



ZenithGroup

Supply Chain Collaboration

Supply Chain Collaboration & The Defence Strategic Review 2023



Australian Government

The Defence Strategic Review 2023 (DSR23) has detailed changes in Australia's strategic circumstances and provided a framework for transformation of Australian defence. The federal government has adopted almost all recommendations within report - details [see here](#)

Recommendations in the DSR23 have created fundamental change to existing and future defence supply arrangements. SME's should re-evaluate how to best position themselves for future access to the defence supply chain.

ZenithGroup Defence continues to be relevant by providing a flexible and responsive supply chain partner with broad capability to Australian and International Primes, Sub Primes, Tier 1 & 2 enterprises.

ZenithGroup - Defence

Our Purpose

Deliver wide-ranging capability, manufacture high quality products, deliver excellent service, exploit untapped resources and realise unknown skill.

Problem

Defence supply chain projects are:

- complex
- demanding
- rapidly changing

SME's are limited with:

- Time, to play the long game
- Investment, for the long term
- Patience, to jump compliance hurdles
- Resources for capability investment

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SUPPLY CHAIN COLLABORATION
BROAD CAPABILITY
DEPTH OF EXPERIENCE
DEFENCE AND INDUSTRY PROVEN



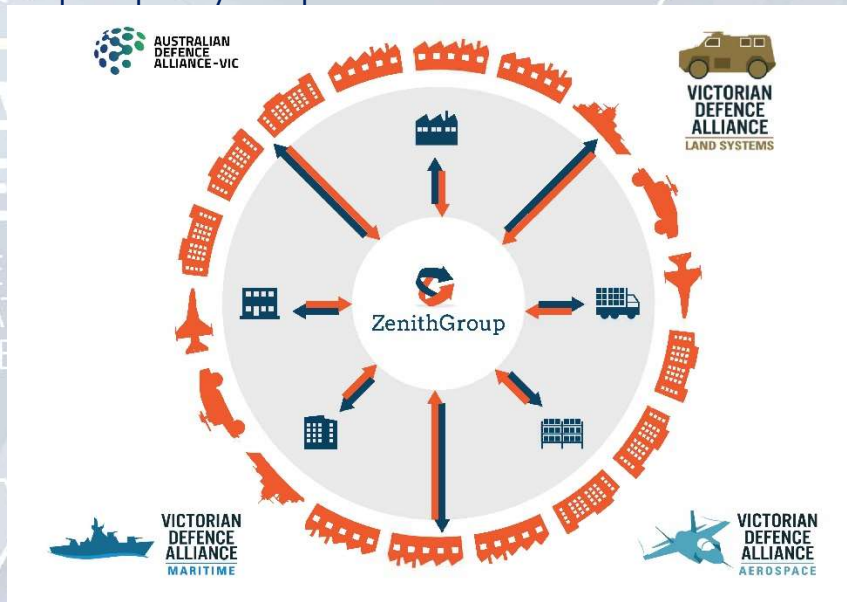
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Solution

ZenithGroup Defence offers:

- A mature supply chain collaboration
- Unique capability multiplier



- Flexible manufacturing solutions
- Risk reduction

Why Now

An unprecedented change in Australia's strategic circumstances is changing how the defence industry acquires capability and engages suppliers. The perfect solution that takes many years to materialise is giving way to developing options as soon as possible to streamline and accelerate the capability acquisition process for projects designated as strategically urgent or of low complexity. (DSR23 p93)

Market Size

Since 2016 Defence White Paper and 2020 Defence Strategic Update, the 10-year funding model for Australian Defence totalled around \$447.6 billion. Since the DSR23 2.3% of Australia's annual GDP through until 2027 is planned to fund defence – this equates to \$59.4B* AUD per annum.

*The full cost of the Review recommendations will not be able to be fully quantified until Defence has analysed the capability recommendations in the DSR23 and costed them

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Competition

Competition for Australian SME's has increased given AIC (Australian Industry Content) is now a lower priority.

The DSR23 now specifies: *"Australian industry content and domestic production should be balanced against timely capability acquisition"*. (Item 12, Capability Acquisition, Risk and Accountability)

For Australian SME's engaging the defence supply chain the goal posts have moved significantly. International Primes and Sub Primes will have more flexibility to source supplies from existing offshore supply chains which can deliver within shorter lead times.

Previously the Australian Government was effectively regulating competition in accordance with the 2016 Defence Industry Policy Statement (DIPS) - the Australian Industry Capability (AIC) Program had several aims:

- Provide opportunities for Australian companies to compete on merit for defence work within Australia and overseas.
- Influence foreign prime contractors and original equipment manufacturers, including Australian subsidiaries, to deliver cost-effective support.
- Facilitate transfer of technology and access to appropriate intellectual property rights.
- Encourage investment in Australian industry. (Source 2016 Integrated Investment Program)

Increased SME collaboration will enhance supply chain opportunities both locally and internationally.

Product

Leveraging the SME supplier network enables ZenithGroup Defence to provide a greatly expanded supply chain service offering to new and existing customers (Primes, Sub Primes, Tier 1 & 2 enterprises) *and* to SME collaboration participants alike.

Business Model

Mature the ZenithGroup Defence start-up into the most efficient, flexible and strong supply chain partner - thereby making ZenithGroup the supply chain solution of choice.

Team

The founders of ZenithGroup Defence (Glyde Metal Industries and Campagno Engineering) had a long relationship prior to more intensively collaborating.

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Both companies are:

- Long established, secure, family owned and operated SME's
- Producing high quality within the Steel Fabrication and Precision Machining sectors
- Totalling around 70 people, around 35 personnel each.

ZenithGroup Defence has two experienced leaders

Steven Ullness – Senior Business Development Executive, see [details](#)

Mark Wood – General Manager, see [details](#)

Support from Industry Advisors and Alliances

- ODIS – Office Of Defence Industry Support, the trusted link for Australian small and medium enterprises (SMEs) looking for support to enter or expand into the Defence supply chain.
- Australian Defence Alliance Victoria (ADA-Vic) - Not-For-Profit, Peak Body for the Defence Industry in Victoria serving more than 1,100 members nationally.
- Global Victoria - The State Government of Victoria's trade facilitation agency and gateway to global economies and communities. Global Vic have the largest international trade and investment office network than any Australian state or territory.

Successes

ZenithGroup have supplied into a wide variety of programs including:

- i. Howitzer Sustainment, LAND Program - DoD (CASG)
- ii. AEROSPACE (Classified)
- iii. Heavy Transport, LAND Program 121 – (Rheinmetall)
- iv. Boxer, LAND 400 P2 – (Rheinmetall Electronics RME)
- v. Hunter, DH36 Ballistic Steel Plates - Sea5000 – (Defence Science & Technology)
- vi. JORN Radar Network, AIR 2025 P6 – (BAE Systems)

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