Kinetic Recruitment Submission for 2015 Defence White Paper

Executive Summary

- In the recent past, the Defence sector has suffered from skills shortages which have contributed to undesirable outcomes in projects.
- Future undersupply of certain Defence sector skills sets is extremely likely.
- Each sector domain will be effected in different ways.
- The Defence sector must work to attract, retain and efficiently use available talent.

Introduction

Effective partnership between Defence sector participants (Defence and Defence Industry) is essential to maximising Defence capability.

Kinetic Recruitment (Kinetic) is in a unique position to comment on the Defence sector workforce. Kinetic speaks to over 10,000 industry participants on an annual basis and is a specialist in the identification and management of technical skills within the sector nationally.

The purpose of this submission is to use the insight gained from 14 years of working in the Defence Sector to inform debate and the decision making process for the 2015 Defence White Paper.

Current Situation

Prior to 2009/2010 the Defence sector was plagued by a lack of skilled workers. A busy project environment, coupled with a booming resources sector meant that there was a great imbalance in the supply and demand of the technical skills required in both the acquisition and sustainment functions in the Defence sector. Strong competition and employment conditions from other sectors impacted the supply of available workers, and in a number of cases project cost and schedule was effected by the misalignment between the location of the work forces, and the location of the work.

Much of the last four years saw a significant reduction in the size of the Defence Industry, however the last 12 months has seen a general increase in hiring activity in Defence Industry, and we forecast a general undersupply of many Defence sector specific skills over the medium to long term. Many major ADF platforms are now scheduled for replacement, and a number of large systems based projects are under way.
The end of the resources construction boom will not significantly diminish the demand in the Resources Industry for Defence sector trained skills over the medium term. Many resource projects are moving to the sustainment phase of their lifecycle, and Defence sector workers are still attractive to that industry. Growth in construction, transportation and IT sectors are also creating demand for Defence sector workers.

The effect of an aging workforce is yet to have a significant effect on the supply of skilled workers.

Project cost and schedule risk will be greatly effected by the way the sector manages the supply and demand of skilled workers.

Predictions

The following predictions are offered across the major sub sectors.

SEA
The supply and demand of maritime skills is, at best, in equilibrium in most locations, however with a number of acquisition projects about to start, demand is likely to far out strip supply unless competing project schedules are carefully orchestrated, work is done offshore, or significant steps are taken to utilise skills from adjacent industries. Regional locations will continue to suffer from poor supply of local skills.

AIR
Foreign Military Sales acquisitions have effectively seen a reduction in the requirement for indigenous design and systems engineering skills. This will have a negative effect on the available supply of these skills over the long term. Increasing use of autonomous vehicle technology will drive demand for new skills in this sub sector.

LAND
The possibility of a very large manufacturing, or at least, systems integration project in the military vehicle space will test the ability of Defence to integrate skills from adjacent sectors. The automotive sector hold some relevant skills, but many requirements will have Defence specific content expertise which workers from other sectors will not hold.

JOINT
Demand for ICT skill sets will increase over the long term. The rise in importance of cyber warfare capabilities, coupled with comparable requirements in commercial industry will mean strong demands for these skills in general. IT skills in general will be in demand across the country. Comms and RF focused skills will be in strong demand due to a number of large projects. Defence estate projects will have to compete for skills with a number of civil infrastructure projects.

GENERAL
The aging of the workforce will start having a negative effect on supply within the medium term, and the supply of new workers from training institutions is unlikely to replace retiring workers.
Recommendations

The below recommendations are offered.

1. Defence collaborates with industry on the long term planning of skills supply and utilisation. This will reduce the risk of the required skills being unavailable in the desired locations. The Strategic Industry Partnership initiated by the Australian Signals Directorate is a good examples of Defence and Defence Industry partnering for the long term availability of skills.

2. DMO explore innovative ways to access the best talent. Initiatives may include closer partnership with tertiary and training institutions, the creation of talent communities, or the formation of semi commercial organisations or alliances with the flexibility to manage access to required workers.

3. Defence and Defence Industry must work together to understand and forecast the supply and demand for required skills in specific locations before major projects go to tender. This is particularly important for regional areas or for niche skill sets generally.

4. Understand and utilise adjacent industry sectors. Initiatives, such as engagement and training programs will assist the sector in accessing and efficiently engaging skilled workers to fill current supply shortfalls.

5. Efficient use of Defence Sector resources. Defence to lead collaborative efforts between Defence Industry participants to fully utilise resources.

Notes

For the sake of brevity, this submission has omitted specifically identifying many of the locations, projects and skills sets which are noted. Expansion will be forthcoming upon request.

Defence is authorised to publish this submission in part or in full.

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