

## Hon Jay Weatherill MP

Premier

## Hon Martin Hamilton-Smith MP

Minister for Defence Industries

Friday May 12, 2017

### **\$230 million win for South Australian taxpayers**

South Australia has resisted a play from the Federal Government to seize the state taxpayer owned Techport and shipbuilding land at no cost, insisting that the Commonwealth reimburse South Australians for state money used to build defence infrastructure.

Defence Industries Minister Martin Hamilton-Smith said South Australians have already been taxed for defence and shouldn't have to hand over assets to the Commonwealth.

Mr Hamilton-Smith said the sale and guarantee of exclusive control and access means there is no cause now for delay in construction of buildings and ships at the site.

He added that the decision by SA in 2004 to stand tall and back itself and its shipbuilding reputation has paid massive dividends with the successful sale of Techport land and facilities, enabling the start of new projects.

The State Government agreed this week to terms for the sale of Techport to a Federal Government Business Enterprise to enable swift commencement of submarine, frigate and patrol vessel construction programs.

The deal will return around \$230 million to the State's coffers, providing funds to back new advanced manufacturing opportunities likely to come from the \$89 billion naval shipbuilding Continuous Build Program.

### **Background**

The State Government decided in November 2004 to underpin its bid for the \$8 billion Air Warfare Destroyer by building a shiplift and common user facility at Techport, costing more than \$240 million over six years.

That decision led to the Federal Government decision in May 2005 to build the AWDs in SA.

Construction started in 2007, finished in 2009 and first commercial use in 2010.

Work on AWD Ship 1 started in 2011, Ship 2 in 2014 and Ship 3 in 2015.

The first Ship was launched to international acclaim in December 2016.

Since commencing operations South Australian shipbuilding workers have delivered all contracted infrastructure and services to the AWD Program exceeding availability KPIs of 98% and 28 commercial projects – in addition to the AWD Program – have been undertaken at the CUF.

After a request from the Federal Government, the State Government started negotiations for the transfer and sale of the now world-renowned facility.

Full sale details and undertakings will be revealed when a Memorandum of Understanding between State Defence Industries Minister Martin Hamilton-Smith and a Commonwealth representative is signed in the coming weeks.

### **Quotes attributable to Premier Jay Weatherill**

This is what happens when you stand up to be tested against the best. Our State is now recognised as Australia's best shipbuilder and is widely acclaimed for its world class standards of construction, maintenance and sustainment.

It's become a feature of how South Australia makes its own way, by backing its own resourcefulness and standing by its workers.

I acknowledge the efforts of our negotiating team, led by Minister Hamilton-Smith who supported these programs both in Opposition and now as Minister and his agency, DefenceSA.

The way is now clear for the shipbuilding works to start.

### **Quotes attributable to Minister for Defence Industries Martin Hamilton-Smith**

This landmark day shows what happens when you take it upon yourself to make the best of an opportunity.

Our next opportunity is the high end manufacturing work that will flow on from the Future Shipbuilding Programs.

We also have work to do on the emerging civil and defence opportunities in the Space sector.

I congratulate the staff at Techport for putting SA in a position where in 2014 onwards we were able to successfully advocate for national shipbuilding projects to be based in Adelaide.

It's been a long and tough road; it's a day for South Australians to be proud of what they achieved in 2005, are achieving in 2017 and will achieve for the next fifty years.

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