

Premier Mike Rann

Government of South Australia

Minister for Economic Development
Minister for Social Inclusion
Minister for the Arts
Minister for Sustainability and Climate Change

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## WORK ABOUT TO BEGIN ON BUILDING SHIPS AT TECHPORT AUSTRALIA

Premier Mike Rann says a further 140 workers required for the massive task of building the three ships under the \$8 billion Air Warfare Destroyer contract will be recruited between now and the end of this year.

Mr Rann revealed ASC's recruitment drive of both white and blue collar workers that begins from now, at today's opening of Techport Australia's new administration building.

The event also marks practical completion of the 213 metre long wharf along with the dry berth and transfer systems.

The shiplift – the largest of its type in Australia and capable of lifting a vessel weighing up to 9300 tonnes – is on track to be finished by February 2010.

The State-built Techport Australia's Common User Facility at Outer Harbor is now 80 per cent complete - which means the business of building the Australian Navy's new destroyers will begin on site from the third quarter of this year.

The ASC's \$100 million upgrade to its shipyard, adjacent to Techport's Common User Facility, is more than 64 per cent complete and on schedule for completion by the end of the year.

"The creation of a new shipbuilding industry is one of the most important achievements of this Government," Mr Rann said.

"It is an industry that will gather together the skills, facilities and the cluster of commercial interests capable of building both ships and the next generation of Australia's submarines," Mr Rann said.

"Next to mining, defence is one of our State's most valuable industries. It is the jewel in the crown of South Australia's bright and burgeoning economic future.

"Importantly, ship and submarine building will not only deliver jobs – they will deliver long term careers for everyone from tradies to high-tech systems engineers.

"Our defence industry will sustain career employment in this State for thousands of people for generations to come.

"At the height of the AWD construction program in 2011, ASC's shipbuilding workforce on site will be around 1000.

"The AWD project - including the State's \$300 million investment in Techport Australia - should return to South Australia about \$1.4 billion in economic benefit over the next decade, creating more than 3000 direct and indirect jobs from this single largest naval contract ever let in the nation's history.

"I am delighted that Techport Australia's Common User Facility is being built on time and on budget and due to be finished by February 2010.

"We told the Commonwealth Government that we would build the most modern naval shipbuilding, systems and sustainment precinct in the region and we are delivering on this commitment.

"This is also about being prepared for future opportunities.

"The AWD contract is the centrepiece of around \$14 billion in defence contracts awarded to South Australian-based companies in the past few years.

"But we now await the release, expected later this month, of the Commonwealth Government's Defence White Paper. The Commonwealth has already indicated that Australia's next generation submarines will be built here at Outer Harbor. This will guarantee follow-on work for the State's shipbuilding industry after the AWD project.

"It is this aim of this Government to ensure our State wins as many opportunities and contracts that we possibly can that will be outlined in the Defence White Paper.

"While we already attract around a quarter of Australia's in-country defence procurement and maintenance spend – we aim to increase our share by having the right infrastructure coupled with the ensuring we have the best education and skills training base available.

"SA's Strategic Plan target of increasing the number of defence jobs from 16 000 to 28 000 by 2013 is already well ahead of schedule. The industry in the State currently employs about 24 000 people," Mr Rann said.

ASC Shipbuilding, which already employs about 270 people in South Australia, will be recruiting mechanical and electrical engineers, designers, planners, schedulers, purchasers, quality assurance, mechanical fitters, pipe fitters, sheet metal workers, pipe welders, boilermakers and electricians between now and December 2009 for the AWD build work.

In addition, ASC employs an on site team of around 1000 people to maintain the Collins class submarine fleet.