

Defence Industry

Capability Statement



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1. Introduction

ICN is a national network of independent industry consultancies, which are managed by industry and sponsored by state governments, to achieve beneficial outcomes for local industry (Australian and New Zealand) and the local economy.

ICN is represented in all states and territories (24 offices), as well as in New Zealand (1 office).

The ICN National Network has assisted major project owners and managers to save time and money in delivering their projects for over 20 years.

1.1 ICN Performance Record

Since being established in 1984 the ICN National Network has assisted its clients to identify competitive local suppliers, who as a consequence of ICN's involvement, have won contracts totalling over \$7.3 billion.

1.2 ICN National Network Scope

ICN has assisted clients throughout Australia/New Zealand, and across all industry sectors to identify competitive companies to satisfy requirements from turn key project management and major equipment suppliers, through to raw materials, components, and packaging.

1.3 ICN Network Method of Operation

ICN consultants liaise with clients to gain a thorough understanding of their requirements.

Using the national ICN data base, Industry Capability Showcase (ICS), industry and commercial references, industry contacts, and the combined knowledge of over 80 technical consultants Australia wide, ICN assists its clients to seek out credible and competitive supply solutions.

ICN services are **confidential**. Many major project proponents (and tenderers for major contracts) require that project details be kept confidential. ICN has a history of successful participation in highly sensitive projects.

2. ICN Commitment to Defence Industries

ICN recognises that the Australian defence industries are undergoing substantial transformations that will have immediate impact on human and capital resources, and impact upon the local economy. ICN is committed to provide supply chain support to defence projects throughout Australia from its national network of offices, and has the experience, the resources, and the skills to save time and money for its clients in the development of their project supply chains. Your nearest ICN office is always available for assistance in developing your local supply chain and enlisting the support of local industry.

3. ICN Defence Project Successes

The ICN Network has nominated local companies to competitively supply equipment and services to the following defence projects:

- Joint Defence Headquarters
- FFG Frigate Upgrades
- FA 18 Upgrades
- Lead in Fighter project
- Coastal Minehunters
- Collins Class Submarines
- Anzac Frigates
- Jindalee over the horizon project
- RAAF Wagga Wagga base upgrade
- Aslav

4. ICN Current Defence Projects (2007)

The ICN network is currently involved with major defence projects including:

- Air Warfare Destroyers
- LHD amphibious ships
- Joint Defence Headquarters
- Land 121

5. ICN Defence Industry Clients

Major defence contractors to benefit from ICN services include:

- Thales
- Tenix
- Australian Submarine Corporation
- Lockheed Martin

- Raytheon
- Boeing
- BAe
- GM Defence
- Daimler Chrysler
- Thies
- Telstra

6. ICN Defence Industry Services

ICN provides a variety of services to project proponents and developers.

6.1 Procurement – Supply Chain Development Services

ICN will use its resources and those of the national ICN network to identify ANZ suppliers and subcontractors to competitively supply the goods and services required for defence projects. Identification of suppliers and subcontractors is conducted on a national basis, with an ICN Consultant co-ordinating information from the national network of ICN offices and reporting to the defence industry clients.

6.1.1 Sourcing and Qualifying Potential Suppliers

ICN sources and qualifies prospective suppliers and subcontractors to match the technical, quality, and commercial requirements of defence industry clients, as well as tier 2 and 3 companies, saving time and resources that would otherwise be expended by them on these activities.

6.1.2 Notifying Australian Industry of Project Opportunities

ICN assists defence industry clients to notify Australian industry of opportunities to supply to projects both directly (by contact when seeking suppliers for specific requirements), and by broadcast (listing project opportunities on the ICN Opportunities Showcase Website).

ICN handles initial contact with interested suppliers and subcontractors, freeing up client procurement resources.

ICN also organises and conducts industry information seminars (including regional information seminars) for and with defence clients.

6.1.3 Small to Medium Enterprises (SMEs), and Local Technology

ICN addresses specific issues such as the involvement of SMEs and the incorporation of innovative locally developed and supported technologies into defence projects.

6.1.4 Through Life Support Benefits – Integrated Logistics

Experience in many previous major projects has demonstrated that early identification of competitive local industry provides significant through life support benefits by minimising costs, time, and risks in maintaining, repairing, modifying, and upgrading critical systems and equipment.

Due to their strategic nature, defence projects place critical importance on the provision of integrated logistics to support the newly created defence capability throughout its life. ICN assists defence clients to identify suitable Australian industry capability for effective and efficient integrated logistics services.

6.2 Australian Industry Capability Plan (AICP) Development and Implementation

AICPs are required by DMO to be submitted with responses to tenders (RFTs), for Defence contracts valued in excess of \$5 million, and bidders are required to consult with ICN regarding Australian industry capability.

ICN develops AICPs for many projects which benefit by:

- Optimising local supply solutions that minimise cost, minimise lead-times, and maximise through life support.
- Accessing opportunities for duty elimination on items that are not manufactured in Australia.
- Enlisting the support of local industry and the local community as key stakeholders.
- Reducing procurement management costs.

ICN can develop project specific AICPs for its clients to meet the individual requirements of a project.

ICN can assist with implementation of AICPs throughout project delivery. Benefits from these services are maximised by involving ICN early in a project's development, during initial scope of work and design stages. These services are available to tenderers for prime contracts and subcontractors associated with major projects.

6.3 Regional Capability Enquiries

The ICN Network has regional offices throughout Australia. ICN regional consultants assist project proponents/managers to identify the best solutions from the immediate local region of the project, including construction trades, project facilitation, and maintenance services. ICN Regional Consultants have an intimate knowledge of capability within their respective regions.

6.4 Tariff Concession Searches

The ICN Network performs searches for Australian manufacturers of substitutable goods for clients who are applying for duty exemptions via the Tariff Concession Scheme.

6.5 AICP Audits.

ICN can provide consulting services to audit conformance to AICPs and the results from the plan, should such audits be required by Defence or Defence contractors. Audits can be conducted for Prime, second and third tier contractors.

ICN provides similar services to clients with AICP contractual requirements and for clients that need to confirm their Australian industry participation performance in order to access duty relief (often valued in \$millions), via the Commonwealth Enhanced Project By-Law Scheme (EPBS).

To ensure probity, ICN appoints consultants that have not previously been involved with the respective projects to conduct any audits.

6.6 Promote Positive Outcomes.

ICN actively promotes positive outcomes arising from defence project AICPs. ICN does this via its website, the ICN National newsletter, via provision of case study material to the media and to government which promotes positive industry outcomes.

6.7 Supplier Access to Major Projects (SAMP) Scheme

Under the Commonwealth Government's SAMP scheme, major project proponents/managers can secure the full time exclusive services of a qualified ICN consultant to work within their project teams for project delivery, subsidised by the Commonwealth via the Department of Industry Tourism and Resources.

Commonwealth funding may be available to support the employment of an ICN consultant in a sourcing role for major projects under SAMP. This funding is usually provided on the basis that the beneficiary of the consultant's service, the project proponent/manager, pays half of the cost and the Commonwealth pays the other half.

7. Benefits from ICN National Network Services

The ICN national network offers the following benefits to defence related project proponents/managers:

- A comprehensive listing of pre-qualified companies to optimise the project supply chain.
- Maximisation of competition for project contracts, ensuring best possible supply solutions.
- Optimisation of through-life support via introduction of capable, credible, and competitive local service providers.
- Identification of best suppliers in regional areas
- Minimisation of lead times and supply bottle necks.
- Introduction to new innovation and technologies.
- Elimination of import duties for items that are not made in Australia.
- Compliance with Defence AICP requirements
- Verification of AICP activities and outcomes
- Promotion of positive project AICP outcomes

8. Contact ICN

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