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## **SOUTH AUSTRALIA BECOMING DEFENCE READY**

Deputy Premier Kevin Foley says in a national first, the State Government's new Commercial Defence Ready program will help prepare the State's small and medium sized businesses to secure a slice of billions of dollars in global defence contracts.

"I have just returned from the United States where I met with the leaders of some of the biggest defence companies in the world," Mr Foley said.

"The message they gave me was consistent – that as long as a company provides an outstanding, world-leading product it does not matter where in the world they are based.

"South Australian companies already have a strong reputation overseas but the thinking behind the new Commercial Defence Ready program is to help local companies identify weaknesses within their own organisations that could impede their ability to secure defence contracts.

"This new program is designed to help prepare companies to meet the exacting standards demanded by national and international defence acquisition and industry organisations.

"In Fort Worth, Lockheed-Martin told me that they expected Australian companies to win as much as \$US5 billion of contracts as it moves into the production phase of its next-generation stealth jet fighter – the \$US200 billion Joint Strike Fighter program.

"The message was that Australian companies could win \$500 million of work a year from 2014-2024 but that they needed to start planning and thinking now about how they were going to win these contracts in what will be a global competition.

"You can expect to hear Air Vice-Marshal Roxley McLennan, as head of the State Government's Defence Unit, and myself strongly pushing this message to South Australian small and medium-sized enterprises who are technologically advanced, ambitious and competitive in coming months.

"The winning of the \$6 billion Air Warfare Destroyer contract has provided South Australia with a unique opportunity to establish ourselves as a national centre of excellence, not just for this one contract but for the entire defence industry.

"The complexity, and technological expertise of the AWD program, was driven home to both AVM McLennan and myself when we travelled to Maine to meet with the top executives of Bath Iron Works, and its parent company General Dynamics.

"Bath Ironworks is a prime supplier of ships to the US Navy, and it along with ASC will be responsible for building the ships at the Osborne site of Techport Australia.

“Visiting the shipyard and standing alongside US Navy craft, that will be similar to our own AWDs, reinforced just how important and significant this project will be for the future of South Australia.

“Techport Australia, which will be the base for the building the AWDs, will be transformed into a truly world-class shipbuilding facility which we aim to turn into the finest facility of its type in the southern hemisphere.

“It was also interesting to note what an impressive piece of infrastructure the Bath Iron Works shiplift is.

“The shiplift at Bath, while of a different design to the one the State Government will construct, was of similar dimensions and will be a tremendous investment for the State.

“That is why the State Government has already announced a \$115 million funding boost to expand the scope of the shiplift at Techport so that we can attract as many shipbuilders to Adelaide as possible.

“Bath Iron Works has already sent seven employees to Adelaide to begin preparations to build the AWDs, with that number expected to grow to around 20 in the next couple of years.

“While in the US I have also met with several other defence companies who will be integral to the construction of the AWDs.

“Lockheed-Martin in Moorestown, New Jersey, supply the Aegis combat system which will be installed on the AWD, and will be a key component of the Systems Integration Centre which will see Lockheed send highly-skilled computer and systems engineers to Adelaide to oversee the Aegis installation.

“In Washington, I met with systems integration specialist Raytheon and ship designer Gibbs & Cox who will design the AWD if the Federal Government sticks with the Arleigh-Burke as its preferred designer.

“Gibbs & Cox are already committed to using Adelaide as its Australian base to design the AWD and will employ up to 100 people.

“In addition, we have also received the good news that military vehicle supplier Stewart & Stevenson has committed to basing itself in Adelaide should it win the \$3.5 billion contract to replace as many as 7500 Australian Army vehicles.

“That would mean another 60 jobs in Adelaide’s north, with Stewart & Stevenson looking to base itself in the Edinburgh Parks area.

“While in the US I also travelled to Seattle to discuss business opportunities in South Australia with Boeing, a company that already has a strong connection in Adelaide through its work with BAE Systems.

“This sort of investment in South Australia is crucial for the future of our State, but what is also vital is that our own companies can sell their own products to the world.

“That is why the Government will fund the initial, independent assessment of South Australian companies and give them a ‘road map’ of exactly what steps they need to take to become ‘Defence Ready’.