

**Submission
No 29**

INQUIRY INTO DEFENCE INDUSTRY IN NEW SOUTH WALES

Organisation: ACT Government

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Andrew Barr MLA

Chief Minister



Member for Kurrajong

Treasurer

Minister for Economic Development

Minister for Tourism and Major Events

The Hon Greg Pearce MLC
Chair
Legislative Council Standing Committee on State Development
Parliament House, Macquarie Street
SYDNEY NSW 2000

Dear Chair ^{Greg}

Thank you for the opportunity to respond to the Legislative Council Standing Committee on State Development Inquiry on *the Defence Industry in New South Wales*. This letter sets out the ACT Government's policies and details the role of the ACT as a regional economic and industry centre for South East NSW and outlines the key strengths, capabilities and opportunities of the Canberra Region defence industry.

This response addresses some of the Committee's key terms of reference:

- a. Maximise opportunities for NSW-based companies from Defence's growing exports and investment in defence capability – in both acquisition and sustainment;
- b. Encourage defence industry, innovation, research and education including developing the future workforce; and
- d. How to establish defence supportive communities.

ACT's role as a regional economic and industry centre in South East NSW

As I outlined in the submission I prepared in February 2016 to the Standing Committee, the ACT Government is pursuing a regional engagement strategy to support growth and development of Local Government Areas (LGAs) within South East NSW, which are already some of the fastest growing in the state. In that submission, I highlighted some of the key components of the ACT Government's engagement strategy to support the region and enhance the economic opportunities available.

Later in 2016, the ACT and NSW Governments reaffirmed their commitment to the 2011 Memorandum of Understanding (MoU) on Regional Collaboration and, in particular, committed both governments to work to grow the defence industry in the Canberra Region. As a result, the ACT Defence Industry Advocate, Ms Kate Lundy, and her NSW counterpart, Air Marshal John Harvey AM (Retd), are working collaboratively to grow defence related businesses within the Canberra Region.

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Progress and commitment to collaboration to support the Defence Industry

This year the ACT Government released the *Canberra Region Defence Industry Capability Directory* to promote the strong defence capabilities of the Canberra Region. The Directory highlights over 100 defence capable organisations, many of which are based on the NSW side of the border.

The ACT Government also released its Defence Industry Strategy, *Established, Capable, Skilled*, which recognises that one of the key ingredients for growing the defence sector is a clear focus on collaboration with other states and territories. In particular, we have recognised the importance of our unique geography and have made a specific commitment to work with the NSW Government to position the Canberra Region as an important contributor to defence. I have enclosed a copy of *Established, Capable, Skilled* for your reference.

I was very pleased to see that collaboration, including with state and territory governments, was a recurrent theme in the NSW Government Defence Industry Strategy, *Strong, Smart and Connected*. In particular, the commitment in initiative 2B “to promote collaboration between experts in Sydney and the Capital Region and ACT Industry” provides an opportunity for collaboration around sectors such as cybersecurity and space as well as with companies providing goods, services and technology to defence.

Recently, Mr Duncan Challen from the NSW Department of Industry and Ms Lundy made a joint presentation to the Centre for Defence Industry Capability (CDIC) Advisory Board. This presentation focussed strongly on our Governments’ commitment to cross-border collaboration and promotion. The CDIC Advisory Board provided very clear feedback that the ACT and NSW Governments’ approach to state-based collaboration, rather than competition, would lead to the most positive outcomes for both Australia’s security and the strength of its domestic defence industry.

We should also recognise that opportunities for collaboration are not limited to cross-border support of businesses. Together we should also look to make the best use of our innovation ecosystems especially in promoting collaboration between our world renowned research and education institutions.

UNSW Canberra is an excellent example of where this inter-jurisdictional collaboration is already occurring and where future opportunities will arise. This institution is one of Australia’s leading research centres in the fields of space and cybersecurity, and its researchers work very closely with their colleagues at UNSW’s Kensington campus. I am pleased to note that UNSW and UNSW Canberra also collaborate with other institutions within our jurisdictions on a range of projects, including recently with the University of Sydney and the Australian National University on the nanosatellites (or “cubesats”) which were launched in April 2017.

Canberra is also the region’s education hub and it will play a central role in developing the defence industry’s future workforce. A great many of those graduating from the ANU, the University of Canberra, UNSW Canberra and the Canberra Institute of Technology will find future employment within the defence industry interstate, including in NSW.

The ACT Government, though *Established, Capable, Skilled* has committed to growing a capable, defence industry in the Canberra Region and its initiatives and programs will benefit many regional NSW businesses and residents.

I look forward to hearing about results of the Legislative Council Standing Committee on State Development Inquiry into the Defence Industry in NSW and its recognition of the importance of the Canberra Region to the growth of the defence industry in NSW.

Yours sincerely

Andrew Barr MLA
Chief Minister

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