

Minister Martin Hamilton-Smith

Minister for Defence Industries

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New push for Port Adelaide Pacific Patrol Boat builder to create 500 jobs

The South Australian-based bid to construct Australia's new Pacific Patrol Boats could result in more than 500 jobs for local businesses involved in the supply chain.

Minister for Defence Industries Martin Hamilton-Smith said the project had the potential to create about 120 new and 400 indirect jobs.

"This project would provide significant economic benefits to the state," Mr Hamilton-Smith said.

"It is expected more than \$300 million would be injected into the South Australian economy during the seven-year acquisition phase.

Global engineering and construction company Kellogg Brown & Root and South East Asia's premier commercial and naval shipbuilder Singapore Technologies Marine have partnered with Port Adelaide shipbuilder Adelaide Ship Construction International to bid for the project.

Mr Hamilton-Smith inspected the Adelaide Ship Construction International shipyard yesterday and congratulated them on being a successful recipient of \$31,500 from the State Government's Export Partnership Program.

The Federal Government requires up to 21 steel-hull replacement vessels for Australia's Pacific neighbours. The project is worth about \$600 million in addition to through-life sustainment and personnel costs estimated at \$1.4 billion over 30 years.

"The project is a strategic bridge to retain shipbuilding skills as the Air Warfare Destroyer project nears completion and before the replacement frigate and submarine projects begin.

"The Pacific Patrol Boat project offers an opportunity to strengthen the state's shipbuilding capability and re-skill workers from the automotive industry," Mr Hamilton-Smith said.

"This is all part of building a national, sustainable shipbuilding industry based on a strategy of continuous construction, rather than the current stop-start, project by project approach."

"The company has built more than 60 commercial steel-hulled vessels of a similar size and complexity as the required patrol boats during the past two decades. It has also undertaken fabrication work on the Air Warfare Destroyer project.

Mr Hamilton-Smith met with Singapore Technologies Marine in Singapore in June and said the company is committed to transferring its innovative shipbuilding methods and technologies.

"This transfer of technology will have long-lasting economic benefits for shipbuilding in South Australia," Mr Hamilton-Smith said.

“It will enable Adelaide Ship Construction International to extend its range of products and services to other industries such as energy and mining, and strengthen the continuity of industrial expertise between major maritime programs.

“We are going to dispatch Defence SA Chief Executive Officer Andy Keough and Defence Teaming Centre Chief Executive Officer Chris Burns to meet with Singapore Technologies Marine in Singapore next week.”

The Federal Government is expected to decide on the winning tender early next year, and is proposing that the first boat will be launched in 2018, to coincide with the end-of-life of the current fleet.

The Adelaide-based consortium has proposed an earlier start because it is using an existing design and a proven boat-builder Adelaide Ship Construction International.

Government Services President at Kellogg Brown & Root, Andrew Pringle, said the early start would provide local employment opportunities in this strategic industry before the end of 2016.