

Committee Name
ANSWERS TO QUESTIONS ON NOTICE
Department of Industry, Science, Energy and Resources
Australian Manufacturing Inquiry
06 December 2021

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

TOPIC: QoN 2 - Vision of Manufacturing

REFERENCE: Question on Notice (Written, 06 December 2021,)

QUESTION No.: 2

Your submission states a Vision for “stronger manufacturing base will be enabled by a larger number of medium-sized defence businesses that can secure long-term supplier relationships, contribute to and sustain defence capability, and engage with small businesses.”

Q. How does the Department measure whether there is improvement/growth/progress with this Vision?

Q. Has there been any improvement in this area since the last Federal Election in May 2019?

Q. What actions does DISER specifically take on a regular basis to improve the metric for this area of its work?

Presumably, a lot of work improving ‘defence manufacturing capability’ is done by the Department of Defence.

Q. In working toward achieving your Vision in this space, how does DISER work closely with and collaborate with the Department of Defence?

Q. Are there regular meetings between DISER and Defence to improve Australian manufacturing in defence industry?

Q. Are inter-departmental teams established (between DISER and Defence) to grow the Australian sovereign defence manufacturing sector?

If yes:

- a. What are they?
- b. How frequently do they meet?
- c. What is their membership?

ANSWER

Interdepartmental engagement

The Department of Industry, Science, Energy and Resources (the Department) works with the Department of Defence (DoD) to identify opportunities for growth and scale of Australia’s defence industry and defence manufacturing capability. This includes the Office for Defence Industry Support, the Nuclear-Powered Submarine Taskforce, Defence Radiation Safety and Environment team, the Sovereign Guided Weapons and Explosive Ordnance Enterprise team, the Capability Acquisition and Sustainment Group and the Defence Industry Policy Division within DoD.

Measurement of impact of initiatives

The industry-led Defence National Manufacturing (NMP) roadmap was released in March 2021 – setting out goals, opportunities and actions over the next 2, 5 and 10 years for industry and government to strengthen Australia’s defence manufacturing capability. The roadmap focuses on

creating long-term transformative change and growth in higher value-added activities in the defence manufacturing sector and aims to take Australia into new and different defence manufacturing activities to deliver economy-wide benefits.

On 8 December 2021, the Australian Bureau of Statistics (ABS) released a paper on the outcomes of a feasibility study into the development of an Australian Defence Industry Account (ADIA). The ADIA will measure the direct economic contribution of Defence expenditure to the Australian economy in terms of Gross Value Added (GVA) and employment. The ADIA will also provide information on the structure and characteristics of the businesses providing the goods and services to Defence. This work will assist with benchmarking and informing an understanding of the impact of the Modern Manufacturing Strategy (MMS) and outcomes in achieving the 2, 5 and 10 year goals set out in the Defence National Manufacturing Priority Roadmap.