

Minister Martin Hamilton-Smith

Minister for Defence Industries

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Submarine project focus of defence and trade delegation to North Asia

The State Government is taking its pitch for the Future Submarine Program to Japan, with a series of high-level meetings between senior Japanese Government officials this week.

Minister for Defence Industries Martin Hamilton-Smith said the South Australian delegation will also focus on strengthening trade and cultural ties.

“I am looking forward to meeting Japan’s Ministry of Defence and the Ministry of Economy, Trade and Industry to discuss their proposal for Australia’s Future Submarine Program,” Mr Hamilton-Smith said.

“Both agencies are key decision-makers on Japan’s proposal to design Australia’s next fleet of submarines,” Mr Hamilton-Smith said.

“Japan has stated its preference to build the submarine fleet in Australia, centred in South Australia.

“A successful Japanese bid would mean assembly and fit-out of submarines at Techport Australia, as well as establishment of a training and sustainment support centre in Adelaide.

“Japan is committed to involving Australian industry from the design phase, so we are working hard to ensure this translates to maximum work for South Australian industry.

“This visit gives us another chance to demonstrate that South Australia is equipped, ready and capable of building world-class submarines.

“Building the next generation of submarines is the most significant project on Australia’s defence agenda.

“It provides an immediate opportunity to shape our future – to encourage innovation, create jobs, growth, and strengthen national security,” Mr Hamilton-Smith said.

Japan, Germany and France are participating in a competitive evaluation process to design Australia’s future submarines, with a decision from the Commonwealth expected in mid-2016.

Regardless of the designer selected, Techport Australia in Adelaide will be the centre of Australian-based activity for the program.

The delegation to Japan is part of intensive, ongoing engagement with the three bidders by the State Government, to reinforce South Australia’s commitment and its capacity and capability to support local construction of Australia’s future submarine fleet.

In Japan's case, the South Australian Government has hosted delegations to Adelaide in May and August this year, and the Premier and Mr Hamilton-Smith met a Japanese delegation at PACIFIC 2015 International Maritime Exhibition in Sydney earlier this month.

Mr Hamilton-Smith said he will tour Mitsubishi Heavy Industries and Kawasaki Heavy Industries' Kobe shipyards, which build the Sōryū submarine.

"We are delighted, Mitsubishi Heavy Industries, the lead industry representative for Japan's submarine proposal, has recently established a serviced office in Adelaide," Mr Hamilton-Smith said.

"We look forward to developing a productive relationship with Mitsubishi Heavy Industries, who operate across a raft of industry sectors including energy, infrastructure and aviation.

The South Australian delegation will also travel to Seoul, South Korea, to visit ADEX, Seoul's International Aerospace and Defence Exhibition. Mr Hamilton-Smith will meet officials from the Defence Acquisition Program Administration and senior executives from Daewoo Shipbuilding and Marine Engineering, one of two bidders tendering for Australia's new replenishment ships.

"While we are disappointed the Federal Government has chosen to build these two ships off-shore, there are big opportunities for local companies to be involved in satisfying the ships' Australian-specific requirements and local sustainment," Mr Hamilton-Smith said.

"South Australia's naval shipbuilding industry has amassed a high-end skills base over the last 30 years and is critical to our advanced manufacturing future. We're determined to see this sector grow and thrive into the future."

In addition to defence discussions, the delegation will explore opportunities to develop broader cultural, academic and economic relations with Japan and South Korea.

Mr Hamilton-Smith said South Australia is positioning itself to take full advantage of the Korea Australia Free Trade Agreement and Japan Australia Economic Partnership Agreement.

"The State Government will establish a North Asia engagement strategy to assist local businesses to expand their markets and create job opportunities," Mr Hamilton-Smith said.

Mr Hamilton-Smith will be accompanied in Japan and South Korea by representatives from Defence SA, Defence Teaming Centre and the Department of State Development.