

COLLINS-CLASS SUBMARINE MAINTENANCE PROGRAM

**612. Mr R.R. WHITBY to the Minister for Defence Issues:**

I refer to the McGowan Labor government's commitment to securing more shipbuilding jobs through its strong advocacy for the Collins-class submarine maintenance program to be moved to Western Australia.

- (1) Can the minister outline to the house why it is in the national interest for this maintenance program to be carried out in WA?
- (2) Can the minister advise the house how this maintenance program would help drive the state's economy?

**Mr P. PAPALIA replied:**

I thank the member for his question and for his interest in, and support of, the defence industry in Western Australia. Many of his constituents live very close to the Australian Marine Complex and are involved in the defence industry in other ways.

- (1)–(2) Why is it in the national interest for full-cycle docking to come to Western Australia? Relocating full-cycle docking to Western Australia will mean that sustainment work for the submarines is conducted in close proximity to where the submarines are based and operate. That is in line with international best practice. There is an obvious benefit of not having full-cycle docking, the biggest element of maintenance for submarines—every 10 years they go into this cycle that takes two years. That part of the work is done in South Australia, thousands of kilometres away, as the Premier said yesterday, as opposed to in Cockburn Sound in Henderson, where it could be done much more effectively and, quite obviously, much more efficiently.

WA is also home to a highly skilled workforce. It has a much greater industrial manufacturing capability in terms of people and capacity of the industry more broadly outside of the defence industry than does South Australia. South Australia is reliant upon a drip-feed from the federal government for supplying and sustaining its defence industry work. It does not have anywhere near the scale of offshore oil and gas or mining activity that we do in Western Australia. As a consequence, we have a far greater pool of skilled labour and all the other associated industry infrastructure to support this task.

Finally, in the Australian Marine Complex, we already have a world-class centre of excellence for a number of industries that align with defence. There is a cluster of other industry capabilities around that area that are associated with the marine sector. As I said earlier, they are not necessarily reliant on defence, but they work in the offshore oil and gas and maritime sectors and they are able to apply themselves to defence. It makes sense to bring the whole capability to Western Australia. We already do all the other submarine maintenance—from the routine regular maintenance all the way up to mid-cycle docking at the five-year mark. We do all of that. The only one we do not have is the 10-yearly one, which takes two years.

There are obvious national strategic interests. There are obvious reasons for bringing the task to WA. We got PricewaterhouseCoopers to analyse it and provide confirmation of that fact. We knew that, but it looked at it independently of us. We have provided that report to the federal government in support of the case.

The benefit to our economy is extraordinary. This is not at the cost of South Australia, because, come 2024, it will not be able to build submarines and frigates and continue to do this task. It just does not have a big enough population or the skilled workforce and, actually, it does not have enough land to do it on. In 2024, this task should come to Western Australia in the national interest. It will result in \$600 million of additional economic activity in Western Australia every single year. It will result in 887 direct jobs, 1 300-plus indirect jobs and, at its peak, more than 3 000 additional jobs in Western Australia. John Nicolaou, executive director of ACIL Allen Consulting, which was commissioned to do an economic report for us on the economic benefit to Western Australia of getting this task, and a former economist from the Chamber of Commerce and Industry of Western Australia, said that, for our economy, bringing this task to Western Australia would be the equivalent of building a stadium every two years. There will be \$600 million of economic activity and 887 direct jobs in perpetuity, because once we get full-cycle docking for the Collins-class submarine, we will be the centre for submarine maintenance forever. That will go on as long as we have submarines in service. It would be an extraordinary contribution equivalent to building a stadium every two years, and we are making a case.

The other thing that has been identified is that this one task would increase the manufacturing industry in Western Australia by four per cent. The addition of this single task to our economy would have a massive impact on the manufacturing sector in Western Australia, with huge employment prospects and a massive boost to the economy. It is an extraordinary opportunity and it is in the national interest. We are making that case. Western Australia will get the full-cycle docking of Collins-class submarines by 2024 if the

decision is made in the national interest. I trust that the new federal Minister for Defence and the Minister for Defence Industry will act in the national interest in this particular case.