

ECCPB PUBLIC AIC PLAN



EVOLVED CAPE CLASS PATROL BOAT PROGRAM PUBLIC AIC PLAN (ACQUISITION)

COMPANY DETAILS

Company Name: Austal Ships Pty Ltd (Austal)
Location: 100 Clarence Beach Road, Henderson, Western Australia 6166
Website Address: www.austal.com

EXECUTIVE SUMMARY

Austal is Australia's largest local designer, builder and sustainment provider of commercial and Naval vessels, with existing contracts with the ABF and RAN. Austal is the only ASX 200-listed Defence maritime Prime, and has a proven history of developing Australian industry capability. This public AIC plan has been prepared in support of Austal's Evolved Cape Class Patrol Boat Program contract to build an additional fleet of six 58 metre Cape Class Patrol Boats (CCPBs) for the Royal Australian Navy (RAN).

The Evolved Cape Class Patrol Boat Program will provide a cost effective solution that reduces the total cost of ownership for the Navy over the Arafura Class Offshore Patrol Vessel (OPV) transition period while reducing risk and providing increased utilisation and crew satisfaction.

Australia's shipbuilding industry is a leading example of complex manufacturing in this country and makes a vital contribution to Australian industry capability (AIC), skilled job creation, and overall financial uplift to the Australian economy.

The Cape 11 to 16 Contract (Acquisition) involves the design review, development, production, commissioning and introduction into service of six Cape Class Patrol Boats. This contract will require Austal to source a range of materials, components, systems and services from Australian industry. The Contract (Acquisition) is valued at approximately \$324.3 million (excl. GST), currently Australian contract expenditure is estimated at \$222.6million (excl. GST).

For local suppliers within Austal's extensive national supply chain the Evolved Cape Class Patrol Boat Program will provide a mature design into the market, reducing the cost of requirements development for these suppliers. This low risk program will provide these suppliers with cash flow to support their own commercial requirements or innovation, research and development on upcoming naval shipbuilding programs across Australia. Identified Australian Companies are shown in C-1.

C-1 Capes 11 to 16 Products and Services

Product/Service	Key Australian Supplier/Subcontractor	Location
Provision, system design, equipment specification and commissioning of propulsion system and power generation	Energy Power Systems Australia (EPSA)	Kewdale, Western Australia 6105
Development, Integration, Installation and Training of Navigation and Communication Systems	Rohde & Schwarz Australia	Macquarie Park, NSW 2113
Vessel Classification Services (Services Subcontract)	DNVGL (Australia) Pty Ltd	Perth, WA 6000
Supply of Roll Fins	Hofmann Engineering Pty Ltd	Bassendean WA 6054
Supply of Propellers Supply of Shafts and Bearings	Veem Ltd	Canning Vale WA 6155

SCOPE OF FUTURE WORK OPPORTUNITIES

Austal has well established relationships with its supply chain for the provision of goods and services. Notwithstanding this Austal will engage and test the market as opportunities arise in the work activities outlined in C-1 and presented below in Table C-2.

Table C-2 Capes 11 to 16 Opportunities

Product/Service Description
Supply of Valves
Supply of Tank Cleaning Services
Supply of Marine Safety Equipment
Supply of Consumables
Supply of Commissioning services
Supply of underwater services

Austal may test the market for other supplies and services when existing arrangements expire, new scope is added, or current suppliers/service providers perform poorly.

INDUSTRY ENGAGEMENT AND MARKET TESTING

Austal operates an Australian head quartered supply chain with an Australian industry focus developed over 32 years committed to supporting continuous naval shipbuilding and developing sovereign shipbuilding and ship sustaining capabilities.

Further, operating an open market supply chain philosophy in which all prospective subcontractors/suppliers are welcome to register their interest in participating as a subcontractor/supplier. Austal welcomes these registrations of interest regardless of whether there is an immediate specific need for the product/service.

AUSTAL CONTACT

Contact Name: Ben Wardle
Position: Austal Head of Supply Chain
Address: 100 Clarence Beach Road, Henderson, WA 6166
Telephone: +61 8 6414 6988
Facsimile: +61 8 9410 2564
Email: suppliers@austal.com

Approved By:

Name: Ben Wardle
Signature:

Title: Austal Head of Supply Chain
Date: 06/11/2020