



Committee Secretary

Senate Standing Committees on Economics  
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To the Secretary,

### **Inquiry into the Australia's sovereign naval shipbuilding capability**

My name is Jon Primrose and I am a Pipe fitter employed at BAE Systems at Henderson in Western Australia. This submission is my personal view of what direction the future of the Australian Naval shipbuilding industry should be heading to ensure we still have the infrastructure and labour capacity to undertake this vital work.

I had the privilege of doing my apprenticeship in a small family run engineering workshop whose core business was working on a wide range of Naval and commercial vessels. I finished my trade in 2007 and due to a down turn I left the Shipbuilding industry, In 2012 I was recruited to start work at BAE Systems in Henderson to undertake the ASMD upgrade of the ANZAC class frigates. Once that project was over in 2016 I watched 130+ highly skilled workers get made redundant. Less than one year later the company was struggling to recruit skilled Shipbuilders for the AMCAP Upgrade of the ANZAC class Frigates.

During my seven and a half years employed at BAE, I have been lucky to have been given the opportunity by management to be put through various courses and licences to upskill and retrain me to undertake various roles within the shipbuilding enterprise.

#### **Utilization of local content and supply chains;**

Whilst BAE does utilise some local content, they purchase a lot of the on board system equipment from manufacturers all over the world. All our Naval acquisition contracts should have a maximum level of Australian made content and as close to 100% Australian labour content, Contracts should ensure companies based on Australian Soil are given the chance to bid for work within the Primes or in the supply chain. Over these coming decades our government has a real opportunity to create a world class shipbuilding industry that will inject billions of dollars into our economy. We need to ensure we get maximum industry and social benefit here in Australia from these contracts, The government should be working with the primes to design and manufacture more locally made systems. This would not only create more jobs in Australia but also reduce the constant risk with long lead-time equipment and lack of availability during times of conflict that can cause project delays.



### **Imminent job losses and redundancies;**

ASC Ships in Adelaide has indicated they may have to continue make workers redundant until work on the Hunter class Frigates and Arafura Class OPV ramps up in late 2020. I am writing to the committee about this as it affects me and my work colleges. I know the stress and uncertainty they are all going through during this time and have endured over the last couple of years as the AWD project nears the end. Yet BAE Management in Henderson doesn't even mention to its workforce that this is currently going on in Adelaide. All we can see from the west is the new Sheds in Osborne are going up and the design of the Hunter Class is progressing.

### **Development of contracts relating to naval ship and submarine building;**

All parties involved in Designing, Building and Maintaining our current and future fleets need to communicate and work together to focus on ensuring the valley of death never happens again in the history of the Australian Shipbuilding industry. We need tri partisan support from governments, industry and unions to put a plan in place for the next 20+ years of contracts instead of just deciding on a new replacement or upgrade at the last minute, history has shown this method costs millions to up skill workers and is a very risky method. The shipbuilding workers skills and dedication to the Industry should be the made the biggest asset of Australia's Sovereign Naval Shipbuilding capability, An Asset that shouldn't be taken for granted or left to disappear from the Industry.

### **The transfer of intellectual property and skills to Australian firms and workers**

I am aware our government likes to select proven designs from overseas companies. I feel this just shows again our lack of foresight as a country. We should have had naval architects and engineers working on designing our future fleet of naval vessels 10- 15 years ago so they could have all been our own design. If we are to use foreign equipment in our naval vessels we will need to ensure we own the IP of that equipment in case of political unrest. The transfer of intellectual property should be written into all future naval contracts. When spending Billions of dollars on these vessels we need to ensure that we own all the technology hidden within. The Companies undertaking the build or upgrade should be ensuring their workers are trained up on the equipment they are working on as the company that has provided it.

### **Progress of the Naval Shipbuilding College in building workforce capability, and developing the required skills and infrastructure to design, build, maintain, sustain and upgrade current and future naval fleet;**

As a shipbuilder currently working in the industry, I only have just noticed a presence of the Naval Shipbuilding College on Facebook about a month ago. My impression is it just comes off to me as a Government run recruitment agency. They offer up skilling and training to workers looking to get into the industry but not to workers already in the industry looking to progress their careers.



The Naval Shipbuilding College should reach out to companies to offer this training to their workforce otherwise the only way you will find out about what is on offer is if you're looking for a new job.

### **Opportunities and multiplier effects to local jobs and the economy;**

90 Billion dollars worth of vessels to be built here in Australia will grow our industry into something to be proud of as a shipbuilder, thousands of workers will be working across the nation in the ship yards, earning a good living, spending money in the local communities and paying taxes to help support social and economic growth. Companies should be utilising local suppliers to ensure more local workers are benefiting from these contracts which will again increase the jobs and economy in local communities surrounding the shipyards.

Apprentice Shipbuilders will be starting a career and to be learning the skills from the older generation of shipbuilders. If our government continues to plan for a rolling build they could stay in the industry for the rest of their working lives. Working and strengthening the economy and local community.

As part of this inquiry I strongly urge our government to become a signatory of the IMO Hong Kong Convention for when Australia's current fleet of naval vessels need to be decommission and broken for scrap. These vessels are Australian assets and they need to be recycled in the most environmentally safe method without putting Australian workers' safety and health at risk. Two of Australia's decommissioned destroyers have recently been broken up for scrap at the Common User Facility in Henderson. It's in our government's best interests to plan from cradle to grave while looking at Australia's naval capability. Over the next 15 years 8 Anzac class Frigates will be nearing their end of lives and will need to be scrapped and over the next 20 to 30 years the fleet of 6 Collins class Submarines will also need to be decommissioned.

In Unity,

**Jon Primrose**

Proud Australian Shipbuilder

