

Aerospace industry in South Australia

Australia has a proud history in the aerospace industry with many early Australian pioneers in air travel, people such as Sir Charles Kingsford Smith and Bert Hinkler. Other notable figures include Nancy Bird Walton, the Australian female pioneer aviator.

Aircraft manufacturing and maintenance and repair have been an integral part of the development of the Australian aerospace industry, beginning in the 1920s with the development of the first military aircraft. However by the 1990s, Australia had ceased to manufacture large passenger aircraft. Small aircraft manufacturing still continues with Gippsland Aeronautics and Delta Corporation leading the way.

Today the Australian aerospace industry competes in the world market as a niche manufacturer and supplier of components for international aircraft manufacturers such as Boeing and Airbus. Approximately 20% of the industry's output is exported.¹

The Australian aerospace industry consists of four segments:

- Commercial aircraft and parts
- Military aircraft (including UAVs), parts and guided missiles
- Maintenance, repair and overhaul
- Light aircraft and parts.

Light aircraft and parts make up less than 1.7% of the industry. Commercial aircraft parts manufacture accounts for 34% of the market with the manufacture of military aircraft, parts and guided missiles accounting for 33.5%.²

The manufacturing industry is dominated by four major players:

- Australian Aerospace
- Boeing Australia Holdings
- BAE Systems Australia Holdings Limited
- Hawker Pacific Pty Ltd

who account for 53% of the industry³.

(For a more in-depth analysis of the aerospace industry, refer to the MSA Info sheet – 'The aerospace industry in Australia'.)

In **South Australia**, the aerospace industry is concentrated within close proximity to any airports, supplying maintenance, repair and overhaul services. 6.2% of Australia's aircraft manufacturing and MRO business are located in South Australia.⁴

Note: MSA uses as its main data sources, the latest statistics available from the Australian Bureau of Statistics (ABS) and the National Centre for Vocational Education Research (NCVER). This may result in variations between MSA's data and the data collected by other sources.

¹ IBISWorld C2824 Aircraft Manufacturing in Australia accessed March 2011 pg 5

² IBISWorld C2824 Aircraft Manufacturing in Australia accessed March 2011 pg 16

³ IBISWorld C2824 Aircraft Manufacturing in Australia accessed March 2011 pg 23

⁴ IBISWorld C2824 Aircraft Manufacturing in Australia accessed March 2011 pg 21

Employment in the Aerospace industry in South Australia

Employment data is released by the ABS quarterly (February, May, August and November). The data tables only give data to the ANZSIC group level. Class 2394 Aircraft Manufacturing and Repair Services is included in the data for Group 239 Other Transport Equipment Manufacturing together with:

- 2391 Shipbuilding and Repair Services
- 2392 Boatbuilding and Repair Services
- 2393 Railway Rolling Stock Manufacturing and Repair Services, and
- 2399 Other Transport Equipment Manufacturing n.e.c.

May 2010 figures showed that an estimated 4,000 people in South Australia were employed in Group 239 Other Transport Equipment Manufacturing⁵. 75% of employees were males working full-time.

From these figures it is difficult to generalise employment for the aerospace industry in South Australia with any accuracy.

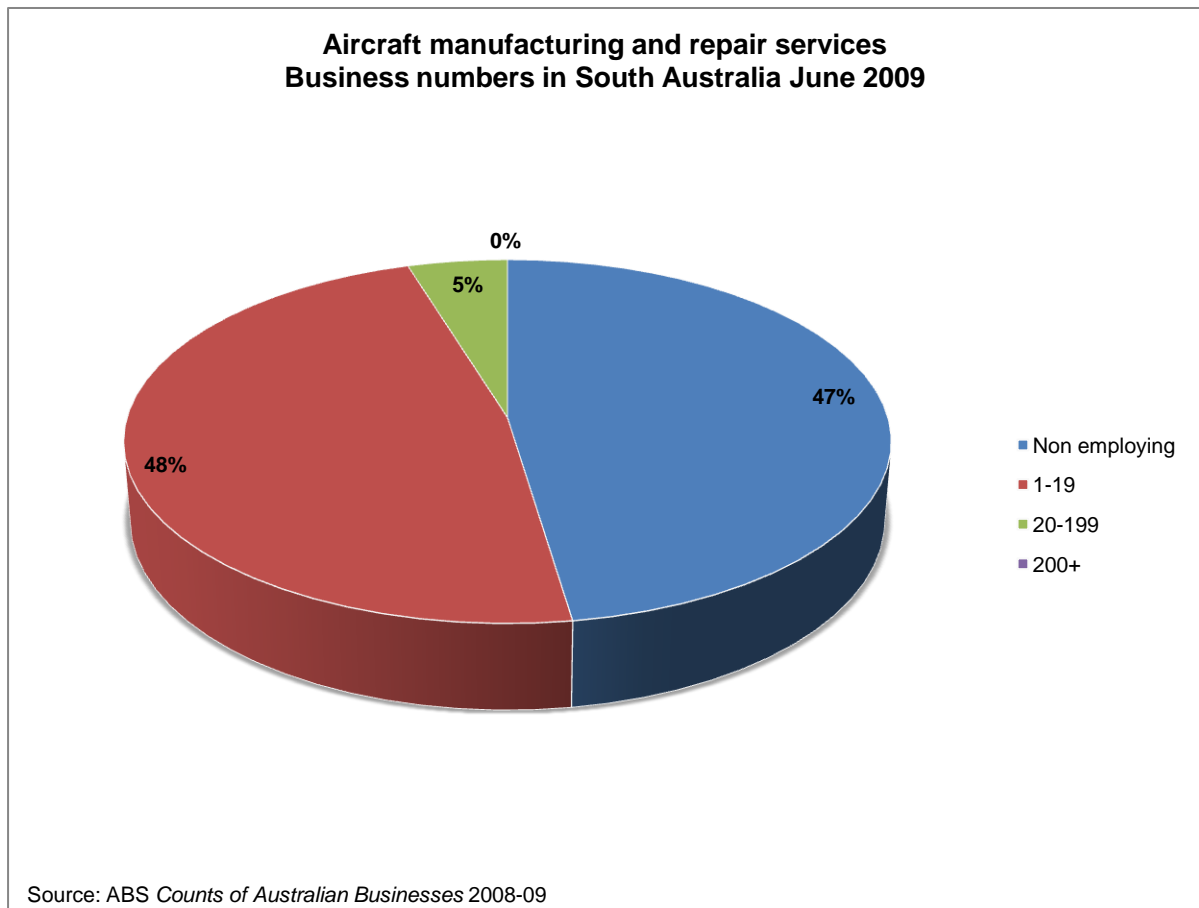
Note: It is not possible to obtain data relating to job-share arrangements from the ABS.

⁵ Australian Bureau of Statistics *Labour Force* May 2010

The Aerospace industry in South Australia – business numbers

The ABS publishes ‘Counts of Australian Businesses, including Entries and Exits’ annually. Data is sourced from the Australian Bureau of Statistics Business Register (ABSBR). The most recent publication for the Financial Year 2008–09 has been used for this information sheet. Businesses are classified by the number of employees.

In 2008–09 there were 63 businesses operating in South Australia within the aircraft manufacturing and repair services industry⁶. This data includes the maintenance, repair and overhaul sector. The majority of businesses were either non-employers (that is, they hadn’t submitted an Income Tax Withholding (ITW) statement to the Australian Tax Office (ATO) for five consecutive years) or small businesses employing between 1 – 19 people⁷.



⁶ Australian Bureau of Statistics *Counts of Australian Businesses* 2008-09

⁷ Australian Bureau of Statistics *Counts of Australian Businesses* 2008-09

Skills and training

The Education and Work report is published by the ABS annually. The most recent edition of Education and Work May 2010 was published in November 2010. Data published in the Education and Work report is classified according to the Australian Standard Classification of Education 2001 (ASCED).

In Education and Work May 2010, the most relevant classification is the narrow field: 0315 Aerospace engineering and technology. This classification includes (but is not limited to):

- 031501 Aerospace engineering
- 031503 Aircraft maintenance engineering
- 031599 Aerospace engineering and technology n.e.c.⁸

Education and Work May 2010 only contains data relating to the broad field '03 Engineering and Related Technologies'⁹ and is too broad to be considered within this document.

The Aerospace maintenance, repair and overhaul sector is covered by the MEA07 Aeroskills Training Package. There are 17 qualifications in the Training Package ranging from Certificate II to Advanced Diploma¹⁰. This Training Package was released in March 2008 and updated in November 2010 to include a new qualification - Certificate IV in Aeroskills (Armament).

These aircraft maintenance qualifications support comprehensive skills development needs for aerospace industry personnel involved in the maintenance, repair and overhaul of aircraft and aircraft components. Specifically designed qualifications meet the competency requirements identified by the Civil Aviation Safety Authority (CASA) for people to become Licensed Aircraft Maintenance Engineers (LAME).

Note: The training data within this information sheet contains information relating to this Training Package (MEA07) as well as previous Training Packages. There is no Certificate I level qualification in the Aeroskills Training Package

⁸ Australian Bureau of Statistics *Australian Standard Classification of Education 2001*

⁹ Australian Bureau of Statistics *Education and Work May 2010*

¹⁰ National Training Information Service www.ntis.com.au

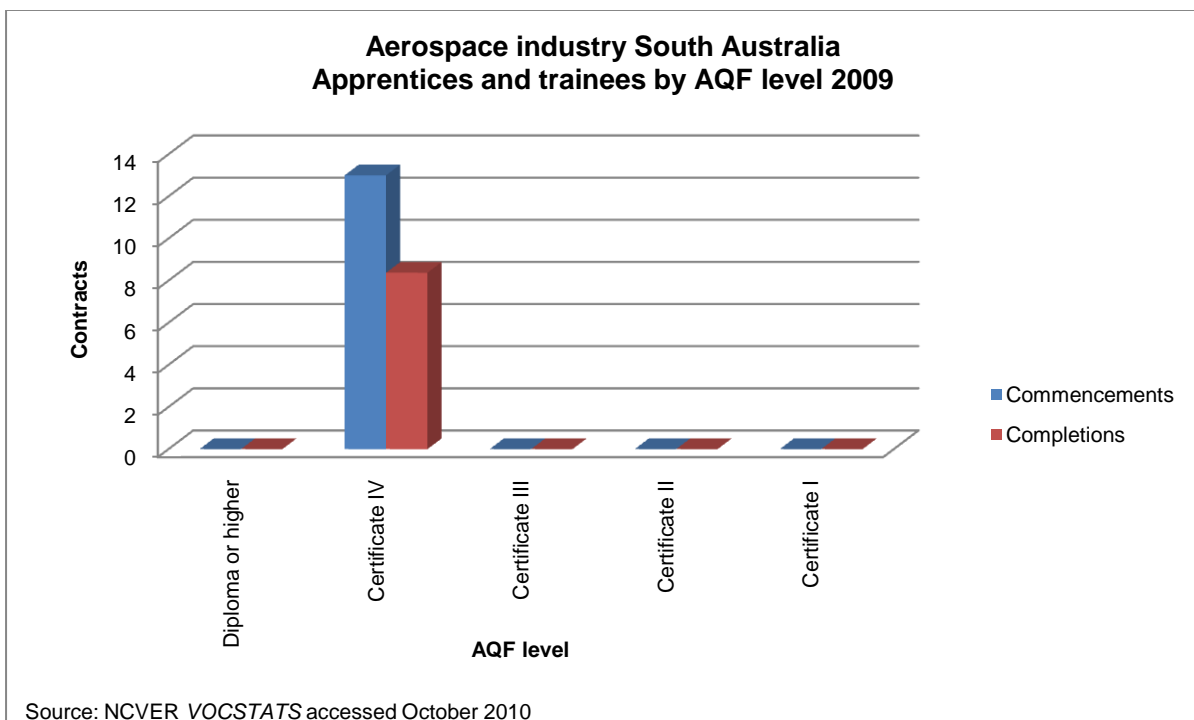
The National Centre for Vocational Education Research (NCVER) collects data on commencements and completions in vocational education qualifications via two instruments – the “National Apprentice and trainee collection” and the “National VET provider collection”. The “National Apprentice and trainee collection” includes data for all formally notified apprentices and trainees attending either publicly funded or private Registered Training Organisations (RTOs). The “National VET provider collection” only contains data from publicly funded institutions such as Technical and Further Education (TAFE) colleges. Data is collected for the apprentice and trainee collection quarterly and for the VET provider collection annually. This data can also be accessed via NCVER’s database – VOCSTATS.

In 2009, 24 people in South Australia commenced a formal contract of training in a qualification from an MEA Training Package, while 10 people completed a formal contract of training. All commencements and completions were at Certificate IV level.

The qualification that had the most commencements and completions was Certificate IV in Aeroskills (Mechanical) - in 2009, eight people commenced this apprenticeship. They accounted for nearly half of all contract commencements.

In the same year, five people completed an apprenticeship in Certificate IV in Aeroskills (Avionics) which was half of all contract completions¹¹.

There were no traineeships or apprenticeships at Certificate II or III level in 2009.

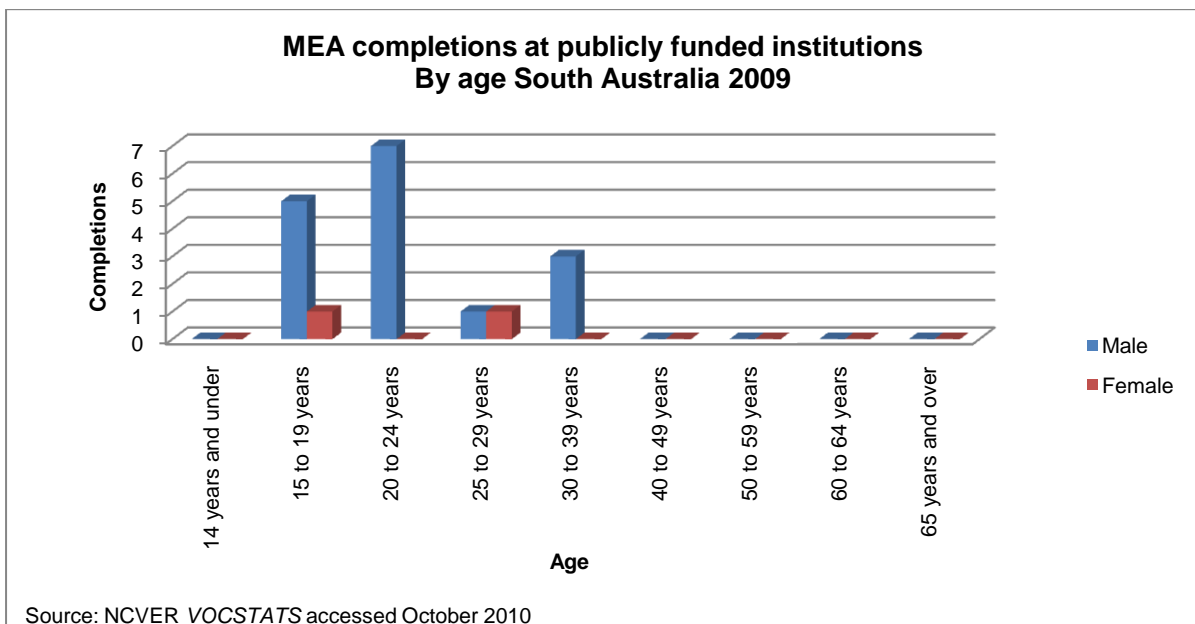
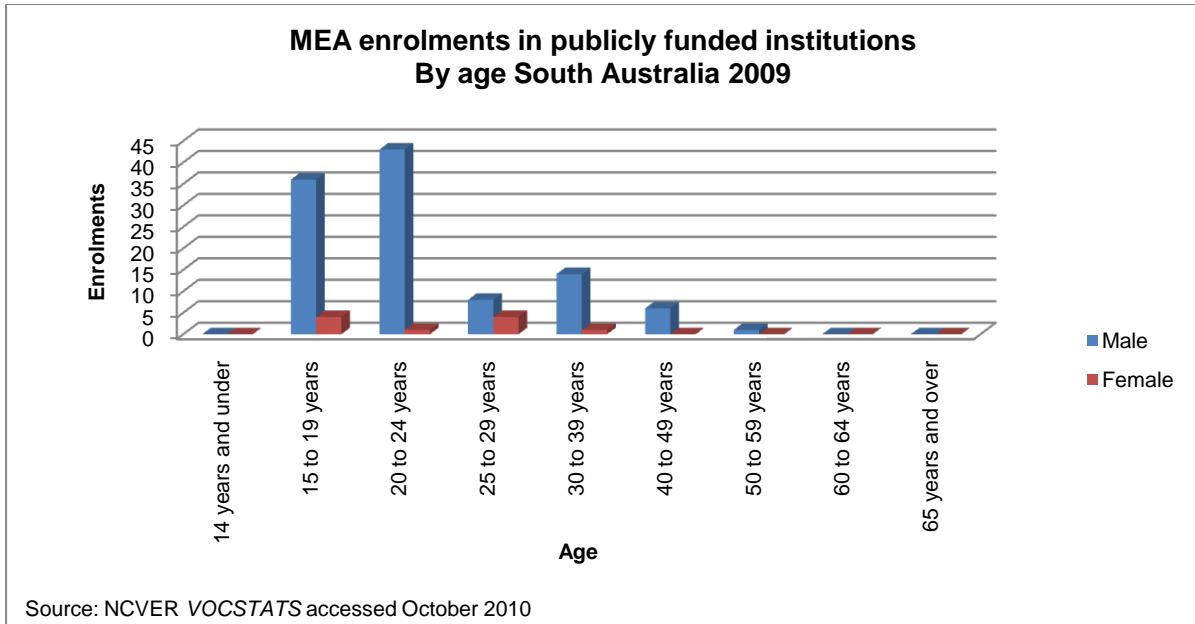


¹¹ National Centre for Vocational Education Research VOCSTATS accessed October 2010

At the end of 2009, there were 41 people in South Australia undertaking an apprenticeship or traineeship from an MEA Training Package. All contracts were held by males. 27 apprentices and trainees were aged between 20 and 24.

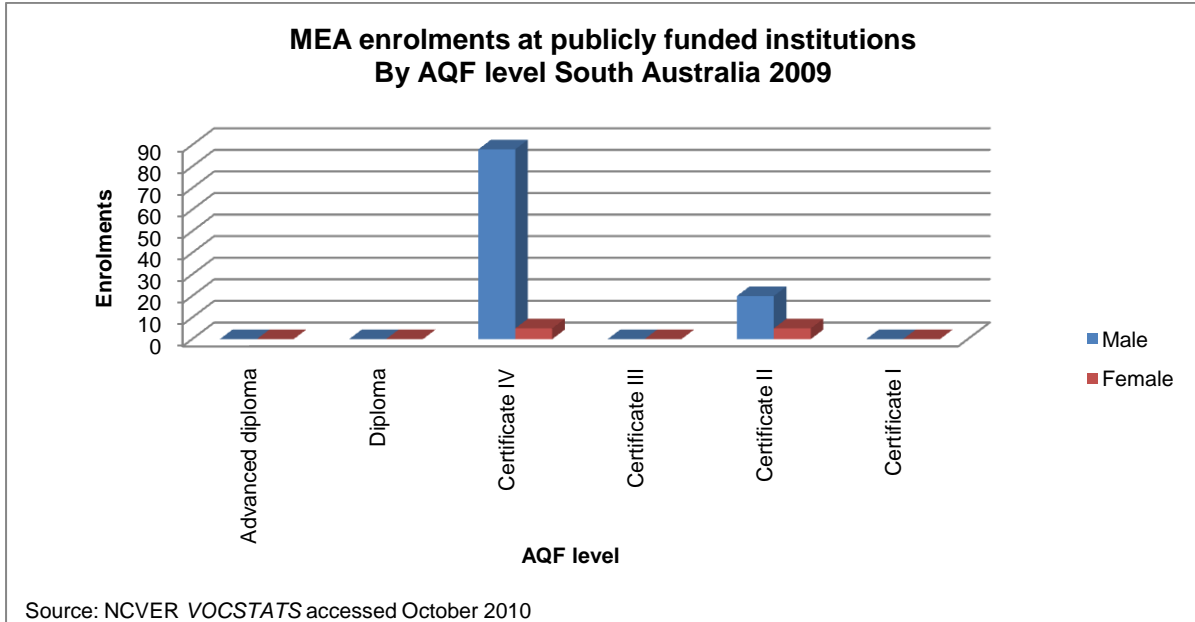


During 2009, 118 people in South Australia commenced an MEA qualification at a publicly funded training provider and 18 people completed a qualification from an MEA Training Package.¹²

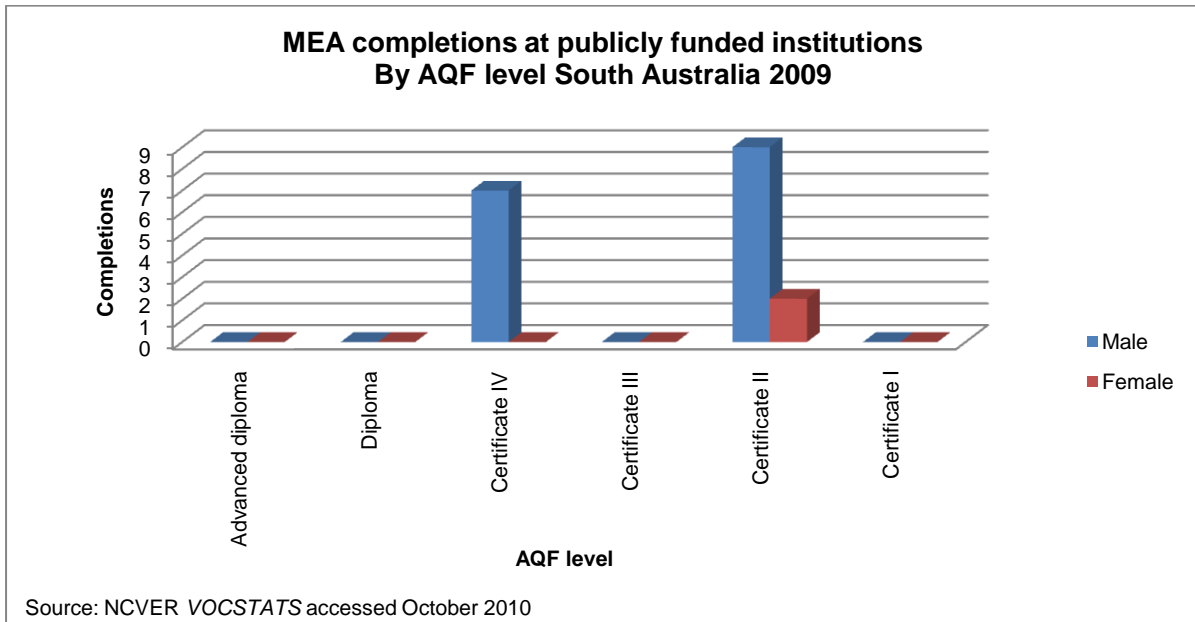


¹² National Centre for Vocational Education Research VOCSTATS accessed October 2010

In an industry sector where men make up the majority of workers, it is to be expected that men also make up the majority of enrolments. Over 91% of all commencements were male, with the largest course enrolment (59) being males enrolling into Certificate IV in Aeroskills (Mechanical)¹³.



As with commencements, males made up all the completions with 16 graduating in 2009. The qualification with the most completions (9) was Certificate II in Aeroskills¹⁴.



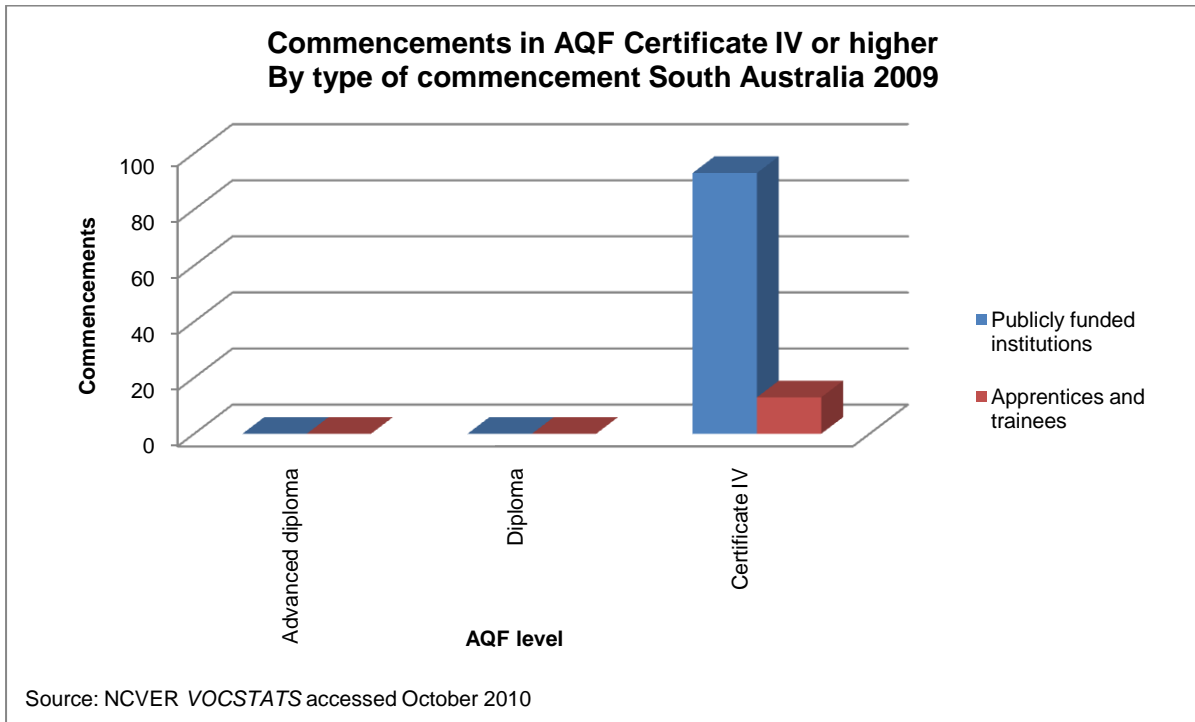
¹³ National Centre for Vocational Education Research VOCSTATS accessed October 2010

¹⁴ National Centre for Vocational Education Research VOCSTATS accessed October 2010

Unlike other industry sectors covered by MSA Training Packages, the minimum trade qualification for an Aircraft Maintenance Engineer is at Certificate IV level. The number of contracts at Certificate IV level is significantly higher than in any other sector, and in Aerospace, makes up the majority of contracts. The same applies with the VET provider enrolments¹⁵.

In South Australia in 2009, 13 people commenced a traineeship or apprenticeship at Certificate IV level, while there were 93 enrolments at Certificate IV level in a publicly funded institution. There were no Diploma or Advanced Diploma commencements in South Australia in 2009.

Note: Due to the way data is collected, the two sets of data are not mutually exclusive.

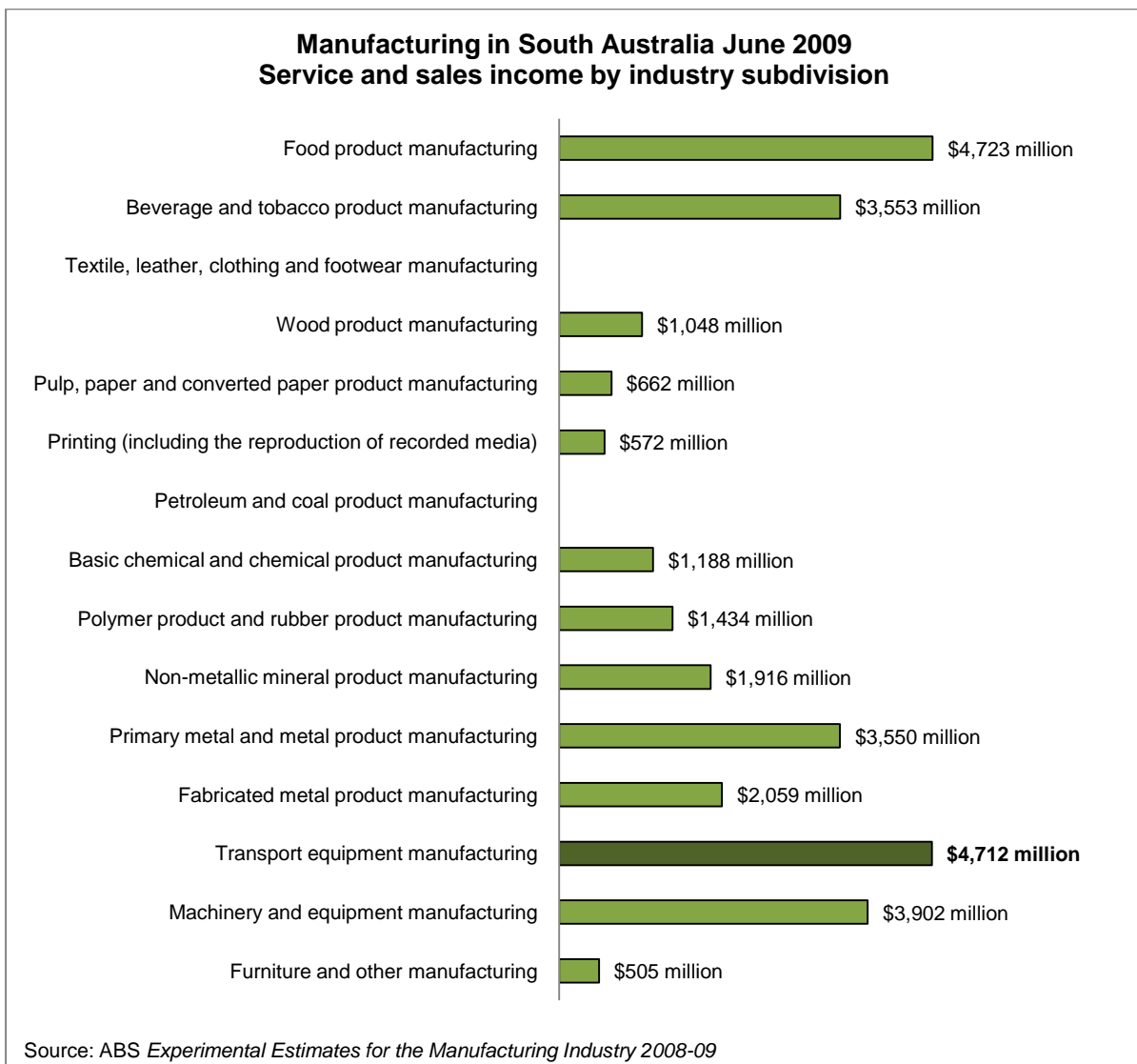


¹⁵ National Centre for Vocational Education Research VOCSTATS accessed October 2010

Contribution to the economy

One measure of Gross Domestic Product (GDP) is 'industry value added' (IVA). In the Financial Year ending June 2009, the Aerospace industry contributed over \$1.56 billion to the Australian economy, making it the largest contributor within the Transport equipment manufacturing industries.¹⁶

Another measurement of contribution to the economy is 'sales and service income'. At the end of June 2009, the Transport equipment manufacturing industries in South Australia employed 10,041 people and had a sales and service income of approximately \$4.7 billion. This was approximately 15% of the sales and service income for manufacturing in South Australia in 2009.¹⁷



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¹⁶ Australian Bureau of Statistics *Experimental Estimates for the Manufacturing Industry 2008-09*

¹⁷ Australian Bureau of Statistics *Experimental Estimates for the Manufacturing Industry 2008-09*