------|----------------|
| Orange | 13,291 |
| Cabonne | 2,016 |
| Blayney | 760 |
| Bathurst | 544 |
| Wellington | 78 |
| Cowra | 64 |
| Dubbo | 59 |
| Parkes | 50 |
| Other | 382 |

Source: 2011 Census

It can be seen from these figures that the establishment of a new defence presence in Orange would have widespread economic benefit beyond the immediate LGA.

Economic benefits can also occur through opportunities to build relationships with other industry sectors in the region. Orange is the major health services centre of the Central West Region, and also services the population from outside the region when it comes to specialist medical services. Synergies can be developed with the health sector such as skills development for defence personnel and joint exercises in simulation of emergency situations.

The establishment of a defence industry manufacturing company in Orange could also benefit from synergies with an existing cluster of engineering companies - RENWELD. These companies have been working collaboratively for the past 10 years, developing innovative design, manufacture and construction capabilities that would be attractive to new defence sector businesses. Charles Sturt University has recently established an engineering faculty and in 2017 commenced a new government funded program to encourage innovation and entrepreneurialism.

A good example of Orange's capacity to support, and benefit from, economic expansion is the way in which several major developments were managed over the last ten years. During that period a large temporary workforce was drawn to Orange by the simultaneous construction of the new Orange base hospital (Orange Health Service), the new School of Dentistry at Charles Sturt University, and the expansion of the Newcrest Cadia Operations gold mine.

Collectively these projects required more than 2,000 workers. While the accommodation and other economic benefits were shared around neighbouring LGAs, Orange was the major centre for accommodation and support services. Importantly, the economic expansion drew additional businesses into Orange, and stimulated the growth of many others which remained in a service relationship with Newcrest in particular. Effectively, Orange was able to maximise the economic benefits, short and long term, and significantly averted the problems associated with fly-in-fly-out workforces. In fact, Orange has become a regional service centre, from which the workforce provides FIFO services to other state and national projects.

The attributes which made this possible are discussed in the next section.

e. how to establish and sustain defence supportive communities

Council believes there are three key attributes needed for defence supportive communities:

- a critical mass of infrastructure and services
- a supportive and active community
- strong community leadership.

To establish a defence supportive community the local region needs to be of sufficient size to support the services required by the organisation and to also provide the amenity required by the employees or defence force personnel and their families. There also needs to be a positive and cooperative attitude between the responsible local government organisation, state government bodies, the defence entity and the general public. The collaborative approach is partially public relations and part infrastructure (soft and hard).

The Regional Australia Institute produced a research paper in 2014 that compared the cities of Orange and Goulburn for the purposes of economic shock and why one city had a better recovery than another. The paper was titled *“Prosperous futures: Understanding the potential of Australia’s regional cities”*⁶ The research found that the leadership within the community and people understanding who was responsible for what actions was a major determining factor in overcoming economic shock.

The research found that:

- Regions that look similar from the outside can have very different futures
- Leadership and entrepreneurship are as important as fundamental competitiveness
- Confidence and perceptions are vital factors in regional success.

As Orange has been through the economic shock process a number of times, both positive and negative, we are well aware of the need to have positive and strong leadership, to inform the community of strategies and goals and to bring the community along on the journey. As the research stated, *“there is no ‘single formula’ solution”*.

The strongest statement from the research as it relates to establishing and sustaining defence supportive communities is:

“In order for regional cities to maintain and enhance their economic potential they need to understand their community and use this to make informed decisions about their future. Creative thinking, from local leaders and entrepreneurs especially, about what might happen next is vital.”

It is this strong leadership from the Council, the business chamber and other civic leaders that embraces positive economic shock and challenges negative economic shock. At the centre of the leadership is ensuring the actions are on behalf of the community and that the

community are informed and engaged in the process. Because of prior consultation and community planning, Council is aware that the majority of residents want growth for the city, but not at any cost. The leaders are able to confidently take this knowledge and act on behalf of the community in securing jobs and growth in line with resident's expectations.

There are significant other matters that need to be considered in establishing a defence supportive community in a regional area. These matters can be categorised into the following broad headings:

- suitability of the location for the entity
- access to and from the location for employees for private and work purposes
- liveability of the location for employees of the entity.

Suitability of the location is critical to the success of the establishment of the entity. The location should already have the necessary digital infrastructure in place to ensure connectivity to the entity, including the capacity to manage VOIP, video conferencing and cloud based computing.

The location should also be of a size that can support the operation of the entity with necessary services such as print and copy services, alarm and fire services, catering and vehicle servicing for fleet vehicles. There are a whole range of ancillary services (a number are listed in TABLE 1) that require provision from the local area, particularly in the construction and start-up phase of operations.

While the defence forces may have their own construction teams, the local region must be able to accommodate a surge in housing for people relocating. The local construction industry needs to be active and of sufficient size to accommodate the additional demand for housing as well as commercial support services.

For a defence industry company it is not necessary to find a building that suits the needs of the company exactly if the proper location is found. Regional developers will create a development fit for purpose on the company's specifications. As land is more readily available in the regions, the costs for custom design buildings are potentially less than stock standard leases within metropolitan areas. As an indication of being a defence supportive community the Council in regional areas will often make introductions to developers or landowners to secure the premises.

Access is also a key factor in choosing a regional location to relocate a defence entity. The regional location should have good access to Sydney and Canberra. Access can be in many forms but would include private vehicles, work vehicles, hire cars, inter-town bus services, rail or plane. In the case of defence force base it would also include ability to move heavy equipment quickly and efficiently.

Road access into Sydney and Canberra is particularly important for the winter months when both Sydney and Canberra airport can be fog bound for a large proportion of the day (Canberra much longer than Sydney). Ideally, the location would be within three or four hours by road from Canberra and Sydney.

Orange has significant experience in the relocation and establishment of government entities and large private sector projects. It is on this basis that Orange City Council invites the Standing Committee to hold a session of the Inquiry in Orange. Orange City Council also believes it is one of the most suitable locations to house a relocated or newly established defence entity and would like to put forward this submission as an initial request to be considered as a potential host location.

Of course, the suitability of the region for the entity is only part of the equation. Without employees or personnel, nothing happens. To attract and retain staff, the area has to be liveable.

The liveability of the region is critical in attracting enough staff of the entity to live in the region on a permanent basis. While defence personnel can be required to take a posting, the long-term retention of them is more likely if they and their families believe the location is liveable and attractive. For a defence manufacturing or service business, the issue is even more important as their staff cannot be 'compelled' to follow the business to a new regional location.

There are a range of factors which make a regional area liveable, and these factors have a different weighting for each individual or family depending on individual or family preferences and needs. Staff from this Council have been proactively promoting relocation opportunities at trade shows and through digital media over the past 10 years. Through this activity they have identified key driving factors that lead to relocation and retention of individuals and families. Some of these factors include:

- access to high quality 24 hour health care – families in particular place a high level of importance on healthcare – from doctors to dentists, physio to paediatricians.
- good quality schools – education is very important to families, as in ongoing education opportunities.
- higher education and ongoing learning – lifelong learning is critical in career progression. Most parents also prefer their children to study at a nearby university to keep their children near (or save on living costs).
- access to childcare – childcare is important for young families, as is afterschool care and vacation care when there is no family support network in place.
- cost of living – the cost of living needs to be less than Sydney or Canberra or there is no benefit to relocating for the individual or families. This is particularly relevant in more remote areas where costs of food and fuel are much higher and rental costs are often high as well.
- police, law and order – these are of a significant concern. People want to be able to know they will be protected.
- career opportunities for spouse, partner or children – this is always front of mind when relocating.
- access to Sydney, Canberra and other capital cities to retain connection with friends and family

- cultural amenity available in the new location – live theatre, library, galleries, conservatorium of music
- range of retail options available
- visual attractiveness of the location – few people are willing to back trade on visual attractiveness. It is why people always want to move to more exclusive suburbs.
- cost of housing – the cost of housing (rental or buying) must be less than the capital cities to ensure people will be willing to move.
- digital connectivity – this is usually front of mind for teenagers, therefore parents of teenagers, when relocating. They have a ‘need’ for digital connectivity.
- sports and other activities – this is how people make networks outside of work. Without networks people feel isolated and retention drops off significantly.

In part the liveability of a location centres around the population and what it can support. The following experiences from Orange highlight what we have to offer, and how other significant government relocations have been managed.

In 1992 the population of the City of Orange was 33,163⁵. It was at this time the NSW Department of Agriculture decided to relocate their headquarters to Orange² with 430 positions. There was some staff resistance at the time and for a period many of the staff retained Sydney properties and semi-commuted to Orange for work. However, today, the Department of Primary Industries workforce is completely integrated locally and the general consensus of staff is that they greatly value the regional lifestyle and benefits that come from living in and around Orange.

In 1994 the population of Orange was 33,533⁵, and the Commonwealth Department of Employment, Education and Training (DEET) established a new Area Office of around 70 staff in the city. Although there was a sizeable population at the time, the anecdotal evidence from people involved in those two events was that there was a percentage (around 20%) of people who found the City of Orange too small at the time and subsequently returned to Sydney or Canberra.

It would be fair to say that in 1994 the staff who relocated from Sydney and Canberra noticed a comparative lack of dining options compared to those locations, and this was one aspect of their ‘liveability’ assessment.

Since 1994 Orange has developed a much broader cultural offering and now ranks as a leading regional destination for food and wine experiences. This environment (as well as new and state of the art medical facilities) has enabled Orange to attract health and other professionals where other regional centres may struggle.

The past 23 years has seen substantial growth in the City of Orange and also in rural residential development within commuting distance. Many people find themselves relocating to Orange but choosing to live in a village, town, rural lifestyle block or on a farm.

With people commuting to Orange for work (refer Table 2), plus visitors and people studying, the day time population of Orange grows close to 50,000 people. This level of city

population creates demand for services and amenities (lifestyle) which would be marginal at the population level of 33,000 people.

While these attributes create the platform for a supportive community, the key to achieving that is leadership.

As described earlier from the RAI research paper in 2014 titled "*Prosperous futures: Understanding the potential of Australia's regional cities*"⁶, leadership within the community and an understanding of roles and responsibilities is a major determining factor in overcoming economic shock. The sudden influx of a new industry or employment base is a positive economic shock. Coping with significant company closures (Electrolux) is negative economic shock.

Strong community leaders who understand economic development, economic growth and community expectations are the key to mobilising the community behind necessary adjustment actions. Strong community leadership is not about keeping 100% of people happy but ensuring that there is appropriate engagement with the community so the issues and needs are understood, and a broad consensus is achieved.

The leadership in Orange has been at the forefront of a number of major economic adjustments over the years:

- the successful integration of significant new industry and workforce (EMMCO, DPI, DEET),
- accommodation of large temporary workforces (Newcrest, Health & CSU expansion)
- loss of Electrolux and absorption of displaced workers

Local leaders in Council, business and community have been active and conspicuous in looking for solutions and mobilising support. This has included collaboration with State and Commonwealth agencies such as in the Electrolux closure.

Larger regional centres like Orange are no longer just large country towns relying on births and deaths for growth. These places are thriving regional cities that have a significant proportion of people who were not born or raised locally and have made an active choice to move there for both employment and lifestyle reasons. They bring different experiences and skills, and contribute to a deeper, more diverse community.

f. further enhance collaboration between the NSW Government and Commonwealth agencies

Orange City Council will not be commenting on this point.

g. any other related matter.

Orange City Council firmly believes it is in the ideal position to host a defence industry company and/or a defence base. The two would not be co-located but in appropriate greenfield or repurposed sites. The case for locating a defence entity in Orange is very strong and the supporting evidence is below.

The first consideration in locating a defence entity is appropriate land. Orange has a range of greenfield sites suitable for a defence entity. These sites include:

- existing industrial land (brownfield) in one of five industrial zones within Orange. These sites have already been established and previously used.
- existing green field sites in one of three of the current industrial zones.
- greenfield development at the planned Airport Business Park. This is a more secure option.
- retrofit a former small arms factory that has since been used as a whitegoods factory.

The option of purchasing or leasing existing land and buildings or brown field sites is a straightforward matter and can be organised through any real estate agent, however Council staff are more than happy to act in the interest of the defence industry and make connections and even do some preselection activities if necessary. Greenfield sites are very similar but the building envelope is unencumbered and any additional security features can be incorporated in the design rather than be retrofitted to a brownfield site.

Orange City Council has been developing a greenfield business park around the existing Orange Regional Airport to cater for establishment of companies such as defence companies. The business park is a pre-emptive buffer to allow the airport to further develop and grow for decades while the location of the airport adjacent to a national rail route, a high pressure gas main and a close proximity to a highway creates the unique opportunity of a three way intermodal business park. A defence industry company can design its own land and building envelope to take advantage of this unique opportunity.

There is a former small arms factory that is vacant and available for sale. This land was used to produce rifles during World War II and was purchased soon after by Email and in turn by Electrolux. The 10.5 hectare establishment still has all buildings on site and substantial footings to take very heavy duty machinery.

A defence force base would be potentially located on farmland in the area surrounding the city. The purchase price for farms vary greatly in the region, depending on the productivity of the land, access to water and distance from the city.

There was resistance to a proposed army base in the 1980s, but the community at that time was very different to the community today. Then it was much smaller, more primary industries based and more traditional in outlook. The community attitudes of today are more progressive and embracing of development.

AIRPORT BUSINESS PARK

Orange City Council has developed a concept plan for the development of an industrial and business park around the Orange Airport. This proposal represents a significant and long term opportunity for the development of a new style of industrial and business precinct around the Orange airport.

One of the strengths of the proposal is the convergence of several key drivers for development. These include the area's natural and man-made attributes, particularly:

- extensive areas of flat land
- key infrastructure such as gas and a future water pipeline
- regional road connections and rail and air links.

This proposal aligns with Orange City Council's strategy to create more jobs in the region following the closure of Electrolux. The plan also acknowledges the limitations surrounding the availability of industrial land in the city.

Following on from the \$19 million upgrade of the airport, the precinct will become a major economic driver for the region. It can address the need for employment well into the future as a logical extension of the increased level of potential economic activity associated with the airport expansion.

The purpose of building a business park around an airport was twofold. The business park acts as a buffer around the airport and allows the airport operations to expand in the future. The second reason is a unique opportunity for a business park to have access to three modes of transport (road, rail and air) for inputs and product. It is in effect a three way intermodal business hub.

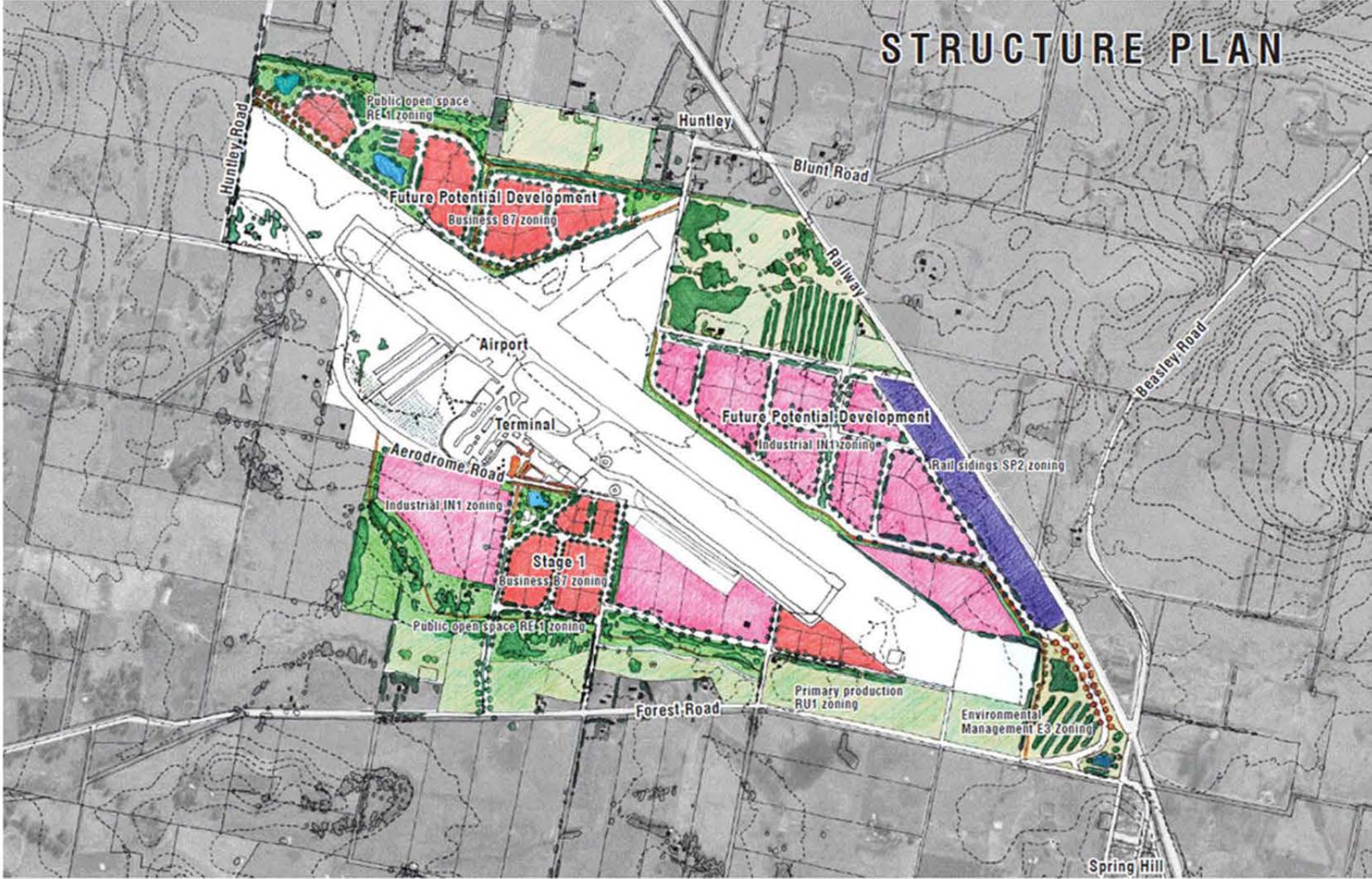
As a green field development a defence industry company can negotiate alternative land and building envelopes to take advantage of any combination of access to the airside facilities, the proposed rail siding or the yet to be identified B-Double route to the highway. The final B-Double route to the Mitchell Highway is yet to be approved.

The runway at the airport is rated to take cargo transport aircraft. This will allow a company to fly in raw materials and fly out the finished product if they desire. They can have direct airside access in accordance with CASA regulations if required.

The Mitchell Highway is a National Highway and is a B-Double approved route. The highway is 3.8 km from the Airport Business Park. Council is currently considering a range of options to enable B-Double access.

The business park will be serviced with water and sewer from Orange and will have internet capacity through fixed wireless technology (100/40 mbps in 2018) or 4G mobile.

STRUCTURE PLAN



ORANGE AIRPORT STATISTICS

RUNWAY

| | |
|-----------------------------|---|
| Runway length | 2,213 metres |
| Runway width | 30 metres |
| Height above mean sea level | 948.5 metres |
| Main runway identification | 11/29 |
| Pavement Strength | PCN 39/F/C/1500 (218PSI)/T WID30 RWS150 |

LIGHTING

| | |
|---|----------------------|
| Low Intensity Runway Lights (LIRL) | |
| Precision Approach Path Indicator (PAPI) | 3.0 DEG48.5FT |
| Runway Threshold Identification Lights (RTIL) | |
| Secondary Power Available | 15 second switchover |
| Taxiway Lighting | Blue Edge |
| Illuminated Wind Direction Indicator (IWI) | |
| Apron Lighting | |
| Terminal Lighting | |

FACILITIES

| | |
|------------------------------------|--|
| Passenger terminal | New |
| Aviation Security | Category 6 |
| Passenger Screening | Not currently (incorporated into planning) |
| Baggage Screening | Not currently (incorporated into planning) |
| Baggage carousel | Newly installed |
| Airside access | ASIC clearance required |
| RPT Services (REX & Air Corporate) | SAAB 340 turbo prop |
| Regular charter aircraft | Boeing 717, Fokker F70 and Fokker F100 |
| Military aircraft | Lockheed C-130 'Hercules', DHC-4 'Caribou' |

GENERAL INFORMATION

| | |
|---------------------------|--|
| Internet connection | NBN Fixed Wireless 25/5 (100/40 in 2018) |
| Mobile phone coverage | Yes |
| Refuelling options | Avgas and Avtur |
| IATA airport code | OAG |
| ICAO airport code | YORG |
| Automatic Weather Station | ID 063303 Lat -33.38 Long 149.13 |

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- 3 <http://www.rdacentralwest.org.au/wp-content/uploads/2015/03/Orange-profile.pdf>
- 4 <http://www.rdacentralwest.org.au/wp-content/uploads/2015/03/Bathurst-profile.pdf>
- 5 3 [http://stat.data.abs.gov.au/Index.aspx?DataSetCode=ABS ANNUAL ERP ASGS](http://stat.data.abs.gov.au/Index.aspx?DataSetCode=ABS_ANNUAL_ERP_ASGS) The city population of Orange is derived by combining the two SA2 regions of Orange SA2 and Orange – North SA2.
- 6 [http://www.regionalaustralia.org.au/wp-content/uploads/2014/10/RAI prosperous-futures fact-sheet print-20141002.pdf](http://www.regionalaustralia.org.au/wp-content/uploads/2014/10/RAI_prosperous-futures_fact-sheet_print-20141002.pdf)