



## PRIME MINISTER

CHECK AGAINST DELIVERY

EMBARGOED UNTIL DELIVERY

SPEECH BY THE PRIME MINISTER  
OPENING OF AUSTRALIAN SUBMARINE CORPORATION  
OSBORNE, SOUTH AUSTRALIA - 16 NOVEMBER 1989

Ten years ago, if someone had said that the Prime Minister and the Premier would be today opening a \$4.6 billion submarine project here in Adelaide, that person would probably have been laughed out of the ring.

It just wasn't conceivable.

Australia was still debating the defence capabilities it would require for the future. It was far from certain, if submarines were to be acquired, that Australians could or would build them - and it was definitely not established, even if Australians were to build them, that South Australia would be chosen as the site for their construction.

But the truth about this occasion today is that it marks not only the formal start to a project that would have been dismissed ten years ago; it marks also another big step in the emergence of this state as a world-class centre of expertise in critical defence technologies, especially electronics.

Just recall that a few years ago, the defence industry in South Australia meant a few companies still associated with the Defence Laboratories after the closure of Woomera.

Now, South Australia is the home of some 27 defence-related companies that employ about 5,000 people.

Ladies and gentlemen,

That transformation hasn't happened by accident.

It has happened for two very deliberate and clear-cut reasons.

First, it happened because my Government was determined when it came to office to remedy the neglect into which defence planning had been allowed to fall.

You may remember the famous statement by Jim Killen, the Defence Minister under the previous Federal Government, that Australia "couldn't defend Botany Bay on a Sunday afternoon".

That extraordinary admission - funny if it wasn't so damning - reflected the years of defence planning in which our defence force was allowed to evolve without any clear strategy for how and where it might be used.

My Government was convinced from the outset that it was both practical and achievable for Australians to take full responsibility for defending our own territory and the approaches to it.

We were determined that Australia should be self-reliant in its defence capacities within our alliance framework - not aggressive, not militaristic, but self-reliant: capable of defending ourselves, by ourselves, if ever we need to, with a coherent strategy and an appropriate and disciplined defence structure.

What this meant in practice is reflected in the occasion we are celebrating today: the modernisation of a naval force that can guard Australia's sea and air approaches. That meant building six new submarines, as well as eight new ANZAC frigates, to replace and update the current vessels when they are due to retire.

Together with major restructuring of the capacities of our army and airforce, these new navy vessels will be central to ensuring our defence self-reliance well into the twenty-first century.

Obviously, defence self-reliance is an easy principle to articulate but a complex one to implement.

You can't have defence self-reliance unless you have a domestic industry that can nourish and support the defence forces.

So the achievement of self-reliance required dramatic overhaul of all the industries related to our defence - shipbuilding and repair, heavy engineering, munitions, aerospace, electronics - some of the very industries essential to Australia's emergence as a strong, competitive, diversified, technologically proficient, export-oriented economy capable of making an impact in the economies of the region and the world.

In addition, we have made the Government's own network of defence factories an efficient and effective part of the nation's industrial sector, cutting the cost to the taxpayer of these factories by around \$250 million while dramatically increasing their productivity.

So in achieving self-reliance in a military sense we have also been achieving self-reliance in an economic sense, laying the foundations for national prosperity into the next century.

In all this, Kim Beazley has been a minister of drive and vision who has achieved a goal of importance not just to the defence forces but for all Australians.

All that amounts to the first reason behind the turnaround in South Australia's defence industry.

The second reason is right here: John Bannon.

It was John Bannon who decided that South Australians can and should make a major contribution to the great national task of rebuilding our defence industries, and that they can and should reap the benefits of having a world-class defence industry established here in this state.

Kim Beazley has made this observation before and I take this occasion to endorse it wholeheartedly: no state Premier understood better than John Bannon the opportunities that would flow to Australia's industries as a result of my Government's decision to achieve defence self-reliance.

The results of his determination to seize those opportunities are visible today.

They are results too of the excellent industrial relations record of this State, exemplified by the site agreement negotiated between employers and trade unionists for this project.

In winning the submarine contract, South Australia won a project that will bring one and a quarter billion dollars worth of work to South Australia and that will create some 800 skilled jobs for South Australians.

And South Australia has won a lot else besides.

In demonstrating their capacity to meet the uniquely high standards required to build what we believe will be the best, the most advanced, and the most potent conventional submarines in the world, South Australians demonstrated their capacity to contribute across the board in defence industries.

So it is not surprising that the State will win a big slice of the ANZAC frigate project.

Nor is it surprising to note the potential for technology export that will arise from the submarine project.

Let me add that, under its contract with the Australian Submarine Corporation, the Federal Government has the option of ordering two additional submarines on very favourable terms. The option expires in June 1990 and Federal Cabinet will have to consider the issue before then. Of course if we were to go ahead and order the new subs they would be built here in South Australia.

I am very pleased to be able to announce today the award of another major defence contract, worth \$90 million, to the South Australian company, AWA Defence Industries.

This contract is for the installation of electronic support measures equipment for the RAAF's P3C Orion Maritime Patrol Aircraft. The new equipment will enhance our defence by providing a capability to analyse electronic data acquired by our Orion Fleet.

Around \$40 million of the contract will be spent in South Australia, with much of the work being undertaken by AWA Defence Industries and Hawker De Havilland.

Ladies and gentlemen,

The South Australian Government, South Australian industries, and South Australian workers, have brought us to this threshold of a new era for manufacturing industry of this state and for the people of this state.

I congratulate you all on your achievement, and in joining John Bannon in declaring this submarine facility open, I wish you well as in years ahead you perform, together, this vital national work.

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