

Hon Martin Hamilton-Smith MP

Minister for Defence Industries

Wednesday, July 12, 2017

Dutch ship designer in SA to talk jobs and supply chain spin-offs

Creating opportunities to maximise local industry participation for the upcoming Offshore Patrol Vessel (OPV) program will be the focus of Dutch ship designer and project contender Damen's visit to South Australia today.

The international bidder, joined by 10 key Dutch suppliers and their Australian partners, will meet with local industry, including build partner ASC, to discuss potential collaboration and partnership opportunities with local suppliers, as part of a national tour.

Earlier this year, Damen announced plans to partner with ASC and Forgacs – owned by Western Australia's Civmec – as part of its bid to win the multi-billion-dollar contract to design and build 12 new vessels.

Minister for Defence Industries Martin Hamilton-Smith said maximising local industry involvement and creating jobs was a key focus ahead of the OPV build, which is due to start at Techport Australia next year. The SA Government advocates that up to 90 per of the work should be done in Australia, using Australian companies and Australian workers.

Background

The Federal Government's \$3 billion Offshore Patrol Vessels program is expected to create 400-plus direct and 400 indirect jobs, with construction due to start at Techport Australia, Osborne, in 2018, before transferring to Western Australia when the future frigates commence in 2020.

Damen, of the Netherlands, and Fassmer and Lurssen, both of Germany, were short-listed by the Australian Government in the first pass approval for the OPV program, with the successful tenderer to be announced later this year. In February this year, Damen held an engagement forum with local defence industry representatives to outline its needs and expectations to firms wanting to bid for work.

Damen recently unveiled its Multirole Aviation Training Vessel (MATV) *MV Sycamore*, a vessel that will provide an efficient and functional training platform for the Royal Australian Navy, ahead of its official handover on July 28.

Quotes attributable to Minister for Defence Industries Martin Hamilton-Smith

Australia is the hub of naval shipbuilding and we welcome Damen to Adelaide to engage with our world-class defence industry. The South Australian Government is a strong supporter of local industry and we are committed to maximising the state's involvement in major defence projects.

With the OPV program due to commence in 2018, and Future Frigates in 2020, now is the time to

collaborate with potential bidders to ensure as many local companies as possible are involved in the supply chain. The project will be key to boosting local industry content and avoiding a potential jobs lag, before new opportunities emerge when the construction of the frigates begin.

The Australian Government must stand up for our industry and mandate 90 per cent Australian industry participation on the 2018 OPV program to stabilise the naval shipbuilding supply chain and increase industrial capability. This is not committed to in the recently released Federal Shipbuilding Plan.

Quotes attributable to Damen Area Director of Asia Pacific Roland Briene

Capitalising on our industry briefings held in February this year, Damen is already facilitating the sharing of knowledge between Australian and Dutch companies and providing the basis for ongoing collaboration and development.

We continue to assist the transfer of best practice ship building knowhow into Australia and the development of partnerships that will lead to new Australian jobs in ship building. Should Damen be successful in the OPV bid we will be in a unique position to establish a strong shipbuilding export capability for both Naval and commercial markets.

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