

Hon Martin Hamilton-Smith MP

Minister for Defence Industries

Friday, 5 May 2017

More jobs as local company wins \$5.5 million export contract

Adelaide company MG Engineering has secured a \$5.5 million contract to build a fishing trawler for NZ-based company, Penwarden Holdings.

The contract will lead to 15 direct jobs, with a further 25 expected for the local supply chain.

Minister for Defence Industries Martin Hamilton-Smith said, the contract will enable the company to build capability ahead of the \$3 billion Offshore Patrol Vessel program, due to kick off in 2018. It will also boost the state's export performance.

The vessel will be built and designed in South Australia with local company Oceantech Design undertaking the design work.

The contract could lead to further opportunities, with a large number of fishing vessels in Australia and New Zealand due for replacement in the upcoming decade.

Background

MG Engineering is a privately owned company with proven capability in the successful delivery of large complex projects for the maritime, defence and oil and gas industries. It recently completed the mast ship blocks for the Air Warfare Destroyer program.

The work, due to commence in the next 4-6 weeks, involves a 12-month build of a 24 metre steel and aluminium fishing trawler.

Quotes attributable to Anthony Brdar, Managing Director MG Engineering

Since the completion of the masts block for AWD in October 2014, MG Engineering has unfortunately made some 35 staff redundant through the lack of other opportunities in defence/ship-building and other heavy manufacturing industries.

The awarding of the fishing trawler project will enable MG Engineering to rebuild its capabilities in turn for the up and coming Offshore Patrol Vessel program, as well as other future fishing trawler builds both for Australia and New Zealand.

Quotes attributable to Minister for Defence Industries Martin Hamilton-Smith

With over \$89 billion of naval shipbuilding work commencing in Adelaide from 2018, it is vital that our local companies are able to build capability in the lead up to the Offshore Patrol Vessel program.

I encourage the Federal Government to commit to 90 per cent of Australian Industry Content in the build of the first Offshore Patrol Vessels to stabilise the naval shipbuilding supply chain and increase our industrial capability. We need to this to occur ahead of the larger, more complex \$35 billion Future Frigate program in 2020, or we risk diminished local content.

We have to support our local industry at a Federal and State level to build capability and experience and ensure Australian companies don't miss out on the Future Frigate and Future Submarine programs.

Media Contact: Annie Williams 0428 040 522