

Minister Martin Hamilton-Smith

Minister for Defence Industries

Saturday, 20 June, 2015

Local shipbuilder partners with global giants for Pacific Patrol Boat tender

South Australia has bid for a shipbuilding project valued at more than \$1 billion dollars.

Global engineering and construction company Kellogg Brown & Root (KBR) and South East Asia's premier commercial and naval shipbuilder Singapore Technologies Marine (ST Marine) have partnered with Port Adelaide shipbuilder Adelaide Ship Construction International (ASCI) to bid for the Pacific Patrol Boat Replacement Project. The bid was submitted to the Department of Defence on Wednesday, 17 June.

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

Minister for Defence Industries Martin Hamilton-Smith, who met with the bidders in Singapore recently, said "We are delighted KBR and ST Marine intend to work with ASCI to build the patrol boats in Adelaide. Securing the project would be great news for South Australia.

"We have a long and proud history of constructing naval vessels in this State, starting with World War II Corvettes built in Whyalla.

"The Pacific Patrol Boat project provides a genuine opportunity for one of South Australia's commercial shipbuilders to work on a large national project.

"As well as creating new jobs at ASCI, the program would provide significant and long-term economic benefits to South Australia."

Both Rob Hawketts, KBR's Senior Vice President, Government Services, Asia Pacific and Lim Nian Hua, ST Marine's Chief Operating Officer, agreed ASCI is a logical partner. During the past 20 years ASCI has built more than 60 commercial steel-hulled vessels of a similar size and complexity as the required patrol boats. The company has also undertaken fabrication for the Air Warfare Destroyer project.

Mr Hamilton-Smith said "The Pacific Patrol Boat Project is a positive opportunity, but more is needed. We continue to call on the Commonwealth to urgently deliver a robust naval shipbuilding plan to ensure an enduring Australian shipbuilding industry and welcome its recognition of the need for a continuous build program.

"What we need now is an absolute commitment to an Australian build of our future submarines and surface ships.

"We wish KBR, ST Marine and ASCI well with the Pacific Patrol Boat tender and look forward to developing a successful long-term partnership."