The Australian Defence Force’s mission is to defend Australia and its national interests and as stated in the Defence Issues Paper, the primary purpose of the Australian Defence Force is to provide security for Australia from attack or the threat of attack. However, there is no reason that in the process of providing security from attack, the Australian Defence Force cannot support industries based in Australia.

Indeed I would argue that Australian industry forms a critical component of Defence capability.

We have a long and chequered history when buying naval vessels from overseas, but also when we have built here. There have been cost over runs and late deliveries in both cases. However, when we have built naval vessels here, our workforce has responded with the skill and precision necessary to deliver world class operations.

The Collins Class submarines have a mixed history and are an informative case study. When they were built there were many problems incorporating the design to suit Australia’s needs. The Howard Government needed to rescue the program following some well publicised defects. However, once the Collins Class submarines’ problems were fixed, they consistently performed well in the staged war games that our Royal Australian Navy (RAN) uses as practice with other nations.

As the Defence Issues Paper states, ‘The future cannot be predicted with any certainty and Defence policy must take account of ‘worst case scenarios’ to plan for the risk of unexpected demands. The Government needs to be able to address a wide range of risks within an affordable budget.

The Government must place national security needs first including the need to provide the best submarine that meets Defence’s need. The Government commitment to 2% should be applauded by South Australia as there are many capabilities that call Adelaide home – particularly some very high end capabilities such as surveillance planes and systems.

The release of the Defence Issues Paper has certainly increased the focus on certain aspects of the Defence White Paper process and it will surprise no one that my focus is on the importance of the future submarine and future frigate projects to Australia.

Since being elected, I have taken every opportunity to talk to senior Defence personnel, industry stakeholders and business and government leaders.

ASC, home of the Collins Class submarine maintenance project and Air Warfare Destroyer programme, is situated in Osbourne, just outside of my electorate of Hindmarsh.

I have visited ASC on a number of occasions and arranged briefings and tours for a number of Australian Government colleagues including Cabinet Ministers.

In many of my meetings, stakeholders have claimed the importance of a productive defence industry and carefully managed submarine maintenance programme is integral to our self-reliance.

Australia has entered into agreements with foreign entities in the past to deliver Defence capabilities including the Collins Class submarines and the Air Warfare Destroyers. Whilst
production and delivery of capability is vital, involvement in the build helps provide the ability to upgrade and modernise the submarines over time.

Capacity to undertake the higher value activities such as systems integration and higher end engineering work is one value area for example where we have world class employees based in Adelaide.

Australia has highly qualified suppliers of Defence systems, services and equipment to prime defence companies as well as their partners on Australian Defence shipbuilding projects.

International companies like Raytheon, Babcock, BAE Systems, QinetiQ, Saab Systems, Lockheed Martin to name a few have significant expertise and presence in Australia.

Their employees have often worked internationally on major defence projects and with their access to some of the latest and best technology and intellectual property, they are well placed to have a role in the future submarine project and other Defence projects like the future frigates.

ASC has shown that it is capable of providing a world class service within Australia for the RAN. Following the recommendations of the Coles Review 2012, the Collins Class submarine maintenance programme at Osbourne has been transformed.

The progress and innovation of ASC has been praised by Coles as ‘remarkable’ and an ‘astonishing turnaround.’ Further, the Coles Review showed ASC is on track to achieve or exceed the international benchmark of three submarines materially available for sea at all times by 2017. We should seek to build on our success in maintenance and through life support including highly technical areas of systems sustainment.

The most obvious sign of change is a three-storey dry dock maintenance support tower which replaces old scaffolding and allows workers easier access to the submarines.

Similarly, improvements have been made on the Air Warfare Destroyer (AWD) programme resulting in increased productivity with the second and third ship. This is consistent with shipbuilding projects around the world.

Industry experts state the lead ship of the US Arleigh Burke class Destroyers was 55% over budget and when the Norwegians purchased similar ships built at a Spanish shipyard, the project ran 20% over budget.

All of this helps to paint a picture of capability. We haven’t always got it right; there will undoubtedly be teething problems and things we need to fix. But our defence industry has risen to the challenge before and I back them to do it again.

I believe we have a fragile capability at this point and we need to carefully manage this capability. Left to Labor, the workforce would have withered and died. We need to fight hard for the future frigate program, give our fragile workforce the opportunity to demonstrate their globally competitive capabilities – we should not take this for granted.
It is important that the defence industry is involved in the future submarine project design and construction. We need to ensure that Australia has the opportunity to have proper access to the relevant intellectual property allowing substantial local industry participation, further enhancing our sovereign capability. This was poorly done in Collins, where IP issues were only fully resolved in the last year or so.

I welcome the Prime Minister’s comments that the Australian work on future submarine project would centre on the South Australian ship yards. I welcome the commitment to South Australia which means more jobs, more investment and long-term certainty for South Australia’s shipyards.

I want to see as much Defence work for South Australia as possible, and I want our women and men to have the best equipment available when it is needed.

Over the last six years, Defence spending dropped to levels not seen since 1938 - a cut or deferral of some $16 billion. We had years of neglect and inaction in the Defence sector as Labor promised to build new submarines at both the 2007 and 2010 elections, but delivered no progress whatsoever.

Because of Labor's inaction, we now have a looming security and capability gap. This is unacceptable and Australian's should rightly be angered by the fact that Labor left us in this situation.

I welcome the Coalition Government’s commitment to increase Defence spending to 2 per cent of GDP within a decade. This will help to repair the damage that has been done and ensure we never again face the possibility of a ‘valley of death’ for the defence industry as we now face.

The Coalition Government has backed our defence industry to rise to the challenge of building the future frigates in Australia with $78.2 million committed to bring forward preliminary engineering and design work necessary to keep the option of building the future frigates in Australia. We have also committed $34 million in South Australia on the future submarine programme.

There are many jobs that are created by governments building large scale Defence projects and I ask that the Defence White Paper process looks closely at the risks and costs for the life of each project and makes a decision on what is in the Nation’s best interests.

In summary, I believe it is possible for Australia to build internationally competitive submarines and frigates, but we need to ensure that we make the right decisions for the right reasons.

I ask that the release of the Defence White Paper take into consideration the following three things:

1. That the Government explore all options that utilise the expertise of Australian based defence companies, resulting in more work and jobs in the defence Industry in South Australia,
2. That the outcome of the Defence White Paper provides certainty for Australians as to the direction of the Government and for stakeholders and employees to plan for their futures, and
3. That the Government leave no stone unturned in the challenge of maintaining a world class work force required to ensure our ability to maintain our Defence capabilities and reduce our sovereign risk.