

Minister Martin Hamilton-Smith

Minister for Defence Industries

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SMEs the key links in major defence projects' supply chains

The State Government continues to support small-to-medium enterprises to prepare for major defence projects including construction of the nation's future frigate and submarine fleets.

At Port Adelaide-based shipbuilding and fabrication company MG Engineering today Minister for Defence Industries Martin Hamilton-Smith said small businesses had a critical role to play.

"MG Engineering built masts for the Air Warfare Destroyer project and is an example of a small but highly competent company that has contributed to a major nation-building project," Mr Hamilton-Smith said.

"MG Engineering's Air Warfare Destroyer work which included mechanical componentry was valued at \$15 million over four years.

"Companies like MG Engineering provide the expertise in smaller-scale manufacturing that is essential during the construction of complex warships or submarines and the decades of maintenance and upgrades that follow.

"A national shipbuilding strategy will give capable and skilled companies such as MG Engineering the certainty they need to grow and plan for the future, which is good for jobs, good for the economy, and good for South Australia."

"I welcomed the Federal Government's announcement in August of a 20-year continuous shipbuilding program and look forward to seeing this translate into fully funded projects in the imminent Defence White Paper and Enterprise-level naval shipbuilding strategy.

"Long-term surety is critical for SMEs, the backbone of the state's economy.

"The State Government is working hard to support small companies to maximise opportunities in supply chains of major defence projects, both domestically and internationally.

"MG Engineering celebrated its 20-year anniversary this year and supports 14 South Australian working families – it is striving to avoid the nation's shipbuilding 'valley of death'.

"It is competing against global companies for a contract to construct up to 10 steel-hulled prawn trawlers for a Western Australian customer, which could lead to the creation of another 60 jobs over a five-year period.

MG Engineering's past projects also include fabrication work for the oil, gas, mining and construction sectors, ferries for the River Murray, and shipbuilding projects including building trawlers for the Spencer Gulf and Gulf St Vincent fisheries.