

## Hon Martin Hamilton-Smith MP

Minister for Defence and Space Industries

Friday, November 24, 2017

### Winner announced for patrol vessels

The Australian Government today announced Lurssen of Germany as the successful designer for the \$3.6 billion Offshore Patrol Vessel program (OPV).

In congratulating Lurssen on the project win, Defence and Space Industries Minister Martin Hamilton-Smith said the project was likely to create around 400 local jobs, plus additional 400 supply chain opportunities for South Australian businesses.

Based in Bremen, Lurssen will partner with Adelaide-based ASC to build the first two OPVs and Perth-based Austal and Cvmec to build the remaining 10 new vessels.

Minister Hamilton-Smith said the OPVs are an important first step towards Australia's continuous naval shipbuilding strategy, with construction on the first two vessels due to start at Adelaide's Osborne Naval Shipyard next year, before transferring to Western Australia when the Future Frigates commence in 2020.

### Background

Twelve vessels will replace the 13 existing Armidale Class patrol boats, improving the Australian Defence Forces' border security, maritime resource protection and military patrol and response operations.

This opportunity goes beyond maritime opportunities, enabling greater engagement between South Australian industry and German industry across a range of areas of common interest including autonomous vehicles, renewable energy and industry 4.0 initiatives.

This also opens the door for greater collaboration between South Australia's world class universities and those in the Netherlands or Germany.

The South Australian Government signed a letter of intent the City of Bremen to collaborate on space activities. Bremen and will host the International Astronautical Congress in 2018.

### Quotes attributable to Defence and Space Industries Minister Martin Hamilton-Smith

This is exciting news and I congratulate German ship designer Lurssen and the hundreds of South Australian workers at ASC who will build the first two offshore patrol vessels as part of this \$3.6 billion project.

This starts a national continuous shipbuilding program and a jobs boom in this State, with around 5200 direct jobs expected to be created over the coming decades.

I also congratulate Austal who will continue to be an important player in the national shipbuilding industry.

This project has helped us to lessen the impact of the so-called "valley of death" in South Australian ship building, when expertise and jobs were being lost between major projects.

We can now maintain our local workforce and supply chain, as we transition to bigger projects such as the Future Frigates and Next Generation of Submarines.

South Australians should stand proud today - In 2014 when the local industry was cloaked in uncertainty and major defence contracts looked destined to be shipped offshore - we advocated for a sovereign shipbuilding industry to secure work for generations to come.

I also welcome the news this morning that South Australian companies will start delivering major global shipbuilding exports for the first time since the 1970s, with the Italian designer Fincantieri asking four local companies to tender to build three cruise ship blocks.

This is a vote of confidence in our local supply chain and it is a credit to the companies involved including ASC Shipbuilding, Adelaide Ship Construction International, MG Engineering and Whyalla based Ottoway Engineering.

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