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Home-town hero warned against favouring South Australia

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Defence experts and industry figures say it makes sense for Christopher Pyne to take on a new senior defence industry role in cabinet but warn against Mr Pyne's using the job to favour his home state of South Australia.

Malcolm Turnbull has taken the unusual step of splitting the defence minister's role into two cabinet positions, with Mr Pyne taking the industry side, responsible for about \$90 billion in naval shipbuilding.

The Prime Minister said: "What we are doing in the defence industry is completely transformational. We are building a defence industry in Australia ... People do not entirely recognise how big a change it is. This is a big change, a big reform and it requires additional leadership and additional oversight, additional advocacy and drive."

He has spruiked defence industry and in particular naval shipbuilding as a key part of his plans to develop high-end manufacturing

and innovation in the economy.

As industry minister, Mr Pyne was deeply involved in the decision to build all 12 of the next fleet of submarines in SA, a program expected to cost at least \$50 billion for construction and as much as twice that again for life-long maintenance.

SA will also benefit from planned new frigates and offshore patrol vessels worth at least \$40 billion.

Greg Combet, a former Labor defence materiel and climate change minister who is now Victorian Defence Industry Advocate, said he welcomed Mr Pyne to the job and added: "I have no doubt that he appreciates the importance of taking a national approach to the defence industry. There's too much at stake to adopt a bias in favour of one state."

Alan Dupont, chief executive of the Cognoscenti Group and a defence expert, said it made sense on governance grounds given the "once-in-a-generation" outlay promised in shipbuilding. He said a key part of Mr Pyne's job would be "link it to the national narrative of

a smarter Australia where defence is a driver of prosperity".

But he said it would "make a lot of other states nervous ... that it's going to favour South Australia."

Graeme Dunk, executive manager of the Australian Business Defence Industry group, said the Turnbull government was giving the industry its due recognition.

He said he would "like to think that [Mr Pyne's] role would be above state politics" but said Mr Pyne was well-suited.

The creation of Mr Pyne's cabinet role takes a large chunk out of Defence Minister Marise Payne's responsibilities. She will continue with the traditional defence responsibilities such as overseeing the Australian Defence Force.

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