

What is the Defence Industry?

Characteristics of the defence Industry

The industry is defined, not by its product, but by its single client, the Defence Force. Competition is limited and in some cases products are sole sourced. A new product is subject to lengthy planning, design and experimentation periods necessitating industry involvement from an early stage. Major Defence procurement, therefore, is not simply an arms-length competitive tendering process but is best described as a "Defence-industry partnership".

Australia has a well-developed national defence industry base that maintains and repairs the most advanced of the Australian Defence Forces' (ADF) equipment and, in recent years, has manufactured submarines, frigates and armoured vehicles as well as completing the upgrades of a wide range of vessels and aircraft.

Structure of the national industry

The industry is categorised into four sectors:
maritime

aerospace

land weapons and munitions

military systems integration and electronics (MSIE)

The Defence Organisation estimates that there is a core of between 250 and 300 companies comprising the Australian industry and the majority are SMEs. At the heart of the core are the prime contractors, known as "primes": Thales, Tenix Defence, BAE Systems, Australian Aerospace, Raytheon Australia, Boeing Australia, ASC, Saab Systems and Qantas Defence Services. Only three of these are less than 50% foreign owned, namely ASC, Tenix Defence and Qantas Defence.

The primes meet their often-large scale and complex objectives by drawing from a "supply chain" consisting of hundreds and sometimes thousands of companies.

Around 50% of Defence procurement expenditure within Australia is estimated to go to small to medium enterprises (SMEs).

This opens the way for some of WA's smaller companies to be involved in the industry and some outstanding successes have been achieved in recent times.

Western Australia's defence industry

Western Australia (WA) is host to a world-class shipbuilding industry that is responsible for 55% of Australian shipbuilding production, including military and para military vessels for the Australian and other nations navies.

The AMC based at Henderson Perth WA is the birthplace of the company responsible for the very latest in Theatre

Support Vessel technology - the favoured logistics solution for the Okinawa-based Third Marine Expeditionary Force. Other major military and civilian markets of note include Hong Kong, Turkey, Yemen, Philippines, China, Singapore and Malaysia. WA is the frontier of lightweight aluminium shipbuilding technology, attracting the most demanding of seagoing commercial and military patrons.

Western Australia is well represented by prime contractors in the two fields of maritime and military systems integration and electronics; these are: ASC, Thales, Raytheon, Tenix and Saab Systems (as part of the ANZAC Alliance), and Austal Ships. In addition, WA has one of the nation's most significant defence SMEs in L-3 Nautronix.

The representative industry association for WA defence industry is the Australian Industry and Defence Network WA (AIDN WA) and it has around 60 members that include both prime contractors and SMEs with ex official involvement by the Defence Materiel Office (DMO), Dept of Industry and Resources Unit (DOIR) and the Industry Capability Network (ICN).

There are some great career opportunities in the WA Defence Industry. Some people get the defence industry confused with the Defence forces. There is a big difference between the Australian Defence Forces (ADF) and the WA defence industry. For a start, working in the defence industries doesn't involve joining the army or navy, wearing a uniform, or being shipped overseas.

There are many highly-paid and rewarding civilian engineering careers in industries providing support to the ADF that allow engineers to live and work in their own community.

The defence industry employ approximately 3000 people directly and 20 000 indirectly in WA, and have generated in excess of \$1.1 billion for the WA economy. The defence industry is experiencing a critical shortage of skilled engineers and tradespeople. With the Federal Government's release of the Defence Capability Plan 2006-2016 engineers will remain in high demand in the long term.

Much of the work undertaken by the defence industries revolves around the design and construction of naval vessels and the development and maintenance of aircraft, telecommunications and electronic equipment.

Projects in the defence industries rely on cutting-edge technology, such as in the design and integration of sophisticated combat systems.

Defence Industry Careers

The ship building industry in WA is responsible for nearly half of the commercial ship building activity in

Australia. WA also produces military and para-military vessels for the Australian Government as well as international agencies including police, navies and coast guards. The state is also a recognised designer and supplier of aluminium vessels for both military and commercial uses.

Aviation overhaul and maintenance activities occurs throughout the metropolitan area to support the Royal Australian Air Force. Pilot training in a growth area with more commercial pilots being training in WA. This is expected to grow with the expansion of both the

Perth and Jandakot airports.

The defence sector (army, navy, air force) is supported by approximately ten major companies employing approximately 3000 staff. The companies include:

AirfliteASC

Austal

BAE Systems

Formation Design Systems

L-3 Communication Nautronix

Raytheon

Thales

These companies are supported by smaller local and interstate organisations on an as-needs and contractual basis.
These companies include:

Austindo

EJ Electrical Engineering Contractors

Hanseatic

Marine Inspection Services

Westralian Engineering

The defence sector spends about \$800 million per annum in WA to these companies.