

Aerospace industry in the Australian Capital Territory

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 exported¹.

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 approximately 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 the **Australian Capital Territory**, the aerospace industry is concentrated within close proximity to any airports, supplying maintenance, repair and overhaul services⁴. The Australian Capital Territory is a minor player with only an estimated 0.3% of the industry.

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 the Australian Capital Territory

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.

According to the ABS, in May 2010 the number of people employed in the Other transport equipment manufacturing sector in the Australian Capital Territory was below the number required to make up a statistical unit⁵.

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 the Australian Capital Territory – 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.

According to the ABS, at the end of the 2008-09 financial year there were no businesses operating in the Australian Capital Territory within the aircraft manufacturing and repair services industry⁶. This data includes the maintenance, repair and overhaul sector⁷.

⁶ Australian Bureau of Statistics *Counts of Australian Businesses* 2007-09 accessed March 2011

⁷ Australian Bureau of Statistics *Counts of Australian Businesses* 2007-09 accessed March 2011

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 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.

According to NCVER, in 2009, one person commenced a contract of training in an MEA qualification in the Australian Capital Territory. The contract of training was for Certificate IV in Aeroskills (Mechanical). One person completed a contract of training in that year. The contract was for Certificate IV in Aeroskills (Mechanical)¹¹.

At the end of 2009, there were three people in the Australian Capital Territory undertaking an apprenticeship or traineeship from an MEA Training Package. All contracts were held by males, with two thirds of apprentices aged between 20 and 24 years of age.

During 2009, two people in the Australian Capital Territory commenced an MEA qualification at Certificate IV level through a publicly funded training provider, while one person completed a qualification from an MEA Training Package. Both enrolments were males aged between 20 and 24 years of age¹². There were no commencements at Diploma or Advanced Diploma level in the Australian Capital Territory in 2009.

All commencements were males enrolling into Certificate IV in Aeroskills (Mechanical)¹³.

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

¹¹ National Centre for Vocational Education Research VOCSTATS accessed October 2010

¹² National Centre for Vocational Education Research VOCSTATS accessed October 2010

¹³ 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 ABS estimated that the Aerospace industry contributed over \$1.56 billion to the Australian economy, making it the largest contributor within the Transport equipment manufacturing industries¹⁴.

Another measurement of contribution to the economy is 'sales and service income'. At the end of June 2009, the Transport equipment manufacturing industries in the Australian Capital Territory employed 305 people and had a sales and service income of approximately \$72 million. This was approximately 6% of the sales and service income for manufacturing in the Australian Capital Territory in 2009¹⁵.

Note: Information in the graph below relating to the following sectors is not publicly available from the ABS:

- Petroleum and coal product manufacturing
- Pulp, paper and converted paper product manufacturing



-END-

¹⁴ Australian Bureau of Statistics, *Experimental Estimates for the Manufacturing Industry 2008-09* accessed March 2011

¹⁵ Australian Bureau of Statistics, *Experimental Estimates for the Manufacturing Industry 2008-09* accessed March 2011