

Public Australian Industry Capability (AIC) Plan

Company Details

ASC Shipbuilding Pty Ltd (trading as BAE Systems Maritime Australia)
Building 1, Level 2, 640 Mersey Road North
Osborne SA 5017
www.baesystems.com

Executive Summary

In June 2024, the Commonwealth of Australia signed a contract amendment with ASC Shipbuilding Pty Ltd, trading as BAE Systems Maritime Australia (BAESMA), for the next phase of the Hunter Class Frigate (Hunter) Program. This amendment covers the build of the first three (Batch 1) next generation anti-submarine warfare frigates for the Royal Australian Navy (RAN).

BAESMA is committed to a long-term, strategic collaboration with the Department of Defence, the RAN and Australian industry to deliver a successful Hunter Program. This phase of the program will contribute significantly to the Australian Continuous Naval Shipbuilding (CNS) and sustainment aspirations and create enduring economic benefits for the Australian Defence industrial base.

The Osborne shipyard is based in South Australia, however, BAESMA recognises that this is a truly national endeavour. Businesses from across Australia are encouraged to register on the Industry Capability Network (ICN) Hunter portal to seek opportunities to compete for work in support of the Hunter Program. Currently more than 1,900 Australian companies have registered through Hunter portal.

The foundations to mature the design and test the capabilities of the Osborne shipbuilding facility in South Australia were developed during the Design and 'Productionisation' (D&P) phase. During this key part of the Hunter Program, BAESMA collaborated closely with Original Equipment Manufacturers to establish then develop Australian industry partnerships and localisation plans to support the major platform and combat systems equipment procurement activity. Supported by the Commonwealth, this endeavour has given rise to an increase in the AIC through technology and knowledge transfer activities that underpin BAESMA's approach to developing Australian industrial contribution for Batch 1 and beyond.

Maritime Australia

BAESMA's AIC strategy:

- Develop workforce capabilities in design, engineering, program management, production and supply chain management
- Maximise opportunities for Australian industry to supply products/services into the Hunter Program and to develop initiatives to nurture and grow small-to-medium enterprises (SME)
- Develop Australian SME capability across the supply chain through funding demonstration and support de-risking and qualification projects
- Facilitate the transfer of technology, know-how and intellectual property from the UK to Australia
- Invest in shipbuilding infrastructure and in early careers programs across Australia
- Conduct Research and Development and develop export prospects to advance longer-term prospects and develop future CNS capability
- Create opportunities for Indigenous suppliers and First Nations career opportunities in the Defence sector.

Scope of Work Duration and Cost

The Hunter Program will transform Australia's shipbuilding industry. More than 5000 jobs will be created and sustained across BAE Systems Australia Group and the wider Australian Defence supply chain over the life of the program.

The Batch 1 contract scope marks the formal commencement of the build program. This has an expected duration of 8 years. The value of the Batch 1 contract scope is AUD \$11.15 billion, including GST as issued under Contract Notice [CN3576603](#).

The portion representing Australian Contract Expenditure (ACE) for Batch 1 is AUD \$6.252 billion including GST.

BAESMA is committed to developing Australian industry and CNS capability. Part of this commitment is a minimum target of 60% ACE which is to be achieved by the end of the Batch 1 contract scope inclusive of D&P activities.

Major Equipment Work Packages with Australian Suppliers

Equipment / System	Supplier	Location
Diesel Gensets	Penske Australia Pty Ltd	SA
Propulsion Motor	GE Australia Pty Ltd	VIC

Maritime Australia

Stabiliser System	Kongsberg Maritime Australia Pty Ltd	WA
Steering Gear System	Kongsberg Maritime Australia Pty Ltd	WA
Mission Bay Handling Emergency Diesel Generation Set	Energy Power Systems Australia Pty Limited	VIC
Light Fittings	Redarc Defence & Space Pty Ltd	SA
HVAC System	Aerius Marine Australia Pty Ltd	TAS
Ships Lifts & Hoists	Babcock Pty Ltd	SA
Ships Windows & Window Wipers	Craig International Ballistics Pty Ltd	QLD
RAS Stump Mast	Airspeed Pty Ltd	SA
Wholeship Valves	Score Australasia Pty Ltd	QLD
HP Compressor and BA Equipment	Penske Australia Pty Ltd	SA
Cold and Cool Rooms	Cold Logic Pty Ltd	SA
Communications System	Rohde & Schwarz (Australia) Pty Ltd	NSW
Platform Management System	L3 Harris (Australia) Pty Ltd	SA
Ship Installed Chemical System	Owen International Pty Ltd	NSW
Air Weapons Handling System	Babcock Pty Ltd	SA
Mil Spec & Specialty Auxiliary Systems Components	Score Australasia Pty Ltd	QLD
Control and Instrumentation	L3 Harris Integrated Mission Systems Australia Pty Ltd (L3H)	SA
Bow Sonar	Ultra Electronics Avalon Systems Pty Ltd	SA

Scope of Future Work Opportunities

BAESMA is currently working with industry on future scope including for Heating Ventilation and Cooling System, Surface Ship Torpedo Defence and Visual Surveillance System scope.

BAESMA's Strategy for all onsite services production work packages is to contract Australian suppliers; and continue to work with local suppliers to meet the Commodity off the Shelf and Military off the Shelf procurement outcomes of the Hunter Program.

Future Opportunities Industry Engagement

BAESMA will engage with industry, including through maintaining a presence at key defence trade shows and events such as Indo Pacific, and the Office of Defence Industry Support, to identify and develop industry capability.

All specific opportunities for Australian industry will be posted on the ICN e-portal: www.icn-sa.org.au; including future Batch 2 opportunities.

Maritime Australia

Indigenous and Veterans initiatives

Indigenous

BAESMA is committed to working with First Nations people and businesses to develop opportunities directly within the supply chain throughout the life of the Hunter Program. BAESMA has partnered with the Indigenous Defence and Infrastructure Consortium, Supply Nation and other First Nations organisations to assist in identifying and developing Indigenous supplier opportunities in-line with the Commonwealth's Indigenous Procurement Policy. Consistent with broader BAE Systems Australia Group strategy and intent, BAESMA will continue to promote and partner with First Nations businesses to build their capability and capacity.

Veterans

BAE Systems Australia Group (including BAESMA) is a significant employer of Veterans, currently employing over 600 Veterans across its operations. BAE Systems Australia Group is an employer of choice under the Department of Veteran Affairs employment program and currently has silver status under the Australian Defence Force Reserves Supportive Employer Program.

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Approval



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