



ABN: 28 597 845 793
Registration: A0032332G

AUSTRALIAN INDUSTRY & DEFENCE NETWORK INC - VICTORIA

PO Box 336
Ashburton
Victoria, 3147
Australia

Tel: +61 (3) 9886 9278
Fax: +61 (3) 9885 0448
email: aidnvic@aidnvic.org.au
web: <http://www.aidn.org.au>

2011 AIDN-Vic PRESIDENT'S REPORT

Dear AIDN Victoria Members

Another year is almost over and it has certainly had many challenges for those of us doing business in the Defence and security industries sector.

A further reduction in the allocation of Defence work to local SMEs, ongoing delays in many Defence project decisions, shortages in professional and skilled labour, the continuing Global economic crisis and pressures imposed by the Defence Strategic Reform Program, are all contributing factors that make ours a difficult commercial environment to operate in at this time.

I hope that these impediments haven't deterred your endeavours.

As the peak body representing the interests of SMEs in Defence Industry, AIDN continues to play an active and influential role. We have been able to represent our members at the highest levels of Government, to the DMO and to the many Defence OEMs and prime contractors. As a consequence, awareness of AIDN and the capabilities of its members has grown significantly.

AIDN National has been vocal and very active throughout 2011 in its advocacy to Government of the difficulties currently facing many of our members and we've established a good line of communication with the Ministers' Office, particularly Jason Clare. The effectiveness of this channel was evidenced by the reduction of the threshold for which Australian Industry Capability (AIC) plans are a mandatory requirement in major contracts, from \$50 million to \$20 million. This was a win that AIDN campaigned strongly to achieve and is a major concession for AIDN members as AIC plans require prime contractors to involve local industry companies in their tender submissions. In another win, the Minister recently announced that the AIC plans for all future major Defence acquisition projects will be made public.

Once again AIDN Vic has filled your calendars with many activities including a series of complimentary breakfasts with guest presenters from various State and Federal Governments, Defence and non-Defence agencies. These events continue to rank highly in your feedback and high attendance rates confirm their popularity.

This year 24 companies were supported by AIDN-Vic working closely with the Defence Industry Unit of the Department of Business and Innovation on the exhibit hosted by the Victorian Government at the Avalon International Airshow in March.

Further assistance from the Victorian Government and subsidised exhibition space provided by the DMO Export Unit, enabled AIDN Vic to participate in the Team Australia international exhibition at the Paris Air Show and an associated trade mission to the UK and Europe in July.

In June AIDN-Vic proudly announced that we had secured funding from the Defence Industry Unit to appoint a Teaming Manager. Mr Glen Ferrarotto was the successful applicant and since starting has made significant progress in helping members to improve the value of their products and services and increase their market share in the Defence and related industries. To date this new role has proved to be very beneficial to the members that have taken advantage of the services available.

We were also very fortunate in obtaining funding through the Enterprise Connect, Defence Industry Innovation Centre to conduct a series of skilling workshops designed to assist members to improve their business processes.

The range of other activities conducted, co-hosted or facilitated by AIDN-Vic included sector briefings, DMO Updates, Master Networking workshops, Puckapunyal Fire Power Day and, what has become a very popular networking event, the annual Golf Competition held in October.

Details of AIDN-Vic activities are in Annex A.

Communication with our members remains a vital activity. This communication has, in the main, been via our regular emails and monthly newsletter service, keeping members advised of tenders, government and industry news including the activities of the major defence primes.

During 2011 AIDN has continued to improve the AIDN National Extranet making it even more informative and valuable to members. Members are encouraged to access Extranet regularly as this tool is AIDN's preferred method of communication with members. If you have lost your username and password, please contact Sue Smith and she'll resend you the details.

I am very pleased to say that, despite the difficult economic environment, AIDN-Vic is in a sound financial position and our membership has increased over the last 12 months and is now over 240 financial companies. However, we have been saddened by the loss of 7 members who have closed their doors or gone into liquidation over the last 12 months.

Now some thank you messages.

Today is my last day as President of AIDN Vic and I'd like to thank you all for making it a most enjoyable experience. I have to admit to not achieving all the things I had on my "To Do" list but I'll be around to help the new President to continue on with these.

I've had the fortune to be supported by an excellent Executive Committee that has made my job relatively easy so let me say a big personal thanks for your help and support over the last two years. In particular I'd like to thank Phil Kay who, as VP, has deputised for me many times, to Chris Reade our Treasurer who does so much more, including mentoring members, and to Michelle Brown who always puts her hand up to volunteer when help is needed.

It goes without saying that AIDN Vic would not be what it is without our Executive Officer, Sue Smith, and her assistant, Sharon Blondel who continue to provide an invaluable service to members. We are indebted to Sue and Sharon for their unswerving support for AIDN Vic.

I would also like to sincerely thank all members of our volunteer Executive Committee for their devotion to task and their support of our members over the past year.

Sadly, today is the last day on Committee for Ray Walton. Ray is one of our longest serving Committee members and has held most appointments including President and has also served on AIDN National. Ray has served with great passion and commitment, over the last 11 years, and will be much missed. I'd like to say a special thanks to him for his years of dedication to AIDN Vic and to wish him and his family well.

At the organisation level, AIDN-Vic is also indebted to the ongoing support our members receive from the State Government Defence Industry Unit led by Peter Haddad. In addition to the Teaming Manager's position, they provided financial assistance for Victorian companies for numerous trade visits and shows and also provided 5 places for SMEs to attend the Defence Industry Study Course (DISC) this year. We also appreciate the involvement of members of the Defence Industry Unit in our AIDN-Vic network meetings and activities and miss the input of Roger James who retired earlier this year after many years of valuable input to Victorian Defence industry and AIDN Vic.

Several AIDN Vic events this year have been co-hosted by the DMO Business Access Office (BAO). My thanks to Rod Kenafacke and Helen Gorelik who have continued to be strong contributors to the success of AIDN-Vic. They play an important role in being actively involved on the Executive Committee and in AIDN-Vic activities and keep us abreast of the DMO's activities and upcoming projects. Also Ether Birchall, Land Systems Division, has continued to support the Executive Committee.

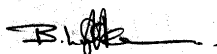
There is great potential for our members to benefit from networking and building relationships with one another and the AIDN-Vic committee has endeavoured in all cases to promote a spirit of cooperation and collaboration throughout our industry and with many related industry associations. We also continue to work closely with AiGroup and are well represented on Defence Council by Michael Zimmer - Cablex, Rohan Stocker - Marand, and Sue Smith. We also work co-operatively with RUSI in promoting each other's activities.

The Industry Capability Network (ICN) has also played a strong complimentary role in our activities over the past year and we thank Peter Yates and Gavin Lewis for the ICN's assistance and support.

I believe that all members should be proud of their association with, and value their membership of AIDN Victoria. AIDN today is a body very much respected by each of the State and Territory Governments and their respective agencies and across the sector generally as the pre-eminent association for small to medium businesses in the Australian Defence industry. It's a credit to our membership and the qualities that your respective companies bring to the industry that our Network is so highly regarded.

I sincerely appreciate your efforts and commend you for helping to make ours a great AIDN Chapter. Wear your AIDN pin with pride and know that AIDN-Vic will continue its strong representation of your interests throughout 2012.

Finally, to all our member companies, both large, small and micro, to our supporters in State and Federal Government, to the Executive Committee and especially to Sue and Sharon I wish you and your nearest and dearest a happy and safe Christmas break and a prosperous 2012.



Bev Lyttle
President AIDN-Victoria
14 November 2011

ANNEX A: AIDN-VIC ACTIVITIES 2011

Complimentary Networking Breakfast Meetings:

- Master Networking: becoming better networkers
- Joint Logistics Command (JLC)
- TXM: Agility - The future of manufacturing in Australia.
- Teaming Manager briefing
- Wise Networking for the Silly Season

General Events:

- Avalon International Airshow Exhibition – AIDN/Vic Govt display stand
- Puckapunyal Fire Power Day
- Team Australia Paris Air Show and Trade Mission
- Defence Update Networking Event & Golf Competition
- Welcome functions for new members - hosted by AIDN-Vic Executive Committee
- Clothing Industry Forum – hosted by DMO Land Systems Division
- Integrated Soldier Systems Branch (ISSB) Industry Forum
- ADM Conference (AIDN National Young Achiever Award)
- DMO Defence Updates No. 1 and 2
- Defence Export Unit Forum
- DECO Defence Trade Controls Bill 2011 - Workshop
- Global Supply Chain Forum
- PIC Innovation Grant Briefing
- SADI Feedback Workshop

Skilling Workshops funded by Defence Industry Innovation Centre (DIIC):

- Master Networking Workshop: Create Leads & Follow Up Strategies
- Master Networking Workshop: Grow Process & Developing Relationships
- Master Networking Workshop: Networking Events/Conferences & Strategic Alliances
- Quality Management SME Workshop
- Tender Workshops for Small and Medium Enterprises
- Lean Design Intensive 1 day Introductory Workshop