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## DEFENCE DEAL GOOD NEWS FOR SOUTH AUSTRALIA

Deputy Premier Kevin Foley has hailed today's announcement that BAE Systems had completed its takeover of Tenix Defence as good news for the State and further evidence of South Australia's position as the nation's defence industry capital.

BAE Systems announced back in January that it was entering into an agreement to buy Tenix Defence in a deal worth \$775 million.

Mr Foley says that deal had now received all the required approvals and would create – by some distance – Australia's largest defence company and that it would be retaining Adelaide as its headquarters.

As a result of the acquisition, BAE Systems Australia says its business would grow to have annual sales worth in excess of \$1.2 billion and a workforce of 5,500 people.

BAE Systems is one of the world's leading defence and aerospace companies providing products and services for air, land and naval forces, as well as advanced electronics, information technology solutions and customer support services.

Tenix Defence is the prime contractor for the \$550 million upgrade of the Army's M113 armoured personnel carriers and the developer of one of the world's most powerful information technology security products.

Mr Foley says that today's announcement was made against the backdrop of a positive independent assessment of South Australia's defence sector.

The **BankSA Trends** bulletin compiled by BankSA and Access Economics says that South Australia is set to benefit from one of the largest military build-ups that the country's defence forces have ever seen.

The bulletin says that South Australia looks certain to fulfil its stated goal of becoming the nation's defence State.

Mr Foley says it emphasises that the State Government took the correct decisions in investing more than \$400 million in defence infrastructure at Techport Australia in Port Adelaide.

By investing in common user facilities, a Maritime Skills Centre, AWD Systems Centre and suppliers precinct we have positioned ourselves to reap the benefits of this sector growing within our economy.

“As the BankSA Trends bulletin states, we are well placed to reach our target of doubling the sector's economic contribution to the economy to \$2 billion by 2015. But we are only in this position because we had the foresight to invest in the sector.

“But we cannot sit back and say it’s a job completed.

“This is a highly competitive sector and we have to be mindful of future challenges in terms of how we continue to attract and retain skilled professionals here because it is this broad skills base that gives us a continuing competitive advantage over emerging defence nations such as Brazil and India with their defence sectors.”