



NIOA's Submission

Joint Standing Committee on Foreign Affairs, Defence and Trade inquiry into the
Department of Defence Annual Report 2023-24.

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Executive Summary

The NIOA Group (NIOA) welcomes the opportunity to provide a submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade to inform its inquiry into the Department of Defence Annual Report 2023-24.

Our submission responds to, and makes recommendations relating to, focus area one listed in the inquiry's Terms of Reference – '*Sovereign Defence Industrial Priorities (SDIP)*'. As the largest supplier of non-guided munitions to the Australian Defence Force (ADF), NIOA is well positioned to provide insights into Defence's progress to achieving the SDIPs outlined within the 2024 Defence Industry Development Strategy (DIDS).

NIOA plays a pivotal role in meeting Australia's SDIPs by enhancing self-reliance, investing in R&D, fostering local industry development and ensuring that the Australian Defence Force is equipped with high-quality, locally produced munitions and armament systems. Our focus on local manufacturing, technological innovation and strategic collaboration supports the nation's goal of building a resilient and competitive defence industry capable of safeguarding Australia's national interests.

If you have any questions about the content of our submission, please contact Nigel Everingham

Recommendations

The NIOA Group recommends that:

Recommendation 1: Investment in domestic manufacture of munitions and energetics

The Committee acknowledges the significant body of work the Government is undertaking to implement the SDIPs. The Committee also acknowledges the critical need for sustained investment in domestic munitions and energetics production, as this aligns directly with the Government's SDIP4, specifically the goal of establishing a domestic capability to manufacture guided weapons, explosive ordnance and munitions. This investment will significantly enhance Australia's sovereign defence industrial base, fostering resilience and self-reliance in critical times.

Recommendation 2: Supply Chain Resilience

The Committee advocates robust supply chains built on trust and recommends boosting domestic production to satisfy both national and international market demands, reflecting a strategy to enhance supply chain resilience and self-sufficiency. Significant progress is already underway in this area, with the department's emphasis on strengthening domestic supply chains playing a key role in building a resilient and sovereign industrial base.

Recommendation 3: Workforce Transformation

The Committee acknowledges Defence's need for continued industry partnerships to build, train and keep the skilled workforce necessary to achieve the strategic goals outlined in the Defence Strategic Review (DSR). These partnerships are vital for a resilient defence industrial base and a capable workforce that can meet evolving security challenges and deliver Australia's strategic priorities. NIOA has introduced a suite of workplace transformation initiatives aligned with the DIDS, aimed at continuously enhancing and upskilling its workforce.

Submission

Sovereign Defence Industrial Priorities

Introduction

The 2024 DIDS acknowledges that while Australia's defence industrial base may never be entirely self-reliant, it must nonetheless be capable of meeting Defence's requirements in terms of capacity, size and scalability, with the agility to respond rapidly when needed. It must also be resilient to external disruptions by reinforcing and diversifying its supply chain networks. To remain effective, the industrial base must be competitive, delivering the systems, technologies, materials, services and products essential to Defence's mission. Furthermore, it must be innovative, maintaining a technological edge and advancing the development of asymmetric capabilities that Defence requires.¹

The 2024 DIDS outlines a clear roadmap for procurement reform, export support, and workforce initiatives aimed at enhancing preparedness and mobilisation. The level of industry engagement to date is commendable and will be critical to the successful implementation of the SDIPs, helping to underpin long-term success.

As outlined in the 2024 DIDS, NIOA agrees that a strong, reliable and effective sovereign defence industry is vital to safeguarding Australia and advancing its national interests. With a proven track record in building and delivering critical capabilities, NIOA has led significant investments in Australia's defence manufacturing base. The organisation is strategically positioned for growth and scalability. As a 100% Australian-owned Prime Contractor, NIOA is deeply committed to being a trusted and dependable steward of the capabilities under its management and works hand in glove to support Defence and the priorities of the Australian Government.

Investment in domestic manufacture of munitions and energetics

The ongoing investment into the domestic manufacture of munitions and energetics has a direct correlation to achieving enhanced self-reliance and resilience of guided weapons and explosive ordnance. NIOA is contributing to a robust, reliable and effective sovereign defence industry through several partnerships working and supporting the ADF. These include; the Major Munitions Contract (MMC) to deliver more than 50 different munitions to the ADF including 30mm and 40mm for the LAND 400 program, delivery of the next generation weapon systems under the ADF's LAND 300 Lethality project, and the joint venture between Rheinmetall Waffe Munition GmbH (RWM) and NIOA (Rheinmetall NIOA Munitions (RNM)) in Maryborough Queensland, to forge and finish large calibre projectile shells for 155mm artillery munitions and metal parts for other munition-related products.

¹ Defence Industry Development Strategy, 2024, Commonwealth of Australia, pg 4.

In addition, NIOA is supplying a suite of advanced 155mm munitions to the ADF under the LAND 17-1C.2 Future Artillery Ammunition program.

In 2021, the NIOA Group established the Australian Missile Corporation (AMC) to support the Commonwealth Government's establishment of the Guided Weapons and Explosive Ordnance (GWEO) Enterprise. As an Enterprise Partner, the AMC supports GWEO Group in the establishment of domestic GWEO manufacturing capability.

The continued investment in domestic manufacture of munitions and energetics by the NIOA Group through the MMC, RNM and AMC is supporting the Government's goal of establishing a strong sovereign defence industrial base as a component of Australia's national power which contributes to regional stability.

This investment and establishment of capability have ensured that supply chains remains sovereign, while fostering a strong working relationship between NIOA as a critical supplier and the ADF as the primary end user.

Supply Chain Resilience

The NIOA Group is supporting efforts to enhance Australia's supply chain resilience through a combination of strategic planning, technological integration and a diversified supply network. These actions help to mitigate risks from geopolitical instability, natural disasters and market disruption.

NIOA's growth into overseas markets enhances Australia's resilience through reduction of risk through diversification of production locations, reduced transport time and cost for supplies, and support to and greater opportunities for local industry. Additionally, by understanding innovations and practices from other markets, NIOA can support the strengthening of domestic industrial capability through its Australian supply chain.

Expansion of Australia's defence industry into like-minded economies such as the AUKUS partners, the United Kingdom and the United States, supports the development of supply networks that complement Australia's alliances and partnerships. This approach supports collective resilience, and supports Australia's resilience by ensuring products can flow in times of global disruption.

The integration of Australian defence industry into global supply chains also grows the resilience of the sovereign defence industrial base and secures long-term growth through a diversified customer base.² The NIOA Group is actively integrating into global supply chains through the Rheinmetall NIOA Munitions (RNM) forge in Maryborough, Queensland, and its acquisition of Barrett Firearms in Tennessee, United States, in 2023. NIOA further supports the strengthening of supply chains in other ways.

As a GWEO Enterprise partner, the AMC is engaged to assist the Department of Defence to mobilise Australia's industrial base in support of the enterprise to include the manufacture of selected weapon sub-sections and components to improve supply chain resilience. The

² Ibid, pg vii

GWEO Enterprise is essential in securing domestic manufacture of munitions and can support allies, such as the United States, by delivering a trusted second source of critical munitions.

Opportunities to strengthen supply chain resilience also exist through initiatives such as the Partnership for Indo-Pacific Industrial Resilience (PIPIR). The PIPIR was launched in 2024 in response to growing global security challenges, including the war in Ukraine, tensions in the Indo-Pacific, and the need for more resilient and distributed defence supply chains. The initiative includes supply chain cooperation opportunities³ and was endorsed by the Secretary of War, Pete Hegseth, during the Shangri-La Dialogue in Singapore in May 2025.

Additionally, the 2024 US Department of War (DOW) Regional Sustainment Framework⁴ specifically calls for engagements and partnerships with allies to ensure the materiel readiness of the force in a contested logistics environment.

This resilience goes beyond investment into industrial facilities and throughput capacity but also includes specialist expertise and knowledge as well as skilled labour and workforce training.

Workforce Transformation

The 2024 Defence Workforce Plan outlines the workforce requirements to deliver the National Defence Strategy (NDS) and Integrated Investment Program (IIP). It includes eight strategic tasks that Defence will implement to meet the current and future needs of Defence's workforce including Strategic Task Three – Partnership with Defence Industry.⁵ The NIOA Group and Defence continue to work together to meet the challenges of establishing a strong sovereign industrial base, and to align with the priorities contained within the 2024 Defence Workforce Plan.

NIOA is proud to be working with the Australian Manufacturers Workers Union across its workforce and facilities to enhance worker training, provide better engagement with the workforce and support manufacturing capacity and integration to other worksites.

NIOA is committed to building workforce capability and partnering with Defence, academia, industry and education groups through programs such as the Engineers Australia's Engineering Workforce Credentials (EWC) partnership. The EWC program provides a structured and supported pathway to internationally recognised credentialing, including advancing engineers to become chartered engineers, fellow members or engineering executive members.⁶ In 2024 the first cohort of the NIOA Group and Engineers Australia's EWC received their chartership.

³ <https://www.minister.defence.gov.au/statements/2025-05-31/trilateral-defence-consultations-ministerial-meeting-joint-statement-efforts-deepen-our-defence-cooperation>, 31 May 2025.

⁴ Regional Sustainment Framework, 2024, Department of Defense, pg 5.

⁵ 2024 Defence Workforce Plan, Commonwealth of Australia, 2024, pg 22.

⁶ <https://www.nioa.com.au/latest-news/nioa-supports-engineers-of-the-future>, 31 July 2024.

Defence should continue to partner with industry through programs like the EWC to create, train and retain the highly skilled and experienced workforce required to meet the strategic priorities outlined in the DSR. NIOA is fully supportive of the development of Australian workforce capacity that the Government and Defence have undertaken to date. NIOA is supportive of any future investments in STEM to continue to build the skilled and multi-disciplined workforce that Australia needs.

NIOA acknowledges and supports the Government's plan to target investment to identify and support the development of a skilled defence industry workforce. To simplify direct industry grants arrangements, the Skilling Australia's Defence Industry Program has been streamlined into the new consolidated Defence Industry Development Grant Program. The Program will fund on-the-job, external and internal training to give industry a greater range of learning mechanisms to upskill workers, while retaining them in the workplace.⁷

NIOA has an extensive track record of working with Government to achieve policy objectives and we stand ready to support our workforce and build on the programs being undertaken to develop and expand Australia's Defence Industry Workforce.

Conclusion

Australia should continue to invest in a strong, reliable and sovereign defence industry to enhance national self-reliance and resilience – particularly in the GWEO Enterprise. Strengthening domestic industrial capability aligns with the priorities outlined in the DIDS and the DSR, ensuring Australia is well-prepared to meet future strategic challenges.

NIOA fully supports the Government's commitment to building a robust and sovereign defence industrial base. The release of the 2024 DIDS, along with the SDIPs, provides clear strategic direction for Defence and industry collaboration. NIOA is actively contributing to these efforts through its focus on domestic munitions manufacturing, support to the GWEO Enterprise, and the implementation of workforce transformation initiatives.

We welcome the opportunity to continue supporting Defence in delivering the objectives outlined in the DIDS and are pleased to provide this formal submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade inquiry into the Department of Defence Annual Report 2023–24.

⁷ Defence Workforce Plan, pg 73.

About NIOA

NIOA is the largest Australian-owned supplier of munitions to the Australian and New Zealand Defence Forces and law enforcement agencies.

Headquartered in Brisbane, Australia, NIOA has a presence across Australia, New Zealand, the United Kingdom and in the United States. NIOA's modern, purpose-built facility in Brisbane includes state-of-the-art testing capability, storage and distribution logistics, engineering, and through-life technical support including training, maintenance and repair, configuration management and introduction into service/qualification.

As a large provider of firearms, weapons, munitions and technical support for critical programs in several countries, NIOA works with many Australian and international companies. NIOA supplies and supports a wide array of small arms, medium and large calibre munitions, special function grenades and pyrotechnics, leading edge pistol systems, optics and carriage solutions.

NIOA manages a significant portion of the Australian Government-owned munitions manufacturing facility at Benalla in Victoria and has established a world-leading artillery shell forging plant in Maryborough, Queensland, in a joint venture with RWM.

The Australian operations include key Defence munitions programs. NIOA is the largest supplier of non-guided munitions to the Australian Defence Force delivering Australia's future family of 155mm artillery munitions, the medium calibre munitions for the LAND 400 Phase 2 Armoured Reconnaissance Vehicle capability, Australia's mortar capability as well as select munitions for the Abrams tank and more than 50 other strategic munitions.

NIOA Contact Details

For further information on this submission and additional information relating to NIOA's capabilities and experience, please contact the below:

Nigel Everingham, Group Chief Operating Officer

Nigel Everingham became Chief Operating Officer of the NIOA Group after over four years at the company, working as the Manager of Corporate Affairs and Strategy and as Chief Operating Officer.

Nigel has an extensive career background in both business management and politics. Mr Everingham began his career in business management, working as Regional Manager for Southcorp Wines and Fosters Group, as well as General Manager for the McLachlan Group of Companies. In 2013, Mr Everingham made a career change into politics, working as a Senior Advisor in several offices. During this time, he gained valuable insights into the dynamics between Government and the Department of Defence, while developing a deep understanding of the defence industry.