

THE MAIN PLAN

Long-term vision sets agenda for future to meet strategic and capability goals

By Jenna Sorby-Adams

THE Defence Industrial Capability Plan outlines the government's vision to achieve a more mature, resilient and internationally competitive defence industry in the next 10 years, underpinning the Government's \$200 billion investment in Defence capability over that period.

The plan was launched on 23 April by the Minister for Defence Industry, Christopher Pyne, at the Australian Strategic Policy Institute in Canberra.

"Until now, Australia has never had a long-term plan for what we want our defence industry to be, nor did we have a blueprint to guide the development of that industry," the Minister said.

"In releasing this first ever Defence Industrial Capability Plan today, the Government is putting forward its vision, its direction and plan, for a defence industry that is positioned to meet Australia's strategic and capability goals."

The Director Defence Industry Capability Strategy, Defence Industry Policy Division, Kerry Doyle, speaks of industry as a fundamental input to capability.

"We need an Australian defence industry that is capable, ready, and robust to support Defence capability," she says.

"The Defence Industrial Capability Plan is about how we will actually implement support to industry, and make sure that our industry is effective in providing those capabilities."

According to the Industry Policy and Program Officer, Defence Industry Policy Division, Veronica Jerez, the Plan's five strategic objectives not only build on the 2016 Defence White Paper and the 2016 Defence Industry Policy Statement, but bring together a host of existing defence industry policies.

"The plan in a way is another piece of the puzzle in the government's vision for defence industry", Veronica says.

"We've got the Defence White Paper, the Defence Industry Policy Statement, the Integrated Investment Program, the Naval Shipbuilding Plan, the Export Strategy, and now this is the Plan. So it's building on that whole."

A central part of the Plan is the Sovereign Industrial Capability Priorities, which are determined through the Sovereign Industrial Capability Assessment Framework.

"The Sovereign Industrial Capability Priorities are the ones that government says are so important to our Defence capabilities that we need to have access to, and control over, those industrial capabilities in Australia," Kerry says.

She says the Sovereign Industrial Capability Assessment Framework is designed to be responsive to changes in technology or our strategic circumstances, so Sovereign Industrial Capability Priorities can be reviewed.

The Plan is primarily directed at small to medium enterprises (SME) within defence industry and includes a dedicated \$17 million annual grant program to help SMEs contributing

to a Sovereign Industrial Capability Priority.

"One of the things the plan does is it explains to industry all of the mechanisms they can use to help them become part of defence industry, or if they're already in defence industry, to improve their capabilities or expand their access to Defence capability procurement processes," Kerry says.

At the most advanced stage, this will extend to exporting.

"If you're an SME and you want to work in defence industry, there's a way in, and if you're already in, there's a way up," she says.

Another key aspect of the Plan is integrating the Sovereign Industrial Capability Priorities into existing Defence decision-making processes, including Force Design and Capability Life Cycles.

"It is a way to ensure that Defence considers the health and resilience of these priorities when they're making decisions," Kerry says.

The Defence Industry Policy Division is now moving ahead with implementing the Plan in close partnership with the Centre for Defence Industry Capability (CDIC).

"Defence Industry Policy Division will be focused on integrating the Sovereign Industrial Capability Priorities into Defence capability decision-making, whereas the CDIC will be focused on delivering the new grant that goes along with the plan," Kerry says.

According to Veronica, implementing the plan will also require coordination with



a number of other initiatives including the Australian Industry Capability Program, the Defence Innovation Hub, the Next Generation Technologies Fund, the Defence Export Strategy and the Australian Defence Export Office.

Graduates Natalie Katholos and Paul Azar look forward to being involved in implementing the policy, which is for them a unique experience.

“It is an extremely valuable learning experience to witness the launch of a public policy document and to be involved in its implementation,” Natalie says.

“As graduates, we are really lucky to be immersed in a project that will affect defence industry over the next 10 years. Equally exciting was getting a selfie with Minister Pyne.”

Veronica is similarly enthused, seeing the

Plan, once implemented, as “the first step of something that could be quite transformative for Defence capability”.

For Kerry, the launch of the Plan marks the end of a prolific chapter, and the beginning of another.

“You need to recognise when you’ve made a milestone and then get ready for the next one,” she says.

Meanwhile, the Minister calls on defence industry to step up to the challenge.

“We aim to give industry the policy tools. Now it’s for industry to finish the job,” he says.

“Importantly, the plan makes clear that to be considered an Australian Defence company having an ABN and a shopfront is no longer enough – we want to see Australian leadership, an Australian board and an Australian workforce value-adding right here at home.” **D**

Strategic objectives

A broader and deeper defence industrial base

A strategic approach to defence industry investment

An innovative and competitive defence industry

A robust defence industry export capability

A Defence and industry partnership that enables Australia to pre-position for the future

Sovereign Industrial Capability Priorities

- Collins-class submarine maintenance and technology upgrade.
- Continuous shipbuilding program (including rolling submarine acquisition).
- Land combat vehicle and technology upgrade.
- Enhanced active and passive phased array radar capability.
- Combat clothing survivability and signature reduction technologies.
- Advanced signal processing capability in electronic warfare, cyber and information security, and signature management technologies and operations.
- Surveillance and intelligence data collection, analysis, dissemination and complex systems integration.
- Test, evaluation, certification and systems assurance.
- Munitions and small-arms research, design, development and manufacture.
- Aerospace platform deep maintenance.