

**Discussion paper  
response  
Submission  
No 13a**

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

**Organisation:** Orange City Council

**Date received:** 20 February 2018

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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 41,384
- has a regional (SA3) population of 58,991
- is the fourth largest inland city in NSW and the 36<sup>th</sup> largest city in Australia<sup>1</sup>

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 Office<sup>2</sup> 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.

## Chapter 1: The defence industry in New South Wales

### Question 1

*What additional measures, if any, should the NSW Government implement to improve coordination across government agencies, to support the delivery of the New South Wales: Strong Smart and Connected, The NSW Government Defence and Industry Strategy?*

The new body (Defence NSW) should engage a number of industry engagement specialists (IES) across regional and metropolitan NSW (possibly at Grade 9/10 or higher) to work in conjunction with, but separate to, the network of specialists from the Industry Capability Network (ICN). The Defence NSW staff should have a focus on identifying companies that may have capability to be active in the defence industry sector prior to tenders as well as actively seeking companies to participate in published tenders.

### Question 2

*Should the NSW Government establish a whole of government Ministerial Council to provide effective governance of the New South Wales: Strong Smart and Connected, The NSW Government Defence and Industry Strategy implementation? If so, what form should this body take, and who should it be comprised of?*

A whole of government Ministerial Council should only be established if Departments are unable to cooperate for the delivery of better defence industry outcomes. Directions from Ministerial Councils are often rigid, subject to interpretation and create an additional level of bureaucracy that may not be required. Direct action from Departmental staff is more responsive to industry needs rather than following a Ministerial Council edict.

A directive from the Premier to the Departments with some guiding principles on direction should be sufficient to implement the strategy in a flexible and appropriate manner. Too often Ministerial Council (or similar) decisions are implemented with a focus on process instead of a focus on outcomes. Industry often see government as bureaucratic and inflexible and creating an additional layer in this process will only reinforce that perception. The end result will be reduced potential participation through negative perception.

## Chapter 2: Supporting defence industry growth

### Question 3

What more can the NSW Government do to ensure that its commitment to Defence and the defence industry is clear to stakeholders?

As presented in the response to Question 1, Defence NSW should employ industry engagement specialists who can identify potential defence industry businesses. The IES can make contact with the business, identify case studies that are similar to the particular business, answer questions about being a defence industry contractor (ASIO clearances etc) as well as have a discussion of the pros and cons of being a defence industry contractor. The IES should be sufficiently skilled to work with the business to develop a plan to become “defence industry ready” so that they are in a position to tender for work, rather than trying to tender and organising the eligibility at the same time.

The NSW Government can also consider how to develop capacity within the regions that are not currently engaged in the defence industry. This applies in particular to Central NSW. Developing capacity in this region will lead to increased jobs and further growth in the industry, leading NSW to have a greater market share of the defence industry.

### Question 4

*a) What are the potential benefits of an aerospace precinct at the Western Sydney Airport and how can the NSW Government support this initiative?*

No comment from Orange City Council on this question.

*b) What further steps can the NSW Government take to support New South Wales's strengths in critical defence capability areas?*

The provision of grants or loans from the NSW Government would allow companies to re-tool or expand substantially will enhance the ability of industry to develop strength in the critical defence capability area. Similar programs previously existed within the various guises of the Regional Development section and were very effective. However, the policy of removing local approval and centralising the approvals in Sydney has created a system that is rarely taken up by industry because of the perceived bureaucracy, inflexibility and lack of responsiveness to industry needs.

Industry often needs to move on tight timeframes when pursuing an expansion or new business opportunity. These decisions usually have to be made in weeks, if not days. The recent approval timelines has people talking in timeframes of months which is not conducive to working with industry.

### *Question 5*

*What steps can the NSW Government take to support the enhancement of Australian sovereign defence capability?*

Ensuring that all manufactured components for defence are manufactured (or have the capacity to be quickly manufactured) in Australia is the first step to enhancing Australian sovereign defence capability. This is particularly important to ensure that any parts manufactured in countries that have the potential to be in conflict with Australia can be readily made here if necessary.

Outside of manufacturing it is important to actively engage as many software and hardware specialist firms as possible to ensure the latest in technology and information is available to be used in defence of Australia.

### *Question 6*

*What further steps can the NSW Government and the defence industry take to optimise its chance of success in securing Future Submarine basing and accompanying sustainment work on the east coast of New South Wales?*

Orange City Council has no comment on this item..

### *Question 7*

*a) What steps can the NSW Government take to increase understanding of New South Wales defence industry capability with potential for export?*

The new entity (Defence NSW) would be best placed, in collaboration with the Industry Capability Network (ICN), to review existing defence industry providers to ascertain their capacity to undertake export of their existing product or developing a new product for export.

Furthermore, a collaborative arrangement between Defence NSW and ICN can identify businesses not yet participating in the defence industry sector that would have the capacity to increase or modify operations to

*b) What steps can the NSW Government take to enable New South Wales based defence industry to take full advantage of the supports provided by the Australian Government in this area?*

As highlighted elsewhere in this submission, the role of Defence NSW could be to provide industry engagement specialists who would not only collect information on business capacity and advise of tender opportunities, but would also advise businesses of the range of appropriate assistance available from the Australian Government (and the NSW

Government) in this area. Industry engagement specialists would become familiar with the broad range of Federal and State assistance available in respect to export assistance, retooling, business management tools and funding. The industry engagement specialists can then deliver this information in a targeted way to the businesses to enable them to maximise their opportunity to access any Australian Government support.

*c) Should New South Wales seek to identify a state based export target to improve performance in this area? If so, what factors should the NSW Government take into consideration in determining this target?*

If an export target was to be introduced then it should be accompanied by a range of support to both industry and Defence NSW to achieve that target. Factors that should be considered in setting and measuring targets include:

- Total value of business written and full time equivalent jobs associated
- Value of new business and full time equivalent jobs associated
- Value of market entrants and full time equivalent jobs associated
- Annual growth targets in all categories

The key consideration is as to what will happen if the targets are not achieved. Will additional resources be applied to achieve the target or will the target be left as an unachieved and move on?

*d) How best can the NSW Government support and lead a collaborative 'Team Australia' based culture to maximise the economic benefits for all states and territories from Defence expenditure?*

To lead a 'Team Australia' the NSW Government would need to have a transparent and an apolitical approach towards defence expenditure. When decisions are made that have little obvious economic or strategic value, the industry questions the process and in turn questions their investment in time to gain accreditation or to tender if they believe the allocation will be a politically driven one.

Transparency and honest individual feedback is the key to encouraging involvement by government and industry alike across Australia. If there is transparency there is accountability and people who are the decision makers are then accountable to everyone as to why a decision was made.

## *Question 8*

### *a) What steps can the NSW Government take to better understand defence industry capabilities in New South Wales?*

The new entity Defence NSW should employ industry engagement specialists who can amass intelligence on current and potential capacity of current defence industry and also businesses that have the potential to enter the defence industry. They can be an information conduit to and from businesses operating in (or considering operating in) the defence industry. The IES can also liaise with other appropriate regional staff and bodies (Industry Capability Network, DPC Regional Development, Regional Development Australia, peak industry groups) to identify potential businesses to operate with the defence industry.

### *b) What role should Defence NSW have in building connections between local industry and primes?*

Defence NSW should employ industry engagement specialists (IES) who would act in a role similar to the roles within the Industry Capability Network (ICN). The ICN staff work with primes to identify individual business opportunities within the prime contract. The ICN staff member then identifies businesses within an appropriate geographic area with existing or potential capacity to tender for a smaller business opportunity.

Defence NSW should also be a lobbying force to ensure the state attracts as much business as possible from the prime contractors. This may include an undertaking from Defence NSW to coordinate contractors on behalf of the prime through to providing financial or other incentives to attract the prime for the purposes of delivering the contract within NSW.

Alternative products should also be put forward to the primes where there could be efficiency gains. The ILB story in response 8(c) is a good example of this.

### *c) Is the development of a Defence Capability Directory, such as that developed in the ACT, a useful model for the NSW Government to consider and adopt?*

A directory certainly would be a useful tool so long as it was kept current. The challenges in developing such a directory, particularly for those not currently in the industry but with potential to join, is a lack of understanding of what skills, abilities and capacity they hold that is readily transferrable to the defence industry.

The defence forces may also not be aware of products in the marketplace that may be more suitable for their needs than traditional materials.

One such example of this is Industrial Light Beam (ILB) which is produced by the company of the same name ([www.ilbsteel.com.au](http://www.ilbsteel.com.au)). The ILB product is a manufactured steel beam that is as strong as traditional steel beams but much lighter and therefore able to span greater distances. The product was developed by an Orange business person and now has branches around the world, a good example of regional innovation.



Unfortunately, as the traditional engineering designs are based on old style steel beams, the benefits of the ILB product are not utilised in concept designs or final engineering specifications and therefore are not competitive in tenders for steel erection. Because it is a unique product, the armed forces are not likely to use this product to deploy overseas, even though it is much lighter than traditional steel. A directory that catches this information would be very beneficial.

#### *Question 9*

*Are there any additional steps that the NSW Government and ACT Government can take to enhance collaborative working arrangements for the benefit of defence industry?*

As outlined in the discussion paper by Ms Kate Lundy, Defence Industry Advocate for the ACT, the ACT Government has dispensed with the notion of borders for the purposes of actively promoting the defence industry. The NSW Government should follow this lead and work closely with the ACT Defence Industry Advocate (DIA), lending assistance when required and gaining it when needed.

#### *Question 10*

*a) What actions are currently being implemented by the NSW Government and other educational providers to promote STEM skills in primary, secondary, and tertiary education institutions?*

The STEM skills has extensive promotion and Orange City Council will leave this for the educators to respond to.

*b) What further steps can the NSW Government take to promote STEM subjects and associated defence industry careers? Should the NSW Government launch an advertising campaign to promote the study of STEM subjects as well as promote New South Wales as a technology leader?*

Although there seems to be significant opposition within the secondary education system, careers aptitude testing would be of a significant benefit to the STEM subjects. Most people at secondary school have no real idea of what field of work they want to work in and tend to rely on influence from family support groups for exposure to career information.

Aptitude testing, whether in person or via a website, will expose students to careers that they have never thought about and show them that the careers that they would most likely enjoy would require them to undertake STEM subjects. The biggest issue with the STEM subjects is students being able to relate them to the real world.

With respect to marketing the study of STEM subjects, is there any data to suggest that the uptake of STEM subjects is not sufficient? In addition, has there been any research with students who did not undertake STEM subjects to analyse the reason for avoiding the subjects?

*c) Should the NSW Government take steps to embed defence-related industry interaction, within the education syllabus?*

No. The education system is being overloaded with a range of minor self-interest groups and activities as it is. Defence-related industry is a sub-set of many other industries (such as manufacturing, IT) and the capacity of the education system to handle this properly is extremely limited.

If the NSW Government wants to target the participants being taught in the education sector then an appropriate alternative is to properly fund a number of careers expo display stands that promote the industry to students. These displays can travel from Expo to Expo and engage in an appropriate mechanism for delivery of careers information.

#### *Question 11*

*a) What steps can the NSW Government take to close gender gaps in the participation of females in STEM career pathways as relevant to the defence industry?*

No comment from Orange City Council.

*b) What barriers exist for females seeking to undertake STEM education and access defence industries? What steps can the NSW Government take to address such barriers?*

While the Discussion Paper (page 30) highlights some statistics in relation to females and STEM subjects, these are predominantly on a national basis. They should be presented on a NSW basis and benchmarked against other states/territories and OECD countries to give a clearer picture of the true position of female uptake in the STEM subjects and industry.

### *Question 12*

*a) What benefits have been delivered by the ME Program to date? Based on this evidence, what steps should the NSW Government take to support the program and explore its roll out across the state?*

Orange City Council makes no comment on the benefits delivered by the ME Program. That should be agreed at the local level.

The ME Program has merit in its objectives but should be resourced appropriately for delivery and not just added to a list of things for schools to deliver as well. The unfortunate reality of funding streams is that the funds are usually only for part of a full time equivalent (FTE) position. Often new positions are made up of three or four part-time allocations (ie four lots of .25 FTE) and while it is good to have a resource, the chances of finding a person who can have a thorough understanding of 4 different areas of expertise are extremely slim.

In the past various governments at state and federal levels have injected themselves into the education and careers market, sometime with negative results. As an example, in the mid to late 1980's the Federal Government took advice that we would see traditional trades disappear by around 2010 and that most Australians would be job sharing and working less than 30 hours a week. The government progressively changed superannuation structures and the vocational education sector to prepare for the 'new' labour market based on this advice. Changes in the vocational education sector included moving assistance away from traditional apprenticeships (sunset industries) and towards new traineeships (sunrise industries). Most of the sunrise industries (new industries) never eventuated in reasonable numbers and the majority of the sunset industries (industries that were allegedly dying) ended up with significant skills shortages which was particularly evident in the mining boom.

With history in mind, Orange City Council recommends the NSW Government consider fully the implications of expanding the ME Program across the entire state if it will be at the long term expense of other industries.

*b) Are there any other best practice examples being implemented in New South Wales that also merit further consideration?*

Orange City Council is unaware of any other models or examples.

### *Question 13*

*a) Should the NSW Government consider a defence industry technical skills development fund as part of its strategy to entice prospective students to undertake defence industry related courses at universities?*

If the NSW is to consider such a fund, it should be to all people training for, or employed by, the defence industry, not just defence force personnel as listed in 2.64 on page 32 of the discussion paper.

The fund should be open to all post-secondary school people undertaking further education and training in a defence industry specialisation, or employed by a defence industry business and undertaking further education and training. This includes tertiary and vocational education and training (VET).

If a steel products manufacturer gains a defence force contract and as a result needs to recruit apprentice boilermakers then they should be eligible for assistance the same as a student at university studying engineering. The VET training costs are often overlooked in enquiries and are becoming quite costly to businesses. Businesses should be given some reprieve to encourage them into the defence industry and likewise apprentices and trainees should be encouraged through such a fund.

The key issue is the definition of a “defence industry related course”, whether at the tertiary or VET level. How does someone define a defence industry related course? For example, is a Master of Business Administration a defence industry related course if the person is an employee of a business and they are doing the course in order to be able to better tender for defence industry work? Alternatively, does a person doing an accountancy course get a refund on their HELP debt if they gain employment with a defence industry contractor?

*b) Are there other approaches the NSW Government can take to promote tertiary pathways for defence industry workers?*

Orange City Council is unaware of any other approaches.

#### *Question 14*

*Should the NSW Government help facilitate increased coordination between government, the defence industry, and universities in the creation of university courses that meet the needs of defence industry businesses? How can the NSW Government achieve this?*

While acting as a facilitator to connect the defence industries and universities, the NSW Government should ensure it doesn't begin acting as a conduit or an interpreter. Often initial engagement with industry will start with enthusiasm but then dwindle as other competing priorities take over at the workplace. Facilitators often feel compelled to elicit the information from industry and bring it to the table on behalf of industry. This move not only encourages industry to have less involvement in the process but also exposes the entire process to personal interpretation of individuals and the industry representatives saying “that's not what I wanted”.

It is also important to ensure there is a fair representation of industry, not just large industry. Often the larger businesses have training officers or HR officers who can dedicate their time to travel to these meetings and participate. Owner operators of SME's do not have the same luxury and should possibly be compensated for their involvement to ensure there is balanced representation.

### *Question 15*

*What measures can the NSW Government take to improve access to advanced trade courses in regional areas? For example, should the NSW Government provide financial support to create defence industry traineeships and apprenticeships in regional areas?*

With the roll out of the NBN and advancements of various computer conferencing software, there is little reason that a significant proportion of what was delivered in a Sydney based TAFE classroom cannot be delivered live in a digital format. TAFE NSW has recently created such a unit based in Armidale that should be in a position to deliver the trade courses in part by digital conference.

### *Question 16*

*What further steps can the NSW Government take to promote collaboration between Defence, industry and academia?*

While collaboration is commendable, the collaboration should primarily be driven by the need of the industry and not academia. Industry should decide what collaboration is needed. Academia and the NSW Government can suggest possible areas of collaboration, but if it is not driven by industry then it is unlikely to succeed. If academia wishes to undertake independent research prior to finding an industry partner, then this should be from a separate pool of funding.

### *Question 17*

*What steps can the NSW Government take to further support research and innovation activities being undertaken by defence stakeholders?*

The NSW can support two streams of funding. One is an industry driven collaboration for R&D between a business(es) and academia. The other stream is academia doing preliminary research prior to going to industry to find a partner. Defence NSW should promote any such activity and be involved in matching industry with academia where required.

### *Question 18*

*What steps can the NSW Government take to support New South Wales defence industry, and academic institutions tap into the opportunities created from Federal Government investment in a national space agency?*

The NSW Government can first and foremost try to secure the agency for NSW. There are sufficient areas in Western NSW that could handle a space launch and the western communities would be grateful for the cash injection into the economy.

Defence NSW can also work to secure a sizable portion of the work tendered, either directly, through a prime or a secondary contractor. Assistance to firms to retool or reskill to move to the aeronautical or space industry would be invaluable.

### **Chapter 3: Supporting Small and Medium Enterprises (SMEs)**

#### *Question 19*

*a) What steps can the NSW Government take to further support relationships between Small and Medium Enterprises and key suppliers and procuring entities?*

As previously identified in this document, the new body (Defence NSW) should engage a number of industry engagement specialists (IES) across regional and metropolitan NSW (possibly at Grade 9/10 or higher) to work in conjunction with, but separate to, the network of specialists from the Industry Capability Network (ICN). The IES and ICN staff should operate collaboratively to identify SME's that can deliver components of contracts to key suppliers and procuring entities.

In much the same way that ICN staff break down procurement regimes for prime contractors, the IES can break down procurement regimes for prime and secondary defence industry contractors in order to allow SME's to be able to competitively challenge large business for a stake in the defence industry marketplace.

*b) What steps can the NSW Government take to ensure that federal support programs and initiatives are comprehensively utilised by New South Wales based industry?*

As mentioned previously in this document, the role of the IES would be to promote a range of State and Federal programs to the local industry and make connections between the business and the relevant Departmental Contact Officer where appropriate. Quite often the business requires a personal visit from someone like an IES to see the full scope of the business capability, to undertake further probing and discuss options for re-orientation in markets.

*c) Should the NSW Government invest further in supporting Small and Medium Enterprises to access trade shows and exhibitions? Are current efforts sufficient and are there any lessons for improvement?*

While the NSW Government has been generous with assistance to attend trade shows and exhibitions in the past, it can be a difficult sell for staff promoting the attendance at these show and assistance for business to attend if they haven't experienced the trade show themselves.

## *Question 20*

*a) Is there widespread industry support for the changes to the procurement landscape as identified by the Australian Defence Industry Interest Group?*

It is assumed that this question refers to the Australian Industry Defence Network and their previous submission as listed at 3.19 to 3.21. Orange City Council agrees that increasing mandated levels of Australian content in all contracts will assist in achieving Sovereign Capability.

We also agree that mandating such levels in contracts with primes and holding primes and sub-contractors liable for meeting the mandated levels to be a sound strategy for ensuring there is sufficient defence industry work to attract the interest of SME's. Without sufficient prospects of ongoing work, the entry of a business into the defence industry is unlikely. Mandated levels serve to create prospects of ongoing work for SME's.

*b) What actions should the NSW Government take to enhance the flow of Defence procurement opportunities to New South Wales Small and Medium Enterprises and New South Wales industry more generally?*

Defence NSW can play a large role in identifying procurement opportunities and negating with potential primes to create linkages to SME's and large enterprises where appropriate. This can include building a strong relationship with the Centre for Defence Industry Capability (CIDC) and Defence NSW to ensure there is a free flow of information. The relationship with the CIDC and some political lobbying could achieve a direction from the relevant Minister or the Department of Defence that includes promotional information from Defence NSW about how they can assist primes with reaching mandated levels.

## *Question 21*

*a) What further actions can the NSW Government take to provide additional support to businesses seeking to become 'defence ready'? What form should this support take?*

As outlined earlier, the provision of grants or loans from the NSW Government would allow companies to re-tool or expand substantially will enhance the ability of industry to develop strength in the critical defence capability area. Similar programs previously existed within the various guises of the Regional Development section and were very effective.

Industry often needs to move on tight timeframes when pursuing an expansion or new business opportunity. These decisions usually have to be made in weeks, if not days. The approval process for this should rest within Defence NSW and be responsive and timely for industry needs.

*b) What other examples of exemplar practice exist to support New South Wales industry become 'defence ready'?*

Orange City Council has no other examples.

#### *Question 22*

*a) What actions can the NSW Government take to assist Small and Medium Enterprises to access the finance necessary to pursue business opportunities? Does the establishment of a body, with responsibilities akin to the Export Finance Insurance Corporation, merit further investigation?*

While the Export Finance Insurance Corporation (EFIC) can assist companies when they are ready to move to export, the initial foray into defence industry is likely to be on the domestic scene. Defence NSW could operate a grants/loans scheme to assist in financing re-tooling.

*b) What steps can the NSW Government take to ensure that New South Wales industry is aware of and is making use of the services offered by the Export Finance Insurance Corporation?*

Defence NSW could ensure the industry is aware of EFIC (and all other government programs) through the employment of Industry Engagement Specialists.

#### *Question 23*

*a) What enabling infrastructure projects should the NSW Government target to support defence industry start up and growth?*

Key infrastructure to help make Central NSW and Orana regional businesses more viable in the defence industries would include the Bells Line Expressway and straightening the rail between Orange and Lithgow. These two projects alone would open up the export market for local business through reduced transport costs. They would also reduce private travel time between Central NSW and Sydney, making the area more attractive for people employed in the defence industry to relocate to.



*b) What measures can the NSW Government take to help attract defence industry workers to regional areas? For example, should the NSW Government establish a community development fund to help create defence supportive communities in regional towns?*

A community development fund would provide some assistance in developing local projects to make the transition for relocated defence industry workers a bit easier.

Orange City Council's experience in trying to attract skilled labour (over the past 14 years on various projects) has been that people who relocate are predominantly interested in:

- Knowing there is alternative employment in case the job doesn't work out
- Finding suitable employment for the spouse or partner
- Health facilities – ensuring there is a good hospital and access to GPs and specialists
- Educational facilities – for children and for themselves
- Access back to Sydney and Canberra – overcoming the fear of isolation
- Good retail sector – ensuring we have supermarkets major chains
- Law and Order – ensuring it is a safe community
- Lifestyle.

The NSW Government can help communities advertise themselves to attract workers to fill specialist defence jobs. There should also be a long term plan to train local school leavers into the positions to ensure towns retain their youth and that there is a succession plan for the business.

The NSW Government previously had a Skilled Relocation Grant that proved successful in getting skilled workers from the Sydney basin relocated to regional areas. This grant of \$10,000 was paid in two instalments to people who relocated. This grant would again ensure appropriately skilled staff are encouraged to relocate.

As Orange has a proven track record in getting people to relocate, we advocate that the Defence NSW headquarters should be located at the Department of Industry headquarters in Orange. Orange City Council actively supports economic development in this region and believes that Orange can effectively operate as a hub for Defence NSW to operate from.