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SPENDING MUST LEAD TO REAL JOBS, NOT POLITICAL ONES

Turnbull Government ministers are proud to say their government has the first defence industry minister in Australia's history.

They never say why that's something of which to be proud. Mostly, that's because there's been very little thinking to establish the policy rationale behind it. Political thinking, yes, but not policy thinking.

Seeing how wrong Tony Abbott got the purchase of our future submarines, his replacement was determined to make sure he'd get electoral bang for those bucks. This is the key focus.

If you press this government about why a having a defence industry minister is something to be proud about, after scraping around you'll get some platitudes on manufacturing jobs and innovation.

Now, I agree those things are crucially important. The thing is, it's not the words that are important, it's turning policy into action that matters. Defence is the biggest government spender on projects in this country. We have to make sure that spending turns into jobs for Australians.

Equally, we have to make sure that spending supports the innovation in products and manufacturing that will keep Australia climbing the technological ladder. Competing in and winning that climbing race across the economy is the only way we can guarantee Australians a future with the meaningful jobs and lifestyle they deserve.

Here's the thing: if Australia's defence industry is going to really matter, really live up to its promise, it needs to be about more than that. If our defence industry is going to evolve into something truly meaningful, it's going to take more serious thinking and more active policy making than we're seeing right now.

We should never declare a government a defence industry success just because they have a dedicated minister instead of more traditional ministerial arrangements. Our defence industry will be living up to its potential only when Australia is a major defence exporter.

There are some great Australian defence exporters: Austal is a shining example. But by and large our defence industry today is highly reliant on the Australian Defence Force.

Now, Australia can't go from where we are today to being a major exporter in a single leap. It will take time. It will take active policy work to build the industry ecosystem of skills and businesses. Along the way to that place we'll hit another important goal: sovereign strategic capacity.

National security policy is about working for the best while preparing for the worst.

The preparing side of that equation means making sure Australia has the capacity to fend for itself if the worst happens — to build and maintain our own defence equipment if our access to world markets are disrupted.

It wasn't so long ago we were one of the few countries in the world with the capacity to design and build a vehicle from scratch — as recently as the last Labor government, in fact. The Coalition government was happy to stand back and let that capacity leave our country.

That puts a lot more pressure on our defence industry policy and industry to keep that capacity up. This is where the importance of having an exporting defence industry comes in.

Australian government defence purchases will always be lumpy. Businesses which evolve to rely purely on Australian defence contracts will be destined to a life of feast and famine. That is not good for them, their workers, or Australian industry or sovereign capacity. Having a range of customers helps give firms the incentive and confidence to invest and innovate.

An Australian defence industry with a range of customers, which exports around the world, is a robust Australian defence industry that guarantees our sovereign capacity.

Defence industry is about hard power: what are the assets we can put into play in a conflict? An exporting defence industry adds soft power to that hard edge.

An exporting defence industry improves our people-to-people links. It adds depth to Australia's relationship with other countries, countries where that relationship might

otherwise be thin. An exporting defence industry gives us more diplomatic clout, grows relationships in parallel to jobs, and pays a democratic dividend.

In his farewell interview, former defence secretary Dennis Richardson said every minister and prime minister he had worked to had talked about Australia punching above our weight. His point was that this was important when it came to the truly giant beasts of the global jungle of nations.

His insight, though, was that on most measures — land mass, economy, population, defence force — we look pretty big to most other countries. Our challenge, when measured this way, is to punch up to our weight.

This, then, is the ultimate test of success on defence industry policy for any government: are we punching to our weight?

It's hard to give an affirmative answer to that question without an export-based defence industry.

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