



**HEDC**

Leading Economic Development  
in the Hunter

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# Submission to the Defence White Paper Policy Discussion Paper

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By Hunter Economic Development  
Corporation

Defence Project  
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## **Defence White Paper – Submission by the Hunter Economic Development Corporation (HEDC)**

The comments below are related to the skills and industry participation issues facing the ADF and defence related industry into the future.

### **About the HEDC**

The Hunter Economic Development Corporation is a peak advisory body to the NSW State Government on matters of economic development. It facilitates the delivery of economic development strategies for the region, markets the region for investment and provides support to business looking to expand or relocate.

### **Background**

The Hunter region has a long history working in the defence arena. The region is home to two major military bases Williamtown RAAF Base and Lone Pine Army Barracks at Singleton. These bases are significant economic drivers in the Hunter region. Both bases collectively employ approximately 4000 defence personnel and contractor staff. The direct economic injection in wages alone is in excess of \$200 million annually and potentially flow on from this would be approaching \$1 billion.

Co-located with the RAAF base at Williamtown is Newcastle Airport the fastest growing regional airport in Australia. Passenger growth is projected to grow to 1.8 million by 2025 (source Newcastle Airport master plan). In 2007 passenger levels reached in excess of 1 million, in 2008 it is expected to reach 1.3 million.

Newcastle Airport includes significant aerospace development for military contractors and aircraft maintenance which includes BAE Systems Lead-in-Fighter support facility and Jetstar's National heavy Maintenance base.

Aerospace industry development in Williamtown is likely to create up to 5000 jobs. The rezoning of 100 hectares of land in close proximity to the airport/RAAF base is currently on exhibition and will be specifically for development of an aerospace precinct.

The expansion of RAAF Williamtown and associated Defence development facilities is likely to continue to grow in the long term.

### **Issues**

1. Based on the report from the Defence Industry Joint Training Task Force a shortage of skills to meet the growing Defence Industry needs will be a critical issue for the future capability and sustainment of the ADF. The report indicated a shortfall of some 12,000 engineers and trades people over the next 10 years.
  2. Getting more businesses involved in defence related business opportunities related to sustainment, acquisition and exports in the Hunter region.
1. **Addressing the challenge in Relation to Skills**
    - The Hunter is an ideal incubator for engineers and trades people as a result of the region's large population base.

- The Hunter has demonstrated a strong participation in vocational learning in pathways programs.
- The Hunter has excellent educational institutions in-place such as University of Newcastle with 23,000 students 2 campuses and the TAFE system with 53,000 students and 22 Campuses throughout the region.
- TAFE and University are already working collaboratively with the defence Industry to help skill the needs of Defence.
- The secondary education system in the Hunter is large totalling 68 schools. The potential to influence even a small percentage of young people to engage in suitable subjects such as maths, science for careers in engineering and specialist trades within a large schools population would generate significant numbers. This area is an untapped resource and if carefully nurtured would have positive outcomes for aerospace and allied Defence industries.
- The Hunter has a large industry base which can absorb large numbers of young people wanting careers in the aerospace or advanced manufacturing industries or seeking a career in the ADF to address the challenges of increased demand.
- New proposals for rezoning 100 hectares of land at Newcastle airport is well advanced and will provide the impetus for aerospace development in the region to service growth in military and civil operations. This will present opportunities for employment of young people in the industry and defence area.

### **Skilling Recommendation**

- Projects that unlock the potential of young students in secondary schools and encourage them to take up careers in Aerospace and allied defence industries should be considered a high priority.
- Programs developed for school students would need industry partnership and commitment on a sustained basis.
- Programs already underway in secondary schools in regions could be modified and packaged to attract suitable students and provide pathways to essential trades for defence and allied industries.
- Funding for such programs could be administered by organisations such as Skilling Australian Defence Industries (SADI) program to reduce any duplication.

## **2. Addressing Industry Participation**

- The Hunter has a strong manufacturing base. Many Hunter manufacturers have defence industry involvement. However this involvement could be much greater through more active engagement between Defence Materiel Organisation (DMO), defence bases, System Program Offices (SPOs) and regional industry.

- The more companies involved in defence procurement and tendering in regional Australia benefits Australia's ability to be self sufficient in capability and sustainment of ADF assets.

#### **Industry Recommendation**

- More emphasis should be given in skilling companies in regional areas through programs to assist with the tendering and procurement process.
- DMO through Defence Support group (DSG) and SPOs have more accountability in engaging in the regional industries.

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