



PREMIER OF TASMANIA

16 OCT 2017

Senator Linda Reynolds CSC
Chair
Defence Sub-Committee
Joint Standing Committee on Foreign Affairs, Defence and Trade
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Senator Reynolds

Thank you for your letter inviting the Tasmanian Government to make a submission to the Defence Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade's inquiry into the risks and benefits of a Bipartisan Australian Defence Agreement.

My Government acknowledges that the first and highest priority for spending on defence is to enhance Australia's national security. At the same time, Tasmania supports a long-term defence strategy that provides opportunities and certainty to businesses in smaller regions and that enables them to plan for the future.

Tasmania has a presence in the defence sector supply chain with a number of Tasmanian companies currently active in defence contracting nationally and internationally. However, with around 2.2 per cent of Australia's population, the State receives less than 0.03 per cent of the nation's total defence spend.

The Australian Government's unprecedented level of investment in defence, as outlined in the Defence White Paper and Defence Integrated Investment Plan, represents a significant opportunity for Tasmanian businesses to increase their presence in the sector.

My Government, through the *Our Fair Share of Defence Strategy* (the Strategy), is working to grow the defence sector in the State by supporting existing businesses to be defence ready, showcasing our defence capabilities, attracting defence focused investments and enterprises, and leveraging our status as the Southern Ocean and Antarctic Gateway. A copy of our Strategy is attached.

In a highly competitive market where Tasmanian businesses will be competing against defence businesses and hubs around Australia and the world, creating a critical mass of small to medium businesses in the advanced manufacturing sector will make Tasmania a more attractive supply base for defence primes, as well as drive efficiencies and scale in training, networking and supply for these businesses.

Tasmania already has around 30 defence ready businesses, with the skills and knowledge necessary to participate in bids for large defence projects in heavy vehicle manufacture, maritime, integrated soldier provisions, remote health provision and cyber space, and further interest is growing in other industry sectors to pursue defence capability.

Our existing advanced manufacturing sector has proven capability to adapt, innovate and be competitive on a global stage, particularly in the vehicle manufacture, maritime and shipbuilding sectors.

As an island state Tasmania has developed a world class maritime capability, including proudly hosting the internationally renowned Australian Maritime College (AMC). Retaining this status as the leading national institute for maritime education, training and research is of significant importance to our maritime industry. My Government is working with the University of Tasmania to ensure that the AMC is well positioned to take advantage of the opportunities and respond to the challenges that may lie ahead as a result of a new Naval Shipbuilding College being established in South Australia.

The Tasmanian Government has invested in an advanced manufacturing web portal to build industry collaboration and promote Tasmania's manufacturing capability globally. The web portal (tasmanianmanufacturing.com.au) currently hosts 120 business and by 2018 it is expected to host in excess of 300.

Through our Defence Advocate we will strengthen the linkages between the defence services, prime contractors and our local industries to advance Tasmania's participation in the Australian Government's national defence investment, worth over \$30 billion a year.

While Tasmania supports a long-term and stable defence strategy, we also recognise that this needs to be balanced with robust debate on defence matters such as terrorism, security of maritime borders, domestic emergency management, climate change and the protection of fisheries in the Southern Ocean. But of critical importance to Tasmania is ensuring that we have a capable, resilient and well equipped Australian Defence Force that has the capacity to be agile in responding to emerging security threats and issues.

Tasmania would welcome further discussion on how this balance can be achieved, above that already provided in the 2016 Defence White Paper and Defence Integrated Investment Plan, through an Australian Bipartisan Defence Agreement

Should your officers have any queries in relation to the submission, the Tasmanian contact is Mr Andrew Rayner, Director Intergovernmental Relations, Department of Premier and Cabinet. Mr Rayner can be contacted by email at andrew.rayner@tas.gov.au or by telephone on 03 6334 6666

Thank you for the invitation to contribute to the Inquiry. The Tasmanian Government looks forward to the Defence Sub-Committee's findings.

Yours sincerely

Will Hodgman MP
Premier

Attachment