

## **Senate Economic References Committee**

Future of Australia's naval shipbuilding industry – 20 June 2017

### **ANSWER TO QUESTION ON NOTICE**

Department of Defence

**Topic:** Sale of Techport

**Question reference number:** 4

**Senator:** The Committee

**Type of question:** provided in writing

**Date set by the committee for the return of answer:** 14 July 2017

#### **Question:**

On 13 May 2017, it was reported in the Adelaide Advertiser that the federal government had purchased Techport for \$230 million.

- a) To clarify, is Techport also referred to as the Osborne Naval Shipyard?
- b) If so, what part of the shipyard did the federal government actually purchase? Was it Osborne South? Osborne North or the Osborne Common User Facility?

Page 49 of the naval plan subsequently released on the 16 May 2017 (four days after the article in the Adelaide Advertiser) stated that:

*At the Osborne Naval Shipyard this means working with the South Australian government to finalise appropriate long-term Commonwealth ownership and control arrangements for the Common User Facility and certain adjacent land.*

Is this paragraph in the plan referring to the purchase of Techport by the federal government? (But was not updated in the released plan to reflect the recent purchase?)

#### **Answer:**

“Techport” is similar to, but not identical to, the Osborne Naval Shipyard. “Techport” is a term established some time ago by the South Australian State Government as a brand name for the industrial precinct centred on Mersey Road in the suburb of Osborne in Adelaide, South Australia. The Osborne Naval Shipyard is a new term being used by the Commonwealth government to describe the totality of facilities used to support continuous naval shipbuilding. The Government first used the term Osborne Naval Shipyard with the release of the Government’s Naval Shipbuilding Plan on 16 May 2017. A depiction of the Osborne Naval Shipyard is provided at Figure 3.2 on page 49 of the Naval Shipbuilding Plan. “Techport” describes an area

slightly larger than the Osborne Naval Shipyard, with the main difference being privately owned sites and land zoned for non-industrial use.

As at 30 June 2017, no Commonwealth purchase of “Techport” land and facilities from the State of South Australia has occurred. Instead, a memorandum of understanding was signed by a Commonwealth Government representative on 11 May 2017 and was counter-signed by a representative from the State of South Australia on 18 May 2017. The memorandum of understanding states the Commonwealth will acquire various elements of State-owned land and facilities in the suburb of Osborne in Adelaide, South Australia. This acquisition will occur in tranches, with the first tranche scheduled to occur in July 2017 and the last by September 2018. As the memorandum of understanding was only signed by the Commonwealth immediately prior to release of the Naval Shipbuilding Plan, and was subject to State ratification and subsequent due diligence, the wording on page 49 of the Naval Shipbuilding Plan was developed to reflect this.

The land and facilities to be acquired by the Commonwealth from the State of South Australia, as per the memorandum of understanding, are intended to be combined with land and facilities at Osborne already owned by the Commonwealth and recently consolidated in the newly-formed Australian Naval Infrastructure Pty Ltd. The combination of Commonwealth-owned land and facilities at Osborne forms the overall Osborne Naval Shipyard, within which Osborne South and Osborne North are located. Osborne South is a combination of existing Commonwealth-owned surface ship facilities plus the vacant land to the west of those facilities, which is in the process of being acquired from the State. Osborne North is a combination of existing Commonwealth-owned submarine facilities plus the vacant land to the west of those facilities, which is in the process of being acquired from the State.