



PREMIER OF TASMANIA

Mr Mark Fitt
Committee Secretary
Senate Economics References Committee

10 DEC 2019

Dear Mr Fitt

Thank you for your invitation to provide a submission to the Senate Economics References Committee inquiry into Australia's sovereign naval shipbuilding capability.

Responding to the workforce challenges associated with delivering a national sovereign naval shipbuilding capability will be a critical national endeavor. In addition to the task of delivering the naval shipbuilding program, there is also a strong and potentially complementary commercial shipbuilding sector and a broader manufacturing sector to consider in responding to workforce needs.

There is a potential and currently unquantified risk that the naval shipbuilding task will draw workers away from commercial shipbuilding which is also experiencing an increase in demand in key sub-sectors. In Tasmania, the demand for skilled workers in the shipbuilding sector has corresponded with high demand for similar skill sets in construction and other manufacturing activities, particularly in metal trades. The scheduling of naval shipbuilding to level out the workforce needs over time contributes to workforce development but does not take into account other government construction programs or demand for commercial shipbuilding workforce. Disparity in wages can draw workers away from the shipbuilding and manufacturing sectors, making it difficult to retrieve those skilled workers when demand increases.

Most small and medium enterprises (SMEs) that contribute to the maritime industry and shipbuilding, both in Tasmania and nationally, contribute across the commercial and naval sectors without a singular focus on one customer, including naval shipbuilding. This can be a key factor in SME resilience given the diversification of markets it provides. Many skill sets required by the commercial or naval shipbuilding workforce, and indeed other sectors such as advanced manufacturing and construction, are shared.

To respond to this, there is a need to treat the shipbuilding sector as a national asset and thereby consider the workforce challenges in the context of National Shipbuilding and not just those engaged in naval shipbuilding.



A collective approach that considers the skill sets required across the naval and commercial shipbuilding sectors will support a more resilient industry through a workforce that identifies themselves as shipbuilders of any trade, specialisation or skillset and are more likely to be attracted to and stay involved in the sector.

A comprehensive understanding of the skills requirements and the career pathways within the national shipbuilding industry (naval and commercial) will provide a foundation for how to attract, retain and develop the workforce. This will enable a flexible workforce that can move across the different shipbuilding tasks and respond to demand for their skills at different times in the shipbuilding cycle will support and engaged workforce. This will require collaboration across the shipbuilding industry to manage the resource requirements to achieve the potential for growth and quality in shipbuilding in Australia.

It is also acknowledged that shipbuilding does not start and end in the shipyard. The business and management skills to support the growth in the shipbuilding sector will be a factor in the success of the National Shipbuilding endeavor as much as providing appropriately skilled naval architects and welders.

Tasmania's Defence Advocate and Strategic Adviser-Maritime, RADM (Rtd) Steve Gilmore, is committed to being involved in future discussions to develop the naval shipbuilding strategy and can be contacted by email at [REDACTED] or telephone on [REDACTED]

Yours sincerely

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Will Hodgman MP
Premier
Minister for Advanced Manufacturing and Defence Industries