

Hon Martin Hamilton-Smith MP

Minister for Defence Industries

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First milestone in Techport sale

The Federal Government will handover \$20 million for the first Techport Australia land allotment today in stage one of the sale of the South Australian Government-owned shipbuilding site at Osborne.

The entire 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.

The handover of the first allotment signals the start of a new era in the state's naval shipbuilding history and SA now calls for swift commencement of the submarine, frigate and patrol vessel construction programs.

Minister for Defence Industries Martin Hamilton-Smith said the first land payment is also testament to South Australia's resolve to stand up for itself and resist the Federal Government's original bid to seize the state taxpayer-owned Techport and shipbuilding land at no cost.

The facility's Maritime Skills Centre and adjacent land will be transferred to Australian Naval Infrastructure (ANI). The remaining land, including the common user facility which encompasses the largest shiplift in the southern hemisphere, will be transferred for a further \$210 million in December.

The Techport sale will provide the Federal Government unrestricted access to the world-renowned shipbuilding hub, which was home to the \$8 billion Air Warfare Destroyer project build. The first ship was launched in December 2016.

Background

The sale will allow the swift commencement of submarine, frigate and patrol vessel construction programs, while creating new advanced manufacturing job opportunities likely to come from the \$89 billion naval shipbuilding continuous build program.

In November 2004 the State Government made the decision to underpin its bid for the \$8 billion Air Warfare Destroyer (AWD) program by building a shiplift and common user facility at Techport, costing more than \$240 million over six years.

That decision prompted the Federal Government to build the AWDs in SA, with work on ship 1, ship 2 and ship 3 starting in 2011, 2014 and 2015 respectively. The first ship, *Hobart*, was launched to international acclaim in December 2016 and underwent provisional handover in June 2017.

The Federal and SA governments reached an agreement on the transfer and sale of Techport in May 2017, with the common user facility and staff to be transferred on 31 December 2017.

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Quotes attributable to Minister for Defence Industries Martin Hamilton-Smith

Today marks a significant milestone in South Australia's shipbuilding history; it signals the start of major naval shipbuilding programs to be based in Adelaide. The transfer of land will help the Australian Government create vital infrastructure to ensure our shipbuilding projects meet all the necessary timeframes and deadlines.

Our attention continues to be focused on the high tech advanced manufacturing job opportunities that will flow on from the future shipbuilding programs, and maximising Australian industry content on these programs.

The State Government had a brave vision for shipbuilding in this state when it decided to construct the common user facility at Techport Australia and we can credit securing the Air Warfare Destroyer, Future Submarine, Future Frigate and Offshore Patrol Vessel programs to this vision.

Our state is recognised as Australia's home of naval shipbuilding in an industry which is crucial to our economic development and attracting investment, driving innovation and creating jobs of the future.