



9 September 2021

Senator Anthony Chisholm
Chair
Senate Standing Committees on Economics
References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Senator Chisholm

RE: Inquiry into The Australian Manufacturing Industry

On behalf of Innovaero Technologies Pty Ltd (Innovaero), may we extend our sincere thanks and congratulations for the leadership you and your parliamentary colleagues have demonstrated in supporting our fellow Australians through the COVID-19 pandemic. The strong bipartisan collaboration at this time of unprecedented national crisis is to be commended and we extend our ongoing support and appreciation to you all at this exceptionally challenging time.

By way of introduction, Innovaero is a 100% Australian owned and operated aeronautical product development and manufacturing company, based in Karindya, Western Australia. We are a proud Australian-Veteran employer and have a growing national footprint, currently employing 32 Australians. We also have an extensive local supply chain which includes over 30 Australian service and manufacturing vendors that span both the East and West Coasts of Australia.

Innovaero is currently working towards the launch of our new Tactical Unmanned Aerial System (TUAS), the InnovaeroFOX (the FOX). The FOX has been purpose built in response to the Royal Australian Navy's (RAN) call for a new intelligence, surveillance and reconnaissance (ISR) and targeting capability for RAN ships, through the SEA 129-5 initiative. The FOX's ground-breaking 100% Australian sovereign design is revolutionary in its field and will deliver unmatched multi-mission and multi-domain capabilities.

As a proven sovereign manufacturer with over 15 years of global export experience and as a relative newcomer to the Australian defence industry, Innovaero welcomes the opportunity to offer our submission to the above inquiry, providing our insights of our experience in the thriving Australian manufacturing industry.





In particular, we would like to address three of the Terms of Reference directly.

B. The role that the Australian manufacturing industry has played, is playing and will play in the future;

The COVID-19 pandemic has highlighted that the Australian manufacturing industry is a crucial pillar in our nations resilience and in the longevity of our sovereign industrial capability. Innovaero, together with the Australian defence industry, is already heavily involved in the manufacturing and delivery of key products and initiatives in support of the Australian Defence Force (ADF). Innovaero has been grateful for the opportunity to contribute to the further development of Australia's sovereign capabilities through the support of initiatives such as the Centre for Defence Industry Capability (CDIC) and the Modern Manufacturing Initiative (MMI)

Innovaero is a proven example that there is enormous homegrown talent in the Australian defence industry that can be harnessed to ensure and guarantee the development of our sovereign capabilities for our future defence posture. Innovaero were pleased to see that a key priority for the Australian Government over the next decade is growing Australian defence industry supply chain so that it can support the required delivery of high-quality Defence capabilities and welcome the opportunity to participate further in this priority area.

F. identifying new areas in which the Australian manufacturing industry can establish itself as a global leader.

Innovaero welcomed the Australian Government's announcement in October 2020, identifying the defence industry as a National Manufacturing Priority. We further welcome the Minister for Defence's statement highlighting the need for Australia to develop its own unmanned aerial surveillance capability.

Innovaero is an example of an Australian owned, multi-award winning and global export company that has been able to produce innovative aeronautical technologies and manufacture products and components in support of the ADF's Sovereign Industrial Capability Priorities (SICPs) on shore. Indeed, Innovaero delivers sovereign manufacturing capabilities by Australians, for Australians. Innovaero has the unique skills to deliver defence capability. We are at the forefront of innovation in delivering new and inexpensive unmanned systems. We lead Australian technological developments in unmanned aerial surveillance. Innovaero is an example of a small business that can support Australia establish itself as a global leader.

The COVID-19 pandemic has also highlighted on the risks for the Australian defence industry on being reliant on offshore global supply chains - and unfortunately, the current Australian unmanned aerial surveillance market is currently dominated by foreign owned primes.



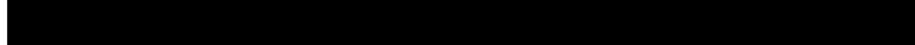


By recognising the innovation developed onshore and with further support, Australian SMEs in our defence supply chains would be able to scale up and grow to deliver reliable and sustainable capability for the ADF. Australia has the sovereign manufacturing capability to be able to establish itself as a world leader, however we need to work on recognising the homegrown talent in precision aviation engineering and manufacturing, in order to be able to support SMEs such as Innovaero to become competitive against global offshore enterprises.

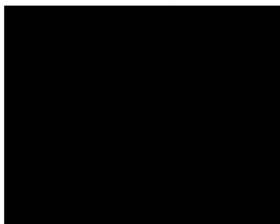
The Australian Government is providing much welcomed support and assistance to the Australian defence industry, and to many SME's like Innovaero, through initiatives such as the CDIC and MMI. However, to enable SMEs to grow and support our sovereign industrial capability priorities we need to recognise the value of domestic manufacturing and local supply chains. We need to recalibrate policy settings so that foreign-owned primes are not favoured over 100% Australian owned and operated businesses whose economic contribution remains onshore through job creation and local supply chains. Australian talent is being harnessed and recognised, but there is always more that can be done to support and facilitate national growth and sustainability in our manufacturing industries.

Once again, thank you for the opportunity to make a submission the inquiry on the *Australian Manufacturing Industry*.

Should you like a more detailed briefing on any aspect of our organisation, or the issues raised in this submission, please do not hesitate to contact myself directly or our public affairs adviser,



Kind regards



Simon Grosser
Group Chief Executive Officer

