



## AUSTRALIAN INDUSTRY & DEFENCE NETWORK INC

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PO Box 334  
Ashburton  
Victoria 3147  
Australia

Tel: +61 (3) 9885 0907  
email: [admin@aidn.org.au](mailto:admin@aidn.org.au)  
web: <http://www.aidn.org.au>

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For immediate release

### Australian Industry & Defence Network – White Paper Release 2016

“The Australian Industry and Defence Network (AIDN) welcomes the release of the much awaited 2016 Defence White Paper and its associated policy documents the Defence Industry Policy Statement (DIPS), and the Integrated Investment Program (IIP). The immediate reaction from our members is one of relief that a clear set of government positions and plans have been released” Said Alan Rankins the National President of AIDN, an official guest at the Defence White Paper release.

“For the first time, AIDN’s long called for recognition of Australia’s defence industry as a Fundamental Input to Capability (FIC) has been formalised by the government. The continuous build strategy for the Australian Naval shipbuilding industry has been an AIDN platform in our SME Participation Plan and is also welcomed by our members. The government’s further commitment to forming a new partnership with Australian industry is applauded.

AIDN has been working with the new Capability, Acquisition and Sustainment Group (CASG) and Defence to grow this industry relationship with the SME base and will continue to strengthen these ties proactively. The establishment of the Centre for Defence Industry Capability (CDIC) will facilitate this growing, close relationship.

Implementation of the DIPS, in particular with ensuring the most positive impact on Australia’s defence SMEs is our clear focus now. “AIDN is particularly interested in the firm schedule for implementation of the CDIC and the establishment of the Defence Innovation Hub by the second half of this year. It is clear the movement of DIIC functions to this new CDIC will generate many benefits for the Australian defence industry and other stakeholders”.

A stronger Australian Industry Capability (AIC) Program can only benefit Australia. AIDN will focus its work on assisting the CDIC to effectively manage and assure AIC Plans. This will be coupled with the implementation of the Defence Industrial Capability Plan by second quarter of 2017. AIDN intends to work with Defence to examine ways this schedule can be accelerated.

Whilst a continuous build strategy for the maritime sector is welcomed, there remains a lack of clear assurance that all elements will be built in Australia. AIDN is clear that without this, Australia’s sovereign ship support capability remains in significant jeopardy.

“AIDN’s State Chapters are effectively “championing” their state capabilities and our National body fully supports this very effective representation of state capabilities. AIDN remains firmly focused, as the driving combined voice for SMEs in defence industry, that the shipbuilding program MUST be conducted in Australia for the government to meet its obligations to ensure the safety and security of the Australian people.” said Mr Rankins.

The Government has recognised that retaining the capability of the ADF and APS personnel is one of their most important challenges. AIDN submits that this challenge is extended to the capability of personnel within Australia’s defence industry, which is equally important. Program

implementations that restrict defence access to innovative and effective SMEs in either Acquisition or Sustainment organisations will be challenged by AIDN. A strong direct engagement mechanism by Defence towards AIDN SME members is vital and this should not be masked by overbearing contract mechanisms, or multi-staged engagement contracts via managing or prime contractors where no value is added or impartial “best for position” decisions are not made. We applaud the DIPS stated intent to streamline the procurement processes.

Finally, the challenge has now been set for both Defence and its newest FIC...Australian defence industry. Effective and swift implementation is the key. AIDN will continue to grow our efforts to assist and advise without fear or favour in a constructive environment that shows respect for each other.

“It is AIDN’s intent to study the released documents with our members and formulate our considered response in the form of an updated AIDN SME Participation Plan and Industry Involvement paper prior to the Defence & Industry Conference later this year” said Mr Rankins.

Alan Rankins  
AIDN National President  
Mob: 04130 144 80