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Committee Secretary
Joint Standing Committee on Foreign Affairs, Defence and Trade
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Via email: jscfadt@aph.gov.au

The Chamber of Commerce and Industry Western Australia (CCI) is the peak representative body for businesses in Western Australia. We represent more than 9,000 small, medium and large businesses, not-for-profit organisations, and government enterprises across the State's economy and from all regions of WA. Our vision is for Western Australia to be a world-leading place to live and do business.

CCI has played a key role in leading WA's defence advocacy through our WA Defence Industry Council, which is an initiative to promote WA's elite defence capabilities and competitive advantages.

CCI welcomes the opportunity to provide comment on the Defence Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade ***Inquiry into the benefits and risks of a Bipartisan Australian Defence Agreement, as a basis of planning for, and funding of, Australian Defence capability.***

The 2016 Defence White Paper and associated Integrated Investment Program were welcomed by industry for providing the long-term investment certainty required to meet Australia's strategic defence objectives.

The reality is of course that it currently takes only an election cycle for these long-term strategic plans to change. Fundamentally, CCI welcomes the premise of this inquiry – that there are some policy issues that should transcend party politics, with the defence of our nation the highest of examples.

From an efficiency and economic perspective, a bipartisan approach to the planning and funding of our defence capability would ensure Australia's national security has a clear, long-term, bipartisan supported objective.

CCI therefore supports a Bipartisan Australian Defence Agreement as it would:

- Allow industry to plan long term investments to support ADF capability through technology advancements, efficient processes and asset management;
- Reduce industry's inefficiencies with mobilising and demobilising workforce requirements;
- Ensure our defence industry remains internationally competitive and retains its skilled workforce; and,
- Maximise Western Australia's investment in naval shipbuilding.

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CCI makes the following further comments on the terms of reference:

- ***The efficacy of Australia's existing strategic planning processes and associated documents including – but not limited to – the Defence White Paper, Integrated Investment Plan, force structure reviews, Sovereign Defence Industry Plan and Naval Ship Building Plan – to deliver the best and most capable Defence force that Australia can afford.***

CCI notes recent changes in force structure planning through ongoing force design reviews but acknowledges there are still challenges with defence capability development and investment process which require improvement. To provide certainty for national security and business investment, CCI supports the following measures:

- Early and meaningful engagement with industry in the force design cycle;
- A transparent, detailed and regularly updated Integrated Investment Plan that is available online and commits to specified levels of funding;
- Early publication of the proposed Defence Industrial Capability plan which articulates the sovereign industrial capabilities;
- An updated naval shipbuilding plan setting out Australian industrial requirements, skills and workforce

The Agreement could commit Australia to being a continuous shipbuilding manufacturer. This would provide reliability in terms of business investment, while also ensuring Australia's defence industry workforce has confidence in career longevity.

- **Efficacy of bipartisan and / or independent approaches to strategic Defence planning in other nations such as the USA and Denmark**

The Danish Defence Agreement is a benchmark for this approach, considering it has a parliament with eight democratically-elected parties and has produced three bipartisan agreements since 2005.

Much like the Danish agreement, CCI supports an Australian agreement that attempts to clarify:

- The strategic intent for Australia's Defence Force;
- The force structure;
- Readiness levels for different elements of capability;
- Notional duration of sustained operations and the level of concurrency as well as the funding that will be provided.

The agreement binds whichever coalition of party's form Government and most importantly, provides for amendment when the need requires. This should again involve all parties to the agreement to the extent possible.

- **The principles of a process to achieve a Bipartisan Australian Defence Agreement that would be effective within Australia's Westminster form of executive government**

As far as CCI is aware, there is no precedent for a formal agreement of this type within the Australian system of government. CCI is aware that there is precedent for cooperation and information sharing between Ministers and their Shadows, which has service the nation well.

An agreement would need to set out a framework for decision making that allows bureaucratic and political decisions to be made without unnecessary delay. Key considerations CCI encourages the Defence Sub-Committee to give regard to, include:

- If the agreement is not subject to the normal process of legislation, how will it be enforced?
 - If the agreement is to be agile enough to be amended when the need requires, what will that mechanism be?
 - Who determines what is or what is not an immediate need for amendment?
 - Any response to a major defence and security issue would need to be made without delay. If an agreement cannot be reached between the Government and the Opposition of the day, what would be the process for resolving a policy position which would ultimately be without bipartisan support?
- **Any other related matters.**

WA's world-class defence industry is committed to playing a crucial role in the national shipbuilding effort. WA is a global leader in shipbuilding and defence, with our sophisticated defence supply chain boasting more than 180 leading, innovative companies, which excel in all areas of construction, including design, build, maintenance, upgrades and exports.

CCI has been focused on advocating for the state to secure home porting and the long-term maintenance and sustainment of the offshore patrol vessels, the Collins Class Fleet, Future Frigates and other naval vessels.

The WA business community would welcome the opportunity to be involved in the development of a Bipartisan Australian Defence Agreement and to be recognised as a global leader in shipbuilding and defence. With the strategic importance of direct access to the Indian Ocean and HMAS Stirling – the Royal Australian Navy's largest base – WA has a critical role in the nation's defence and sovereign capability.

- **The Inquiry may also make observations and recommendations on whether a Bipartisan Defence Agreement should include the role and responsibilities of other agencies that contribute to Australia's foreign policy, intelligence and security, and Defence architecture.**

CCI believes that a comprehensive and well-informed Bipartisan Defence Agreement must have input from other agencies, including the Department of Foreign Affairs and Trade, the soon to be established Department of Home Affairs and their associated security and intelligence agencies.



The involvement of additional agencies would naturally lead to additional time to develop the agreement therefore the level of involvement would need to be carefully considered and weighted.

Overall CCI welcomes this inquiry and its potential to significantly change the current approach to defence policy, improve economic stability and increase industry involvement.

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Yours sincerely

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Deidre Willmott
Chief Executive Officer