

Queensland Defence Industries Envoy – Mr Lindsay Pears

Speech for Parliament House function

24 June 2014

Thank you Deputy Premier for your kind introduction, for your strong support for defence industry, and for this event tonight.

I also thank our MP's. It's great to see so many of you here. I would urge the visiting CEOs to seek out the Members present and engage, and vice versa.

I also welcome the members of the AIG National Executive Defence Council, the peak body representing Australian Defence Industry. My thanks to the Chair, Chris Jenkins, and the Executive Director, Johnno Callaghan, for holding the mid-year meeting in Brisbane, and also for the opportunity for Queensland's defence industry to meet with the prime contractors tonight.

To help, we have marked the ID cards of the council members with a silver star to make them easier targets. We have over 240 people here tonight, ~10 per AIG Council member. I look forward to hearing about 10 new contacts per CEO tomorrow, noting that by definition, I already have my 240 as the benchmark.

The Deputy Premier outlined some of our achievements to date, so I will not go over that ground again, but will look to the future.

RAAF Amberley continues its expansion. By 2023, all RAAF heavy and battlefield lift will be based there, as well as strike and electronic warfare fleets, rising from 3500 now to ~5000 people.

The aspirations of the Chief of Air Force were outlined in his recent speech at the Williams foundation dinner. Plan Jericho, which invokes the WWII spirit of Operation Jericho by 464 SQN, should lead to more opportunities and participation by industry.

The chief set a clear expectation of industry to help knock down the walls of non-value adding processes, and to bring new and innovative ideas to integrate and fuse data from new Aerospace Battle Management capabilities and sensors that the RAAF did not have at the turn of the last century. The necessary skills are here in Queensland. Amberley is key, and many here tonight know where and what the walls are.

For those of you who did not understand the significance of 464 Squadron Operation Jericho, I recommend that you read Air Commodore Mark Lax's book on the topic, Gestapo Hunters. If you read it, you will note that those that did not anticipate the walls coming down suffered some unfortunate consequences. Best to be ready, and best that industry works out how to collaborate to support the chief – do not wait for a request for tender (RFT) to emerge. The process is too complex to define easily – it will need lateral thinking and a variety of primes and platform OEMs to collaborate in a way that they have not done before – voluntarily.

By 2020, several of the RAAF fleets will be around 25 per cent of the way through their service lives, or more in some cases. Queensland still has the skills to deal with aging aircraft, but we must also act soon to retain and hand on this know-how to a new generation, and refine their application to new structures and technologies.

This skills preservation and reinvigoration has started in collaboration with industry and academia to ensure we are well placed to support the RAAF well into the future.

Approximately 40 per cent of Army, representing ~70 per cent of the fighting force along with their vehicle fleets, are now based in Queensland. The majority of new fleets introduced up until 2030 will be based here. The 6th Brigade is consolidating here. Over 60 per cent of Army Aviation will continue to operate in Queensland, as will our colleagues in the Republic of Singapore Air Force. Townsville Berth 10 is the place from which amphibious operations and humanitarian missions will be launched for the near future, and Queensland has precedence as a site for vehicle pooling facilities adjacent to training areas.

Vehicle acquisition, support and fleet retirement will be a dominant part of defence industry activity in this space. Much of the on board systems integration of battle management systems (BMS), communication systems and the like is either happening here, or will happen.

Many primes are already moving their support and logistics infrastructure to where the fleets are. The vertical integration of back shops and operations, the ease of transition from assembly lines to support, mods and upgrades, should help drive location of project execution. All signs point to Queensland.

The Queensland heavy vehicle industry precinct has over 150 members with capabilities to contribute to new vehicle programs like Land 400. This has been acknowledged by those primes who have quickly grasped the risk reduction and proximity offered by work placement in Queensland.

This is where the front line is for assembly, support and upgrade of these vehicles, for their 25-30 year lives.

Queensland marine industries continue to display outstanding capabilities, particularly in remedial action in support of Armidale class, and other patrol boats. Yards in Queensland continue to build a wide range and quantity of ships under 1000 tonnes for the police and security patrol boat market region. New opportunities arising from the support of large commercial vessels are steadily rebuilding capability and infrastructure in Brisbane, Cairns and Townsville, and new port works in Cairns recently announced by the Deputy Premier support this growth. Those primes with foresight already understand the capability of our yards to lead the way in patrol boat programs, and are actively engaged. We will also continue to seek opportunities in aligned Asia Pacific countries, and with the regional United States military forces.

However, in all of these sectors, the Department of Defence has made it clear that we not only have to earn the right to execute the work, but also earn right to participate in the competition.

With the scene then set for credible, stable and well-planned acquisition cycles by the federal government, and a budget rising to around \$40 billion per annum by 2023 based on the two per cent of GDP trajectory, I would suggest that they are fulfilling their part of the bargain in planning for the defence of our nation.

To succeed over the next decade and earn the right to participate, it is incumbent on us to make sure we have the right skills and capabilities to execute and perform to the required standards. The signals from the Department of Defence on this topic are clear

and we will be paying close attention. This will be a primary mission of Defence Industries Queensland, and we look forward to working with you to realise those objectives.

Defence reform will require yet another round of detailed reviews and this will take at least 12 months. The White Paper, Force Structure Review, Industry Policy and Defence Capability Plan (DCP) will be generated at the same time as the first principles review which is likely to align with the defence section of the National Commission of Audit (NCoA). Defence acquisition and support will change, as will the DCP. We can therefore expect quite a number of changes to commence in the defence financial year 2015-16 and perhaps tracking through for three years or more. Opportunity should abound.

Queensland will be making a submission to these plans, and the related review of the Development of Northern Australia.

Our proximity to regional turbulence is self-evident, as is our strategic infrastructure and the need to defend it. We will continue to work closely with defence to make sure that Queensland's strategic plans are understood at the outset, that they acknowledge defence intent and encourage defence presence, and to ensure that we ease force placement.

Presence, proximity and capability equals growth, and that is what we will strive for in Queensland, the strategic state and the front line for defence industry.

Before I close, I would like to draw your attention to Wandering Warriors. Wandering Warriors is a nationally registered 'strategic fundraising charity' that distributes funds to a wide range of Australian veteran's charities. They draw on national support from

the membership base of the Australian Special Air Service Association. They differ from other charities in the fact that they ‘care for the carers’ of our young physically and mentally wounded. As a ‘strategic fundraising charity’ they are dedicated to raising and distributing much needed funds to government approved veteran’s charities. This year, their major fundraising activity is a Brisbane to Canberra Mega-challenge (approximately 1300 kilometres)—a walk from Brisbane to Canberra (via Bathurst), departing Brisbane 28 September to 16 October 2014.

Quentin Masson chairs the Wandering Warriors, so please contact Quentin or Defence Industries Queensland if you wish to support them in any way, and I would urge you to do so.

I also draw your attention to Brad Cordery, Executive Director, Anzac Centenary Coordination Unit. Please seek out Brad this evening and discuss how you could support our initiatives across the breadth of this state.

Ladies and gentlemen, thank you for listening. Please use the rest of this evening to meet new industry colleagues, MPs and the AIG CEOs and explain what you bring to this exciting future.

Thank you for your attention, have a great evening.