

# SA set to surface as winner in subs deals



Collins-class submarine HMAS Sheean at ASC in Osborne. Picture: Tricia Watkinson

Industry sources say they understand the federal government has made an informal but top-level decision to retain Adelaide as the home of the Collins-class full-cycle docking, just as the \$89 billion future submarine program is imperilled.

They also said a similar agreement had been struck to base the Collins Life of Type Extension program at Adelaide's naval shipyard.

This has been variously estimated to be worth between \$3.5 billion and \$6 billion, or up to \$9 billion – or \$1.5 billion for each of the six boats.

The full-cycle docking is akin to a major service for the submarines, involving thousands of maintenance and upgrade tasks over two years.

Each sub rotates through the program, run by Collins builder ASC at Osborne Naval Shipyard, after a decade of operational service.

The Life of Type Extension program involves a comprehensive rebuild to keep the submarines operational for longer, now said to involve installing new diesel generators, main motors, switching gear, batteries, sensors and digital periscopes.

Accelerating the program would be a bid to ensure Australia's submarine fleet is not exposed by any delays in the Adelaide-based Future Submarine project with French firm Naval Group.

The Advertiser and Sunday Mail have campaigned for almost two years to keep the Collins-class submarine maintenance program in SA.

ASC chief executive Stuart Whiley on May 26 told a Senate estimates committee he expected a decision in June on the Life of Type Extension program. But federal ministers insisted no decisions had been made, no

assurances given and no recommendations had been presented, either by or to federal cabinet or its National Security Committee.

Industry sources said they understood the government was in a political phase ahead of any official decision and announcements.

This included managing West Australian Liberals, who have been pushing for the full-cycle docking project in a bid to overcome spillover from their party's wipe-out at the March state election.

A 2019 PwC study, commissioned by the WA government, found moving Collins-class full-cycle docking to that state would contribute an extra \$600 million annually to its economy and generate thousands of jobs.

This would include more than 3000 jobs at the program's peak and add up to \$8.4 billion to gross state product over the program's life.

But WA's failure to secure the move and the long delay to a decision initially set to be announced in December 2019 has increased confidence among SA Liberals about both the full-cycle docking and Life of Type Extension programs being based at Osborne. Premier Steven Marshall has been to Canberra twice in the past fortnight – most recently on Wednesday.

The other was for last Saturday's Liberal federal council meeting – chaired by former SA premier and current party president John Olsen.

Defence projects were high on the agenda when Mr Marshall met with Prime Minister Scott Morrison and several senior ministers, including Defence Minister Peter Dutton.

"In keeping with his usual style of quietly working with the feds rather than grandstanding or having fake fights, both visits were low-key," a senior federal Liberal said.

It was reported in April that the naval shipbuilding program was under growing threat of being eroded.

The Defence Department on Wednesday confirmed a Plan B for the future submarines is being investigated in case the \$89 billion project with Naval Group cannot go ahead.

Mr Morrison is expected to have frank discussions with French President Emmanuel Macron about the troubled Attack-class submarine project when he travels to the G7 in the UK next week.

Defence Secretary Greg Moriarty on Wednesday confirmed the department was doing "prudent contingency planning" for the future submarines, which are set to be built in Adelaide from 2024.