

# Axiom a ray of sunshine

GABBY COSTIGAN



SA businesses key cog in defence work

ARGUABLY, there has never been a better time to be involved in Australia's defence industry.

Several major programs are under way. In Adelaide, Australia's largest shipbuilding project

– the Hunter Class Frigate Program – is ramping up. The workforce is about 700 and will be close to 1000 – and growing – by the end of the year.

And, right now, BAE Systems Australia is looking for companies across the nation to be involved with the building of nine of the most advanced, digitally designed submarine-hunting frigates at Osborne.

The Federal Government is driving greater Australian industry participation in all major defence projects.

These are high value, create and sustain new industrial capabilities, require leading-edge technologies and can run over decades, which is why they are so important to the nation's economy.

At its peak in 2028, the Hunter Class Frigate Program will make a total contribution of more than 6300 full-time equivalent jobs and just under \$1 billion in GDP to the national economy. Now, more than ever, defence programs will have an important role in Australia's post-COVID economic recovery. A great example of the

enduring benefits of defence programs is the advanced manufacturing work we contribute to F-35 Joint Strike Fighter project.

With the support of the South Australian Government, BAE Systems Australia invested \$15 million to establish a bespoke advanced manufacturing facility at Edinburgh Parks after winning work on this global program in the early 2000s.

Today, every F-35 aircraft produced has parts made in SA. Production will continue for decades.

And, to see how this affects our supply chain, look no further than Axiom Precision Manufacturing. This local company was a car parts manufacturer that has transformed into a very successful supplier to the nation's defence industry.

Underpinned by defence contracts, Axiom has invested in new equipment and capabilities, and grown considerably. But it wasn't simple or quick.

Gaining the necessary accreditation to be a defence industry supplier was a huge challenge for the business which, at the time, was already going through major change because of the decline in the car industry. But it persisted and is reaping the rewards.

Our partnership with Axiom has been in place for several years and, as the company expands its industrial capabilities, it is continuing to increase its order book with us and other defence companies.

Annually, BAE Systems spend around \$300 million with 1500 Australian companies.

So far, more than 1100 companies have registered their interest in helping us build nine of the most technologically advanced warships for the Royal Australian Navy in a worldclass shipyard at Osborne. Many more will partner with us as we continue to ramp up ahead of cutting steel on the first ship in 2022.

However, our success on this program is not limited to building nine ships.

We will develop an enduring shipbuilding industry that will be internationally competitive, contribute to Australia's security and prosperity and generate jobs and exports for future generations.

As we engage with suppliers, they have only to look at Axiom to understand the enormous opportunities available to South Australian businesses to be a part of creating a strong economic foundation for this state.

**GABBY COSTIGAN IS CEO OF BAE**

**SYSTEMS AUSTRALIA**