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Organisation: Hunter Business Chamber

Submission: INTRODUCTION

This is a submission by the Hunter Business Chamber (HBC) Defence Industry Committee to the ADF's White Paper review. The Chamber has a membership of 1000 companies operating in the Hunter Valley in NSW. The region is the home to two major Defence installations - the Williamstown RAAF Base and Singleton Army Camp.

The Hunter Business Chamber's Defence Industry Committee is a forum that allows Defence and Defence industries to meet regularly. The Committee is supported by the many companies participating in Defence related activities, including BAE Systems, Boeing, Forgacs, Varley Engineering and Tenix.

WHAT TYPE OF THREAT SHOULD THE ADF BE ABLE TO RESPOND TO

Unconventional Threats.

The Chamber has a particular concern with the structure of the ADF and its ability to respond to unconventional threats on Australian soil. The Hunter is the home to number of key national infrastructure assets that have a very low level of protection and a high level of potential interest. These assets include:

- The Newcastle Port and related facilities;
- Newcastle Airport;
- Baseload power stations;
- Coal mines;
- Defence facilities; and
- The transport infrastructure linking them.

The Chamber is concerned that there is a lack of protection services to these major assets in the event of an unconventional threat on Australian soil. Whilst we are aware Defence in one of many agencies with contingency plans for such events, the Chamber questions whether they are suitably resourced to adequately respond to them.

In particular the Chamber questions the lack of any capability to respond to a maritime approach to the region. Assets at Williamstown are expensive to operate and maintain for a sustained period, and we believe the White Paper should address a more affordable coastal surveillance capability.

Conventional Threats.

The Hunter Business Chamber strongly supports the maintenance of an air combat capability within the RAAF centred upon Williamstown RAAF Base. In this context the HBC questions the aircraft numbers required for the ADF. We question the current proposed purchase of 100 aircraft, and anticipate that a review would consider more than simply a 1 for 1 replacement of current fighter and strike aircraft as the reason.

A consideration therefore of complementary options is necessary. The Hunter Business Chamber considers the best option for Australia's air combat capability includes a combination of either JSF or F22 aircraft, the F18F, and a number of UAVs. This mix would provide:

- A fifth generation leading edge air combat force for "high end" use - such as an Australian contribution to an international coalition;
- A complementary force of F18F aircraft that have already been purchased, will have a 20 year LOT, and would encourage the development of a new support industry in Australia;

- A relatively low priced UAV fleet that can be manufactured in Australia, are readily available from industry, and would lead to the development of a new support industry in Australia.

Purchase of UAVs is particularly attractive to Hunter industry. The aircraft's potential for high local industry content, need for high GSE, and requirement for large tracts of airspace in a radar controlled environment make the Hunter an ideal base. Additionally, two Hunter Business Chamber members - BAE Systems and Asia Pacific Sciences - are suppliers of UAVs to other military forces.

Industry Issues. The Hunter is well placed to support a new air combat capability. The principal advantage the region offers over alternate basing sites, in particular those north of Brisbane, is the attractiveness of the region to potential employees. The Hunter has a desirable lifestyle, and for this reason many people choose to live and work in the region. Defence is no different as can be seen in the popularity for postings of uniformed people to the region.

Were the JSF to be purchased the Hunter could offer the following services:

- A comprehensive pilot training facility. The Hunter has the resources to support all aspects of fast jet training, developed for the FA18 fleet and expected to continue with the F18F program. We have concerns though that the USAF is planning to centralise F35 pilot training for foreign partners at Eglin AFB in the US and not release simulator technology to Australia.

- The region has a highly sophisticated EW capability, with the new Wedgetail Squadron, the GTESPO and the SRG Headquarters. These elements are supported by a highly sophisticated base of Defence companies.

- Newcastle University is well known for its research and engineering faculties that actively seeks to work with Defence.

- The region has a well developed technical workforce that Defence contractors are able to source highly skilled people from.

- The Hunter has an advanced engineering support capability. Hunter companies have provided excellent support to the current FA18 maintenance program, and have the capacity to do so for the F18F and JSF programs. For example the BAE Hawk and FA18 testing calibration jig was designed and built in the Hunter by Varley.

- The region has an excellent air operating environment for a new air combat capability. It has an excellent airfield, a weapons range and sufficient airspace to allow an uninterrupted operational tempo for numerous aircraft types. Due to its different operating procedures to the FA18 the JSF would have a positive impact on the Hunter community. It would be expected to no longer require the Salt Ash Weapons Range, nor have a need for low level operations in the Williamtown restricted airspace. These are long term issues for the RAAF in the Hunter, and would be joyously acknowledged by the local community.

The unique nature of the JSF will restrict Australian industry participation before and during the aircraft acquisition. Specifically, the aircraft's stealth characteristics will not likely be released outside the US, and there is not expected to be an allowance for the "Australianisation" of the aircraft as there has been for the FA18 and F111. This will have an ongoing impact on Australian industry support to the aircraft.

Peter Shinnick  
Chief Executive Officer

1st October 2008

I agree to my submission being published on the Defence website

I agree to my submission being quoted in the Community Consultation Report