

Hon Martin Hamilton-Smith MP

Minister for Defence Industries

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Australian naval shipbuilding jobs and investment face new crisis

Tender documents released at a Senate inquiry today reveal that the successful designer – BAE, Fincantieri or Navantia – will be given the right to choose their own workforce and their own supply chain as well as having operational control of the Osborne shipyards.

The documents confirm State Government concerns that the successful designer would have exclusive rights to build the ships, cutting out local shipbuilders such as ASC and Austal.

The State Government will resolutely defend Australian jobs and industry: the RFT (issued to tenderers on 31 March) gives the successful overseas bidder an unfettered right to choose its own workforce. There is no guarantee of Australian jobs.

The RFT fails to ensure IP and technology is transferred to enable the development of an Australian sovereign capability to design and build ships.

Minister for Defence Industries Martin Hamilton-Smith said this suggests that the Federal Government still doesn't trust Australian workers to build a canoe. He said the Federal Government must stick to its promise that contracts will specify that an Australian company will have prime carriage of building the submarines and frigates in partnership with the designer.

Background

The RFT reveals the announcement of a successful tenderer and the terms of its deal will not be known until April 2018, weeks after the next State election.

The Continuous Build Program of naval ships starts with Offshore Patrol Vessels, expected in 2018, nine Future Frigates, expected to start in 2020 and 12 Future Submarines will start in 2022.

Today's documents show the oft-promised guaranteed level of local jobs is not reflected in tender conditions and criteria.

Quotes attributable to Minister Hamilton-Smith

Australian jobs are at risk, unless the Federal Government can deliver a guaranteed level of local industry content. It's not enough for the Federal Government to say it is "confident" Australian workers will be employed. Sorry, but this isn't good enough, we need guarantees written into contracts otherwise how will we guarantee that Australian subcontractors and workers will be given work in the supply chains if the ship builder is not Australian owned?

The Federal Government must ensure contracts will specify that an Australian company gets to build the submarines and frigates in partnership with the designer.

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