

Wednesday, 20 June 2007

NAVANTIA DECISIONS MEAN GREEN LIGHT FOR MORE JOBS, INVESTMENT

The Federal Government's decision to award the Air Warfare Destroyer design work to the Spanish company Navantia signals the official green light for a major \$374 million investment by the State Government in the Techport Australia site at Osborne.

Premier Mike Rann today congratulated Navantia on winning this important AWD contract and said he looked forward to working with the company to develop a strong long-term relationship with South Australia.

"Navantia is also to be congratulated for winning a second design contract for the \$3 billion amphibious ships – a very significant decision for South Australia," Mr Rann said.

"The great news is that the majority of the combat system design and integration work for the amphibious ships will take place in Adelaide – worth an extra \$100 million for the South Australian economy.

"This consolidates South Australia as the centre for naval shipbuilding expertise in Australia.

"The SA Government is announcing today it is investing \$31.4 million in building the new AWD Systems Centre at the Techport facility.

"The new \$31 million custom-built AWD Systems Centre will accommodate defence and industry companies working together to bring the successful ship design to life.

"The Centre, established in 2005, is currently situated at Felixstow and has already created more than 300 new high-end jobs, including naval architects, warship designers, systems and system integration engineers and project managers.

"It will relocate to its new Techport Australia premises in the first half of 2009.

"Preliminary building works have already begun at Techport to build the Maritime Skills Centre, while a total of more than \$60 million in contracts have been let for work on site. Today's announcement will give the go ahead to ramp up development of 35 hectares of land for sub-contracting companies to establish their operations.

"Federal Defence Minister Brendan Nelson has also revealed today that the 15-year Air Warfare Destroyer project will now be worth nearly **\$8 billion** – making Adelaide home to Australia's largest defence contract in history.

"Dr Nelson said today that work conducted by the AWD Alliance was able to determine little difference in the level of Australian Industry involvement between the two options.

“We understand that the decision to award the contract for a smaller Navantia AWD design could lead to a fourth ship being build here – a move this Government will strongly support.

“All of this can only be good news for South Australia and our defence and shipbuilding industry,” Mr Rann said.

Deputy Premier Kevin Foley says the Government’s vision to build Techport Australia around the AWD project and attract leading defence companies from around the world to Adelaide fulfils the objectives we set ourselves in the State’s Defence Sector Plan.

“This Government also aims to double the defence sector’s contribution to Gross State Product to \$2 billion within 10 years.

“Our aim now is to build on that momentum and bring more of the industry and jobs into our State and to achieve our target of increasing SA’s defence workforce from 16 000 to 28 000 within 10 years.

“The AWD project will help transform the South Australian economy, with more than 4000 direct and indirect jobs to be created. And it will give us the skills and capabilities to attract future naval and defence projects.

“To get as many local contractors as possible involved in the project, Techport Australia has launched a supplier registration portal and is encouraging local companies to actively pursue opportunities that this massive project is providing,” Mr Foley said.

Contractors interested in exploring opportunities for work associated with the Techport Australia infrastructure can log onto website www.techportaustralia.icn.org.au

Contractors interested in exploring supply opportunities with the AWD project can log onto website www.ausawd.icn.org.au