

Friday, 23 June 2006

## **FIRST AWD CONTRACT LET**

Deputy Premier Kevin Foley says Techport Australia, which will be the home of the \$6 billion Air Warfare Destroyer Contract, has taken a significant step forward today with the awarding of a contract to McConnell Dowell/Built Environs Joint Venture to start design work on the project.

“This vital early stage work is worth \$6 million and is the first stage in the process that will see one of the most exciting manufacturing projects in South Australian history become a reality,” Mr Foley said.

“McConnell Dowell/Built Environs will start phase one of what is known as the Common User Facility (CUF) and their job will be to plan and design a world-class facility at Osborne, which is the base for Techport Australia.

“Once complete the CUF will comprise a wharf, dredging, ship lift and transfer system together with associated civil works, dry berth and associated facilities, pavements, buildings, site services, communications and security systems.

“It will be the premier ship-building facility in the southern hemisphere and will further establish our State as the defence hub of Australia.

“This early stage work includes design, planning and pre-construction activities and tendering and selection of the contractor to build the shiplift, which is the most vital piece of infrastructure to be built at Techport.

“Conservatively the AWD will add at least \$250 million a year to South Australia’s economic growth when fully operational.

“Estimates also indicate that over 10 years of the AWD project it will make a direct impact of \$574 million with another \$609 million in spin-off benefits.

“We’re talking about the creation of 3,000 jobs, 1,700 of them directly and another 1,300 from the flow-on effects.

“And this is only the first of what the Rann Labor Government believes will be a whole range of defence projects that will be heading for South Australia in coming years.

“The State’s Defence Sector Plan, released last year, outlines what we must do to double the size of our \$1 billion defence industry and to boost its employment from 16,000 to 28,000 people.

“There are about \$55 billion worth of defence contracts coming up over the next decade and we want South Australia to be involved with as much of the work that is suited to our State as possible.”