

TREASURER TOM KOUTSANTONIS

Thursday, 7 July 2016

\$13.7 million investment in defence industry

The State Government today announced it will invest \$13.7 million to help South Australia achieve maximum economic benefit from the Future Submarine, Offshore Patrol Vessels and Future Frigate contracts.

The State Budget measures will include:

- \$6 million over three years to attract defence companies to set up or expand in SA;
- \$4 million over four years for French engagement activities relative to the Future Submarine program;
- \$2.3 million over five years for the Defence Teaming Centre to support local supply chain businesses;
- \$1 million in 2016/17 for the Techport Australia Master Plan to expand the shipbuilding hub;
- \$420,000 for South Australia's high-level attendance at Euronaval, the leading global maritime security, safety and naval defence trade show in Paris in October 2016.

These budget measures are important steps in the transformation of the South Australian economy toward high-end, advanced manufacturing and is an investment in future high tech jobs for young South Australians.

Background

The State Government ran a sustained and ultimately successful campaign to secure a continuous shipbuilding program for South Australia that includes the commencement of the \$3 billion Offshore Patrol Vessels program and \$50 billion Future Submarine program.

The Offshore Patrol Vessels program is scheduled to begin in 2018 and the Future Submarines program will start in 2022. The first of 12 submarines is expected to enter service in the 2030s.

These projects represent thousands of ongoing South Australian jobs in defence and associated industries.

Attraction and development of maritime systems, science and technology capabilities are core pillars of the South Australia Defence Strategy 2015-2025.

ASC AWD Shipbuilder Pty Ltd is also committing \$5 million over two years to extend and upgrade the Techport wharf to enable two Air Warfare Destroyers to be fitted out concurrently.



Quotes attributable to Treasurer Tom Koutsantonis

We fought hard as a community to win the \$50 billion submarine contract and secure a long-term high-tech industry for South Australia.

These defence contracts and the jobs and businesses that will come with them will lead the way in modernising the South Australian economy and creating a secure future for our state.

We now need to do everything we can to ensure as many jobs are created in South Australia as possible and as many locally-based businesses are able to enter the supply chain.

By investing in the defence infrastructure we need now and incentivising interstate and overseas defence companies to relocate to or expand in South Australia we will provide the foundations for Adelaide to become a globally-competitive defence industries hub capable of supplying local programs and servicing other markets around the world.

Quotes attributable to Defence Industries Minister Martin Hamilton-Smith

The South Australian Government is serious about supporting and growing the defence industry in South Australia.

A strong and vibrant defence industry is a vital part of our high-tech advanced manufacturing future.

The state's involvement in Euronaval and work on the Techport Australia master plan will ensure we are not only ready for the projects already secured, but that we are also ready to continue as the nation's hub of naval shipbuilding activity well into the future.

Euronaval will showcase our industry to a global audience and ensure we are on the front foot to maximise opportunities for South Australian industry involvement in these important projects.

South Australia is already home to a number of key international defence companies and our intention is to attract even more companies to invest in our state to further grow our world-class defence industry.

The State Government has already invested more than \$250 million in Techport Australia. Our commitment to establishing Techport Australia as a world-class shipbuilding facility was a key factor in South Australia winning these naval shipbuilding projects.

We stand ready to partner with the Commonwealth Government and industry to deliver these significant projects for the Navy.

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