



Building Australia's Future

**The enduring workforce and industry development
benefit of an Australian marine engineering build**

Prepared by the
Australian Shipbuilding Federation of Unions

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Filling Australia's capability gap

The decision by the former Morrison Government to cancel construction of 12 French Attack-class submarines and announce the acquisition of nuclear submarines through the AUKUS alliance has left Australia vulnerable to a submarine capability gap.

The Life of Type Extension (LOTE) of the Collins-class submarine will see most of the existing class fleet retired in the mid-2040s. This will leave Australia with a significant capability gap before we can acquire the mooted nuclear-powered submarines.

Australia needs to build up to 6 new Collins submarines to bridge the capability gap and ensure we have an established, skilled workforce to underpin our sovereign capability in naval shipbuilding.

A future submarine build, along with the 12 Offshore Patrol Vessels and 9 Future Frigates to be built in Australia, represents a once-in-a-generation opportunity to develop Australia's sovereign capabilities in marine engineering.



A new Industry Precinct

To realise this opportunity, the federal government should establish a specialist National Workforce Development and Industry Capability Precinct. This precinct would be designed to facilitate improved technology transfer, military-to-civilian conversion, and skills and workforce development benefits from various naval shipbuilding projects.

Such a precinct would give Australia the opportunity to build capability throughout South Australia's and the nation's heavy engineering sectors and underpin a more evidence-based approach to the analysis of workforce development initiatives. The Osborne precinct has existing strengths based around the Osborne Naval Shipyard in South Australia, including:

- World-class common-user shipbuilding facilities, including a wharf, slipway, dry berth, transfer system, and the largest ship lift in the southern hemisphere;
- An expansive, fully-integrated industrial precinct for suppliers; and
- A commercial precinct, including:
 - ASC submarine construction and sustainment facility;

- Luerssen Australia/ASC OPV Shipbuilder Pty Ltd Offshore Patrol Vessel facility;
- the Naval Shipbuilding Centre, charged with brokering the trade and technical skills required for the AWD project;
- BAE Systems Maritime Australia Hunter Class Frigate facility;
- AWD Systems Centre - the national project headquarters for the \$8 billion AWD project;
- Raytheon Australia's South Australian headquarters;
- access to the national transport network including road, rail and a deep seaport; and
- a high-speed optical fibre network link to major research, defence and education sites across Adelaide.

Within the right policy framework, the manufacture of the next generation of naval assets provides a major opportunity for skills and workforce development and industry capability building that have not been achieved with previous major defence acquisitions.

A new standard in shipbuilding excellence

The existing Naval Shipbuilding College should be redeveloped and repurposed into a Heavy Engineering Skills Analysis, Workforce Planning and Development Centre charged with analysing the workforce development and planning needs of the projects and supply chains that will service the projects.

The result would be state-of-the-art facilities capable of designing and integrating properly designed, nationally recognised qualifications, skills pathways and related training products to build the skilled heavy engineering trade, technical and engineering workers the projects and their supply chains will require. This would include:

- Apprenticeships in the key engineering trades with portable and transferable skills capable of deployment across the heavy engineering sector;
- Technical Cadetships with the generic technical skills in occupations across the technical disciplines; and
- Engineering Cadetships to facilitate growth in key engineering disciplines.
- A tripartite governance structure focusing on a whole-of-precinct approach to participation would provide the best framework to maximise local participation in heavy engineering, defence and infrastructure projects and to build future capability based on:
- Precinct-wide economies of scale and capacity utilisation;
- Resource and technology transfer;
- Precinct-wide approaches to skills and workforce development; and
- Collaboration across the supply chain, including the opportunity to collaborate over apprenticeship and cadetship placement and exchange programs.







The Skills and Industry Capability Statement



This proposal also calls for the development of an evidence-based analysis of the needs of the marine engineering build projects to inform a Skills and Industry Capability Statement that maps the profile of the Precinct in relation to:

- Skills and labour profile;
- Skills and workforce development capability and capacity;
- Workforce qualifications;
- Mapping of supply chain and value flows; and
- Capability building.

The purpose of the Capability Statement is to inform the development of a Strategic Plan geared to maximising the ability of local firms to participate in the builds in the first instance, but also to compete for future heavy engineering work.

The Plan would bring together industry stakeholders, including education and training organisations, in an effort to capture more work for Australian industry and to build an industry whole that is greater than the sum of its parts.

For example, in the apprenticeship space, many young people are denied opportunities for apprenticeships because the lack of diversity of work evident in many relatively small businesses does not provide sufficiently broad learning opportunities to develop trade skills to the full industry standard.

New opportunities for apprentices and cadets

The establishment of a tripartite collaborative approach to apprentice training through a National Engineering Apprenticeship and Cadetship Employment Trust would allow major firms in the build projects, and other approved firms designated as 'Approved Apprentice Learning Hubs', to employ additional apprentices on behalf of the wider supply chain as a precursor to dispersing them to other employers later in their apprenticeship.

Benefits would include:

- Local training providers, particularly TAFE, would benefit from economies of scale, and opportunities to better manage learning;
- Apprentices would benefit from access to a broader scope of work, portable and transferable skills and a higher likelihood of completion, combined with exposure to high quality work on defence projects;
- The Apprentice Learning Hubs would benefit from having enhanced incentives, economies of scale, and an opportunity to shape the skills profile of their supply chain and build local industry capability; and
- The taxpayer would benefit from having a more efficient approach to the development of key trade and technical skills in a managed, competency-based environment supported by training providers, regulators, government service providers delivering apprentice advisor and mentoring services, and industry parties.

It is intended that the learnings from this approach be used to inform approaches to other heavy engineering and related industry development initiatives across the country.







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**The Australian Shipbuilding Federation of Unions (ASFU)
represents the interests of workers working in the
shipbuilding industry across Australia.**



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