28 October 2014
Defence White Paper 2015
R1-3-A135
Russell Offices
Department of Defence
P.O. Box 7901
CANBERRA BC ACT 2601

Dear Sir/Madam,

I write in reference to the 2015 Defence White Paper and hereby provide the following response on behalf of the Geelong Manufacturing Council.

The Geelong Manufacturing Council (GMC) has a strong history over 15 years as the peak manufacturing and processing body in the Geelong Region. Industry funded and governed, the GMC works with the 550 industry members in the region to progress this important sector. The GMC has support across major industry and SME’s in Geelong including companies such as Alcoa, Ford, Shell, Marand, Air Radiators, Lyondellbasell, Chemring, Downer, Worley Parsons, Godfrey Hirst, Winchester and Backwell IXI. Manufacturing accounts for 42% of regional output.

Geelong is the 11th largest urban area in Australia and continues to experience significant transitioning arising from a number of factors including announcements by Alcoa to cease operations at Point Henry in 2014 and Ford Australia of their intention to cease manufacturing in Australia by October 2016.

Automotive in particular has long been a strategic industry for the region with significant capabilities in component manufacture together with research and development creating many commonalities with Defence in areas including technology, innovation, skills and expertise.

Defence related capabilities have grown considerably across the region in recent years to represent an economically important and strategic sector. There is a strong evidence base to support the success of local procurement and scope for this to develop further in the next few years. Strong and unambiguous support of local content is fundamental to providing opportunities to maximise this potential.

Strong and clear national policy is vital for the future of the industry in Geelong and Australia to be able to fully recognise its potential. Sovereign risk and remote location factors also need to be considered as important for local manufacturing capability. This review is an opportunity for government to consider these issues in the context of strong national defence strategy.

Our industry consultation regularly and consistently points to the importance of meaningful local content provisions driving a positive outcome for Australia. Areas such as whole of life costing, design for local conditions, and maintenance across the life of the project should be given strong consideration as providing a strong justification for meaningful local content policies.

The importance of local content across the Geelong, Victorian and Australian economies should not be underestimated. Case studies support a positive outcome for the Australian taxpayer from a well defined local content requirement. The Joint Strike Fighter local content provisions have provided an opportunity for Australian companies to tender and win significant contracts and become part of
of an important supply chain in developing a successful and high performing solution to protecting Australian military personnel.

Geelong has built a diverse and growing defence capability which includes a range of companies and R&D organisations including: Air Radiators, Chemring, Marand, RPC, Industrial Control Technology and Winchester which are key companies in the Australian supply chain. Deakin University has developed significant expertise across areas such as robotics, simulation, research & development and light weight materials. The Geelong Technology Precinct is home to Centre for Intelligent Systems Research (CISR), Australian Future Fibre Research and Innovation Centre (AFFRIC) and the Institute for Frontier Materials (IFM). These institutes provide important technological linkages to industry and have a track record with providing innovative solutions to the Defence Industry.

The opening of Carbon Nexus in 2014 has provided a significant boost to Australian research and development capabilities in carbon fibre. VCAMM has supported the development of Carbon Nexus and international relationships with the carbon fibre industry. Avalon Airport and the Port of Geelong provide important infrastructure advantages for defence related activity.

The Geelong Defence Alliance (GDA) is an industry-led group established in 2013 and supported by diverse stakeholders including: Winchester Australia, RPC technologies, Geelong Chamber of Commerce, Geelong Manufacturing Council, Enterprise Geelong, G21, Committee for Geelong, ICN and Victorian Government.

The GDA aims to engage with defence and defence contractors across a broad range of projects in each defence domain of Land, Sea, Air and Systems. The GDA seeks to explore the defence related capabilities of the region, leverage potential opportunities by building capacity through collaboration and specifically:

- Educate businesses regarding the defence sector and related opportunities
- Encourage and support inter-firm collaboration, institutional development and support in targeted industrial sectors
- Develop capability to interact at a higher level within Defence
- Develop the lobbying capability of the Geelong region

Geelong has committed significant resources to co-ordinate not only a regional approach to the Land 400 Program, but one that makes a compelling case for Victoria and Australia. Multiple inward and outward delegations have highlighted the strong case for Geelong to be a central location for Land 400 and provide the best outcome for the Land 400 Program.

We believe that a meaningful and enforceable commitment to local content in Defence Policy would produce benefits across whole of project life to not only regional economies, but Victorian and National economies.

The review of the 2015 Defence White Paper is an opportunity to include local content provisions and deliver positive outcomes for Australia.

We urge the Australian Government to consider these recommendations.

Yours Sincerely

Jamie Baensch
Chairman

28/10/19