



PUBLIC SAFETY TRAINING AND RESPONSE GROUP

Public Safety Training and Response Group Submission

The inquiry into the performance of the
Department of Defence in supporting the capability
and capacity of Australia's defence industry.

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Introduction

In response to the terms of reference,¹ Public Safety Training and Response Group's submission outlines:

- The wider impact of the Department of Defence's support of adjacent industries, with a particular focus on domestic emergency and disaster response service providers
- Factors regarding the core mission of the Australian Defence Force (ADF) and the Department of Defence with regards to domestic and international response obligations
- The strategic importance of the Department of Defence supporting the establishment and securing of reliable local supply chains

We observe that while the Department of Defence's support of local defence industry directly impacts Australia's sovereign military manufacturing capacity, it also plays a significant role in the equipping, training and readiness of emergency and natural disaster response providers.

Defence contracts often enable economies of scale, foster competition and encourage local production. These factors provide considerable benefits underpinning production and manufacture of emergency services assets and equipment.

The Department of Defence aims to reduce levels of ADF deployment in the event of natural disasters and health hazards—a thriving defence industry is one of the key elements to achieving this goal. A mature defence industry not only supports defence but establishes manufacturing capability to also equip local emergency services thus facilitating an increased threshold for ADF deployment in emergencies.

An equipped and ready local response team assists the ADF to focus on their core mission.

The Public Safety Training and Response Group has focused on making three recommendations regarding the Department of Defence's ongoing role in supporting Australia's defence industry.

1. The wider impact of the Department of Defence supporting opportunities for adjacent industries to contribute to the sustainability and viability of the Australia's defence industrial capability.

Much has been written and recommended on the advantages and indeed importance of sovereign manufacturing capability. At a strategic level it ensures that Australia has the necessary industry in place to be able to produce and maintain military assets with minimal dependence on other countries. However, we list below three of the key benefits that demonstrate how the Department of Defence's support of the Australian defence industry has additional relevance for the emergency and disaster response sector:

¹ Specifically, TOR (b), (e) and (g)



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Economies of Scale

- At an industrial level, ADF contracts often assist local manufacturers achieve economies of scale, due to the quantities required (e.g., textile industries contracted to supply uniforms—the ADF contract has enabled the investment in mass production technology)
- Industries supplying the defence force often have significant cross over with emergency services. This enlarged customer base leads to economies of scale, increases manufacturer purchasing power and allows for reduced finished product pricing.

Competition

- Defence contracts are highly sought after due to the corporate prestige, R&D assistance and the security of long-term engagements.
- This increases competition, which in turn often reduces prices as companies become more efficient to gain contracts and improve profitability. This cycle further benefits emergency and disaster response providers by increasing their purchasing power.
- Increased competition is beneficial for the Department of Defence as it leads to the realisation of better products at a lower price.

Better Locally Produced Products

- Research and Development in partnership with government defence research (such as the Defence Science and Technology Group) is critical to the development of locally designed and manufactured equipment and assets.
- The technology developed under this process often has application in the emergency sector. This provides synergies allowing for joint funding of research and development—an opportunity that is at present underutilised.
- Interoperable products creating force multipliers where emergency service providers are using the same or similar platforms to defence.
- From a strategic perspective, the widening of the domestic base of end user organisations will enable defence manufacturers to offer a large variety of emergency service goods for export. These goods could form targeted items for our Pacific neighbours either as aid or on a purely commercial basis.

These three factors could have a significant impact on the service provision of emergency and disaster relief providers across Australia and relieve financial burdens on governments at all levels. Having a broad base of end users for common domestically produced assets will assist in ensuring that the ADF is able to focus on their core mission.

Training

Australia has a limited supply of personnel to support a large variety of critical services, emergency, defence and disaster. Our position is that this reality requires a whole of nation approach focused on interoperability as a force multiplier. Common training and common equipment are critical to enable this concept. Common equipment is underpinned through defence and EMS sharing supply chains as discussed.



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However, for interoperability to fulfill its promise as a true force multiplier training must be endorsed by all organisations. In essence Defence and EMS providers must be trained to a national standard that is endorsed, accredited and cross audited to ensure commonality (a PUA Public Safety Training Package).

Case Studies

Listed below are examples of several defence industries that work for both defence and non-defence organisations. A factor in their ability to deliver enhanced civilian products and assets is the volume of defence contracts they undertake.

Textiles

Bruck Textiles—Manufacturers of ADF clothing and emergency services/civil defence uniforms. They partner with defence research to develop enhanced fabrics and technical materials that can be used in civilian capacities.² Materials are uniquely developed for Australian conditions.

Training

CAE Australia—provides engineering and training support services to both the ADF and commercial enterprises.³

Transport

Rheinmetall—facilities in QLD; provides vehicles to the ADF including the Boxer 8x8 Combat Reconnaissance Vehicles (CRV) under Australia's \$5.2 billion project Land 400 Phase 2 and high mobility logistics trucks under the Land 121 Phase 3B/5B program.⁴ Rheinmetall has also just been awarded a \$1 billion contract to export vehicles to Germany.

Thales Australia—manufacture of new Bushmasters, directly supporting jobs at the Bendigo facility.

"This is a strategic industrial capability that is vital for the ADF. Today's contract signing is an important expression of support from the Government, not just for the Bushmaster vehicle, but also for the manufacturing capability and Australian supply chain that produces and sustains the vehicles" states Thales Australia CEO, Jeff Connolly, illustrating the increased technical ability to be able to manufacture custom vehicles brought about by a defence contract.

Luerssen Australia—currently running the SEA 1180 Offshore Patrol Vessel programme with a fully Australian based design and build team. Their parent company Luerssen also constructs coastguard vessels that could be used by state and territory based police & emergency services, reducing dependence on the Australian Navy.⁵

Recommendation 1: *The Department of Defence continues to support and seek further opportunities to invest in local design and manufacturing capability as this will directly benefit the capacity and capability of local emergency services.*

² Refer to <http://www.brucktextiles.com.au/>

³ Refer to <https://www.cae.com/about-cae/>

⁴ Refer to <https://www.rheinmetall.com/en/company/subsidiaries/rheinmetall-defence-australia/about-us>

⁵ Refer to <https://luerssen.com.au/>



2. The relationship between Australia's defence industrial capability and the ADF involvement in domestic affairs

In their submission to the recent Senate Select Committee into Australia's Disaster Resilience, the Department of Defence stated:

*"...the increased scope, scale and duration of Australian Defence Force (ADF) commitment to domestic disaster relief has resulted in workforce pressure on both permanent and reserve ADF capacity, which may incur reduced capability within some areas."*⁶

The core applicability of the ADF regarding disaster relief is their ability to provide trained personnel, logistics support and large assets that can be deployed at short notice for an "indefinite" period of time.

Other submissions to the same committee, including from the Country Fire Service of South Australia, suggested an increasing dependence on the ADF in the next few years due to reduced availability of equipment and personnel.

This has been acknowledged as an unsustainable approach.⁷

The Defence Strategic Review 2023 unequivocally advocates for a **reduction of ADF involvement in disaster response** stating: *"State and local governments, in partnership with the Commonwealth, must have in place the necessary plans, resources and capabilities to deal with all but the most extreme domestic disaster operations."*⁸

Whilst not the direct responsibility of the Department of Defence, it is in their best interest to ensure local emergency and disaster relief services are adequately provisioned with equipment and assets to build their own capability thereby increasing the threshold for ADF deployment, such that the ADF can focus on their core mission.

In the interests of building a shared culture in defence and the emergency services to foster collaboration and integration, the commonality of assets and training programs is a pathway forward.

Recommendation 2: *The Department of Defence should look to further support industries adjacent to defence to provide technical support, interoperability and sustainability for emergency and disaster response services.*

⁶ Department of Defence Submission to the Senate Select Committee on Australia's Disaster Resilience

⁷ National Defence: Defence Strategic Review 2023

⁸ National Defence: Defence Strategic Review 2023, paragraph 5.4, p41



3. Investing in pursuing greater advanced scientific, technological and industrial cooperation secure supply chains

Emerging technology in defence industries and those adjacent to defence will have considerable impact on Australia's future in both a defence and civilian capacity. New technologies have the ability to reduce personnel costs, augment existing services and enhance Australia's industrial technology and manufacturing base.

The recent successful trials of autonomous trucks on Australian highways⁹ is an example of how technology can be used to improve personnel safety in not only transport but other dangerous situations. Elements of this technology are being developed for emergency service organisations again demonstrating a high degree of technology crossover between the various services.

Secure supply chains also benefit emergency service industries, ensuring a means by which they can be equipped and prepared and therefore rely less on the ADF in the event of disasters or hazards.

Domestic supply chains with R & D supported by defence and local emergency services providers are able to tailor designs to specifically address Australian and regional conditions.

Recommendation 3: *Further collaboration and joint funding by defence and other emergency services providers should be explored. Progress in this area would improve agency interoperability, provide economy of scale and share R & D costs among multiple agencies thereby reducing reliance on defence as the sole source of R & D funding.*

A Pathway Forward

The importance of a vibrant defence industry cannot be overstated. The challenge for Australia is to ensure economy of scale can be achieved and maintained and that R & D efforts can be sustained to position Australia with cutting edge technologies and manufacturing capabilities.

To maintain industry viability the Department of Defence needs to continue to support and look for further opportunities to invest in Australian design and manufacturing.

The Department of Defence should seek a joint venture with other emergency services agencies to further support defence industries by allowing multi-agency contracts providing joint technical support, interoperability and sustainability for defence, emergency and disaster response services.

Further collaboration and joint funding by defence and other emergency services providers would ensure economies of scale and share R & D costs among multiple agencies thereby reducing reliance on the Department of Defence as the sole source of R & D funding.

This multi-agency approach also has the benefit of not just expanding the domestic customer base but expands the export opportunity.

⁹ Refer to <https://www.defence.gov.au/news-events/news/2023-06-09/armys-autonomous-truck-convoy-first>