

## Hon Martin Hamilton-Smith MP

Minister for Defence Industries

Thursday, August 25, 2016

### **South Australian Government calls for action from Canberra on naval shipbuilding**

The State Government is today calling for the Commonwealth to move swiftly on five key actions to deliver promised jobs and investment from naval warship construction.

The ASC yesterday provided 175 reasons why the Commonwealth needs to move faster to get the results it has promised, Defence Industries Minister Martin Hamilton-Smith said.

175 ship building jobs have been lost this week, with a further 1100 jobs at risk by the end of 2018. There is no time to waste.

The South Australian Government wants the Federal Coalition to take the following five actions:

**Urgent action on the 12 Offshore Patrol Vessels**, including a build timetable, commitment to the amount of Australia supply chain opportunities and immediate commencement of infrastructure upgrades – this is \$3 billion of investment, 400 direct and 400 indirect jobs – needed now.

**Advance the timetable for the nine Future Frigates program** - \$35 billion investment, 2000 jobs. Commitment to Australian industry, infrastructure and skills training is essential.

**Confirm and deliver upon the Coalition's promise** that at least 90% of the work on the submarine project will occur in Australia. That must mean 90% of the Australian taxpayers' money invested is written in Australia to Australian businesses to create Australian jobs - \$50 billion and 2900 jobs.

**Determine the future of the ASC and the Osborne shipyard** - Consult with stakeholders and decide upon the future ownership structures of the ASC and preferred arrangements of the ownership of infrastructure at Osborne. Assure Australians that the submarines and ships will be built by Australian industry and not by foreign multi-nationals.

**Improved communication** - Minister Payne and/or Minister Pyne should follow the example of almost every other Federal minister and immediately form a Ministerial Council which includes each state minister responsible for defence industries to ensure a united national approach to naval ship building. Only by working together will all levels of government, industry and unions deliver the projects.

### **Background**

Yesterday the ASC announced that it will need to reduce the number workers on the Air Warfare Destroyer (AWD) project by about 175 by the end of October.

That brings job losses at ASC to more than 600 in the past 18 months. Of the remaining 2230 permanent employees locally, the company's chief executive Mark Lamarre has already said that a further 1100 are expected to be laid off by 2018.

### **Quotes attributable to Minister Hamilton-Smith**

Much has been promised and so far there are few signs of delivery.

Australians are right to be concerned at the lack of progress on the OPV project.

There has been no confirmation of when and how the Commonwealth Government intend to progress the Frigate and Submarine projects.

Communication from both Minister for Defence Marise Payne and Minister for Defence Industry Christopher Pyne has been poor and there is uncertainty as to who is the senior minister.

The South Australian Government has already taken action on Master Plan options for Techport and its associated shipbuilding infrastructure. In October we are taking a large delegation of defence industry companies to the global naval shipbuilding showcase Euronaval in Paris where we have established a significant exhibition presence. Little has been forthcoming from Canberra.

As each day goes by, the job losses and erosion of the skill base increases. Australian businesses and workers and their families want the Federal Government to maintain the highest priority in bringing the OPV project forward to protect the efficiency and integrity of the industry.

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