

**Discussion paper
response
Submission
No 21a**

INQUIRY INTO DEFENCE INDUSTRY IN NEW SOUTH WALES

Organisation: Newcastle Airport Pty Limited

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The Director
Standing Committee on State Development
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To the Director

RE: Newcastle Airport response to the *Defence Industry in NSW Discussion Paper*

Newcastle Airport is pleased to provide the following feedback on the *Defence Industry in NSW Discussion Paper* released in November 2017.

A key driver of economic growth for the Hunter Region, the Airport strongly supports planning that is ambitious – fueling growth, not just relying on it.

It is disappointing that the *Defence industry in New South Wales Discussion Paper* does not appear to align with the intent of other state strategies that seek to leverage the area identified by the NSW Government as the **Defence and Aerospace Related Employment Zone (DAREZ)**. This land, adjacent to Newcastle Airport at Williamstown, is earmarked as the site of an industry cluster of potential state, or even national, significance¹.

The Airport already contributes over \$1 billion in economic impact to the state's economy. This has the potential to increase significantly with the development of Newcastle Airport Technology Park (NTL Tech Park) within the DAREZ area. This development was discussed (using the former name HDAZ) with the Committee last year, but does not feature in the Discussion Paper.

To recap, NTL Tech Park is a unique defence, aviation, aerospace and technology-focused precinct that will provide approximately 76 hectares of special purpose defence- and aviation-related employment land with direct, a unique attribute – secure airside access adjacent to RAAF Base Williamstown, Australia's premier fighter and training base. Specifically, the site will accommodate businesses working on lucrative Joint Strike Fighter (JSF) contracts, which are estimated to be potentially worth some \$2-3 billion to the economy.

A logical base for global business, access to global supply chains for local businesses, and a growing platform for local companies to engage in international trade and investment opportunities, this needs to be a key part of the NSW Government's focus in growing defence industries in the state. Importantly, it will significantly add to the region's productivity and competitiveness, creating an estimated 5,650 jobs and some \$246.64 million in economic impact.

The development of NTL Tech Park aligns with many state and federal strategies, plans and priorities:

- **NSW Government alignment:** Premier's Priorities, State Priorities, Defence & Industry Strategy 2017, Trade & Investment Action Plan, Hunter Regional Development Plan 2036
- **Federal Government alignment:** Defence White Paper, First Principles Review, Plan Jericho and Industry Policy Statements.

¹ Williamstown Defence and Aerospace Related Employment Zone Feasibility Assessment, July 2017, prepared by AALTO Pty Ltd

The Discussion Paper seems to be Sydney, in particular Western Sydney Airport (WSA), centric in its focus for future opportunities. This is short sighted. There is room for both the Western Sydney precinct development, and NTL Tech Park; the two can be complementary and successfully operate in tandem.

Further responses set out in line with questions posed by the committee as per November 2017 Discussion paper are provided below:

Q1 response

The NSW Government should empower Defence NSW to identify projects of "State strategic importance". These may be in the form of a particular industry or geographic precinct, categorized by criteria that were well articulated in the Committee's original discussion paper. Once identified, Defence NSW should be resourced to assist in coordination and identification of program that exist within government with senior oversight by the Department of the Premier and Cabinet to ensure all agencies are responsive.

Q2 response

Yes, the suggested Ministerial Council would fit well with the structure described above. Makeup should comprise senior government Ministers, such as Treasurer, and Minister with responsibility for trade / industry. A balance of parties should be selected in an attempt to provide bipartisan support, so industry can have confidence the support will live beyond the election cycle.

Q3 response

Provide clear and meaningful support to those currently attempting to promote defence industries within the state. Particularly, be open and transparent in reasons why resources are being focused in particular areas, this will provide industry with confidence and predictability. These are two essential elements that allow for private sector investment.

Q4 a) / b)

It is considered that an aerospace defence precinct at WSA could be part of a broader strategy to ensure NSW "claims" this sector within Australian and takes a globally significant position. However, it is considered that alone a precinct at WSA does not provide sufficient impetus.

A strategy that leverages both WSA and the DAREZ site adjacent to RAAF Base Williamtown would have a much greater likelihood of success by providing the necessary scale and diversity. Facilities at Williamtown undeniably make sense to service the F35 and Wedgetail aircraft that are, and will be, based at that facility. Capitalising on the F35s and the natural advantage of Williamtown creates a 'pull' for associated industries that can also be capitalised on by the WSA precinct. Further the WSA precinct could attract the less niche companies that service both civilian and defence aerospace, leveraging off the traffic from WSA itself and the growing Sydney Airport. Further, the DAREZ property is ready for immediate activation creating momentum for when WSA comes online.

I would be happy to discuss the above further.

Yours faithfully

Peter Cock
Chief Executive Officer
Newcastle Airport