

DEFENCE SHIPBUILDING CONTRACTS

314. Mr P. PAPALIA to the Minister for Industry and Enterprise:

I refer to the Howard government's decision regarding new defence shipbuilding contracts and ask: what are the implications for Western Australia?

Mr F.M. LOGAN replied:

I thank the member for his question and I acknowledge his experience in all matters relating to the Royal Australian Navy. The federal government announced today that five new Australian Navy warships will be built by the Australian Submarine Corporation in Adelaide and Tenix in Melbourne, in partnership with the Spanish company Navantia. The three F-100 air warfare destroyers and the two amphibious ships will be built in an \$11 billion contract. The Carpenter government is naturally disappointed that the federal government chose not to give Western Australia any part of the main contracts. Nevertheless, there is still good news. I want to put on record that this good news comes directly from the work of the Gallop-Carpenter governments and has nothing to do with the federal government, because, once again, it has, as with the broadband situation I referred to yesterday, overlooked WA. Thanks to the foresight of the Gallop-Carpenter governments, a memorandum of understanding was signed with the South Australian government. Members will probably remember that that was referred to in here on a number of occasions. As a result, we can expect significant numbers of the modules of the air warfare destroyer contract to be undertaken at the Australian Marine Complex in Henderson. I am not too sure which of the companies will undertake that, but we know we will get some of that work. I am certainly personally confident that Navantia, which has won both of those contracts - one with the ASC and one with Tenix - will be looking very carefully at doing work in Western Australia. As members know, I have been to Spain twice in the past 12 months and we have created a very good relationship with Navantia. It knows and trusts our capability in Western Australia, and the company knows our track record.

However, as part of the decision, Prime Minister Howard decided to give work on two of the hulls for the amphibious ship to overseas so they will be built at Ferrol, in Spain. The hulls of those amphibious ships are huge, so we are talking about the federal government giving billions of dollars worth of work to overseas, along with hundreds of jobs. I think that is a disgraceful decision by the federal government when it knows from submissions we put to the Senate committee of inquiry into the future of naval shipbuilding in Australia that we have the capability to do that work in WA. The future, however, of naval shipbuilding and Navy work in Western Australia is very bright. The \$174 million that we have put into the AMC is underscored by the efforts of the Australian Submarine Corporation and its \$40 million investment at the AMC. We know that we will get from South Australia a fair amount of the work on the destroyers and, I hope, a significant amount of the work on the amphibious ships project.