

## Hon Martin Hamilton-Smith MP

Minister for Defence Industries

Tuesday, 23 May 2017

### **Local company signs \$2.8 million export contract**

Local company SAGE Automation has joined forces with Navantia Australia to secure a \$2.8 million contract to supply integrated platform management systems (IPMS), a core component of any naval control system, to Spanish shipbuilder Navantia for two ships under construction for the Royal Australian Navy.

This is the third project secured by the joint venture established in July 2016, known as the Navantia SAGE Automation Group (NSAG). The agreement creates a global in-country capability to provide IPMS for Australia and the Asia-Pacific region.

The IPMS panels will be manufactured and tested in SAGE Automation's manufacturing centre of excellence in Adelaide and exported to Ferrol, Spain where the two RAN Auxiliary Oiler Replenishment Ships are being built.

### **Background**

IPMS is a key system for any naval platform, managing and controlling every activity of the ship. There are approximately 55 control panels per ship and NSAG will use its well-established supply chain and partnerships to source the components.

The project, due to start in June 2017, will have a 24-month duration. When returned to Australia, NSAG will provide IPMS platform support, under a five-year support contract. SAGE Automation employs 250 workers, providing industrial automation and control services across the defence, infrastructure, manufacturing, resources and utilities sectors. NSAG has also submitted proposals for the Offshore Patrol Vessel program, and will be part of Navantia's bid for the Future Frigate program.

### **Quotes attributable to Minister for Defence Industries Martin Hamilton-Smith**

With \$89 billion in naval shipbuilding work on the table, it is vitally important that our local defence industry provides a stable supply chain and has a flow of work to maintain capabilities, ready for when the Offshore Patrol Vessel program commences in 2018.

The Australian Government must stand up for our industry and mandate 90 per cent Australian industry participation on the 2018 Offshore Patrol Vessel Program to stabilise the naval shipbuilding supply chain and increase industrial capability. This is not clarified in the recently released Federal Shipbuilding Plan. If the 90 per cent commitment is upheld, we'll see more of these contracts.

This latest win for SAGE Automation and Navantia Australia is another example of South Australia's capability to develop and export high-tech solutions and applications to the world. Contracts such as this with Navantia further strengthen our local capability in naval automation and monitoring and create a footprint for future Royal Australian Navy platforms.

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This latest contract follows the recent announcement that Boeing, the world's largest aerospace company, will create 250 highly-skilled technical and advanced research jobs in its new South Australian hub.

**Quotes attributable to SAGE Automation CEO, Adrian Fahey**

NSAG has the capability, resources and commitment to remain a key member of the local supply chain for naval shipbuilding and ongoing support in Australia.

This successful partnership has been a catalyst in our diversification to become an advanced manufacturer, which is enabling us to compete globally and support other Australian businesses to do the same.

**Quotes attributable to Navantia Australia Managing Director Fransisco Barón**

NSAG will play a critical role in continuing to develop skills to support the naval shipbuilding industry into the future as we support the Government's naval shipbuilding enterprise.

The NSAG joint venture between Navantia Australia and SAGE Automation is a key partnership which Navantia Australia has undertaken to help grow Australian skills and capacity to contribute to the defence industry.