

# News Release **Minister Martin Hamilton-Smith**

Minister for Investment and Trade  
Minister for Defence Industries  
Minister for Veterans' Affairs

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## SA to urge 30-year plan for Australian naval ship building at Senate inquiry

Minister for Defence Industries Martin Hamilton-Smith will today use a Senate inquiry to urge the Australian Government to commit to a long-term program of naval shipbuilding to ensure the future of the local defence industry.

The Senate Economics References Committee inquiry into the future sustainability of Australia's strategically vital naval shipbuilding industry will inform the way forward for the Commonwealth.

As part of its broader inquiry into Australia's naval shipbuilding industry, the committee is investigating the decision to restrict the tender for new Royal Australian Navy supply ships to two overseas companies, a loss of billions of dollars of work to either Spain or South Korea.

Mr Hamilton-Smith and Defence SA chief executive Andrew Fletcher will be giving evidence to the inquiry hearing to be held in Canberra today by video link from 2.30 pm (ACST).

"I'll be advising the inquiry that the \$250 billion to be spent to build and sustain our fleet of submarines, frigates and other naval vessels in the next 30 years is a nation-building amount of money that must be spent creating jobs and enterprise here in Australia," he said.

"About two-thirds of that \$250 billion will be spent on mid-cycle dockings and life sustainment.

"South Australian businesses and workers are absolutely opposed to taxpayers' money being spent to create jobs and support a naval shipbuilding industry in another country."

Mr Hamilton-Smith said the latest Deloitte Access Economics Business Outlook highlights the critical importance to South Australia of securing a future for our naval shipbuilding industry.

The Outlook report warns South Australia's economic growth is already weak and there are icebergs ahead with the announced closure of Holden's manufacturing operations.

The \$8 billion Air Warfare Destroyer program may also see its employment peak in the next year or two, well before any run up in submarine-related spending and "pretty much" at the same time that Holden-related job losses will be fully felt in 2017, the report says.

"The Commonwealth needs to abandon the 'stop, start, build, stop and then start again 10 years later' approach that for decades has characterised shipbuilding in this country," he said.

"By providing a regular deal flow for 30 years, the Commonwealth can ensure industry is able to deliver a cost-effective naval shipbuilding capability that supplies our Navy with world-class ships."