MEDIA RELEASE

Martin Hamilton-Smith MP

Shadow Minister for Industry and Trade
Shadow Minister for Science and Information Economy, Defence Industries
Spokesperson for Motor Sport

Friday 27th of May 2011

Air Warfare Destroyer delay exposes Labor’s spin

More work on the Air Warfare destroyer project will go overseas and interstate than SA was promised by Premier Rann.

The Air Warfare Destroyer project has been delayed at least 12 months as a result of quality problems with blocks being built in Melbourne.

“This will mean the cost of the project is likely to rise and companies in SA will have their timelines, costs and employee commitments extended in difficult times,” Shadow Minister for Defence Industries Martin Hamilton-Smith said.

“Of BAE’s 33 blocks, nine steel blocks were quietly reallocated to a NSW based company Forgacs earlier this year not to SA. Now five more steel blocks from BAE’s share are to go to Ferrol in Spain with 13 blocks to be split between Adelaide, Newcastle and Melbourne further reducing our ratio and our share of the work overall.

“Defence Industries Minister Kevin Foley must immediately confirm exactly how many blocks of the 13 are to come to SA? It could be as few as three or four and may not provide enough work to offset other losses flowing from the 12 month delay to the program overall.

“Premier Rann this morning has been trying to spin a good news story out of a bad news event for the AWD project overall.

“The spin from the Premier doesn’t end there. For years he has been telling us that he personally won an $8 billion AWD investment for SA leaving the impression that all the money was to be spent locally.

“The truth is that Minister Foley was forced to admit to Parliament that of the $8 billion around $5.5 billion is being spent overseas and of the $2.5 billion being spent in Australia. SA will be lucky to see $1 billion.

“State Labor must ensure that from here on the AWD project stays on track. That means more trips to Canberra, fewer trips overseas and it means serious negotiations with their Federal Labor colleagues to guarantee deal flow to our ship builders and our defence companies by keeping Federal defence spending on time and on budget.

“Today’s news has come on top of recent Federal budget cuts to a raft of delayed procurement projects and a new report released today from the Australian Strategic Policy Institute (ASPI) which exposes serious problems with Labor’s defence capability planning and financial management systems requiring firm action from government.”

Contact: Martin Hamilton-Smith 0408 854 707