

**SEA1180 PHASE 1
OFFSHORE PATROL VESSEL**

**PUBLIC
AUSTRALIAN INDUSTRY CAPABILITY PLAN**

Issue Date: October 2018

Luerssen is very proud to be building its proven 80m OPV design as the new Australian Offshore Patrol Vessel for the Royal Australian Navy.

Company Details:

Contractor: Luerssen Australia Pty Ltd
ACN 618 700 637

Location: 16 Nautical Drive, Henderson, WA, 6166

Website Address: <https://www.luerssen.com.au/>

Contract and AIC Plan - Executive Summary:

Luerssen Australia Pty Ltd, an exciting new entrant to the Australian defence industry landscape is contracted by the Commonwealth of Australia (Commonwealth) as the Prime Contractor responsible for building 12 Offshore Patrol Vessels for the RAN. Construction will start in November 2018 and is expected to be completed around 2029/2030.

Luerssen is a subsidiary of a long established and successful shipbuilding group in Germany and it will quickly build its capabilities and staff in both Adelaide, SA and Henderson, WA to establish fully operational program management, support and engineering design capability. Luerssen has selected as its shipbuilding sub-contractors two key industry players which will offer maximum Australian involvement:

ASC OPV Shipbuilder Pty Ltd which will build the first 2 OPVs in Osborne, South Australia; and
Civmec Construction & Engineering Pty Ltd located in Henderson Western Australia where they will build the next 10 OPVs.

The current total contract value (until 2030) is \$1,988 million expressed in constant year dollars exclusive of GST or \$2,570 million expressed in out-turned year dollars exclusive of GST. The portion representing Australian contract expenditure is currently estimated (prior to all sub-contracts being finalised) at \$1,220 million in constant year dollars exclusive of GST. The AIC value has potential to grow as the program proceeds including opportunities to increase Australian industry participation linked with design reviews at ships 3, 6 and 9.

Luerssen has contracted with the major subcontractors identified in the table below to manage the majority of construction and supply activities associated with the Program.

In addition to these shipbuilders Luerssen will directly engage a number of Australian companies including many Small to Medium Enterprises (SMEs) to perform work under the contract. The scope of work to be performed by these companies includes manufacturing, logistics, engineering services, project

management, supply of specialist equipment items and provision of contract labour supporting contract deliverable activities.

Table 1: Companies supplying major products and services to Luerssen under this contract

Vendor/Supplier	Product/Service	Locality
ASC OPV Shipbuilder Pty Ltd	Ship building services including the placement of sub-contracts for supply of materials, fittings, equipment and services	Osborne, SA
Civmec Construction & Engineering Pty Ltd	Ship building services including the placement of sub-contracts for supply of materials, fittings, equipment and services	Henderson, WA
Saab Australia Pty Ltd	Supply of Situational Awareness System and associated combat system software and hardware including the placement of sub-contracts for supply of materials, fittings, equipment and services	Mawson Lakes, SA
L3 Communications Australia Pty Ltd	Supply of Integrated Platform Management System and associated communications system software and hardware including the placement of sub-contracts for supply of materials, fittings, equipment and services	South Wharf, VIC
Penske Power Systems Pty Ltd	Supply of MTU engines and xx including the placement of sub-contracts for supply of materials, fittings, equipment and services	NSW
Taylor Bros. Marine Pty Ltd	Outfitting materials and services including the placement of sub-contracts for supply of materials, fittings, equipment and services	Derwent Park, TAS
Noske-Kaeser Marine Australia Pty Ltd	Supply of HVAC system, CO2 firefighting system, Refrigeration and Chilled water systems, including the placement of sub-	Drummoyne, NSW

	contracts for supply of materials, fittings, equipment and services	
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Future Opportunities

Luerssen Australia has responsibility for managing the development of AIC opportunities and activity under the contract. Luerssen as Prime Contractor is committed to developing Australian Industry Capability in Australia and will continue to look for opportunities to engage Australian industry to progressively join the OPV supply chain as additional work scope is identified that can be satisfied locally or within the region.

Luerssen aims to:

Utilise both established and growing Australian defence industry suppliers with an emphasis on engaging with SMEs. Luerssen has a history of outsourcing and its build processes are attuned to the utilisation of multiple contractors that deliver specialist services and value for money.

Select overseas suppliers which have a commitment to Australia through a local presence or established support arrangements. Where such arrangements do not currently exist Luerssen will work with the overseas suppliers to facilitate such matters.

Undertake critical systems integration work in Australia by Australian industry to ensure sovereign sustainability of key functionalities.

Use the scheduled Design Refresh Reviews at ships 3, 6 and 9 as opportunities to increase Australian industry participation in equipment selection, supply and related services.

Actively seek out and introduce Australian companies into the global supply chains of Luerssen and the major subcontractors.

Help Australian suppliers develop value for money products and services that can be used in the Project as well as other Australian Naval Shipbuilding Program that will follow SEA1180.

Luerssen has chosen an Australian focused team committed to undertaking their activities to support continuous naval shipbuilding in Australia and to ensuring important capabilities are resident in Australia. It aims to support the growth of Indigenous enterprises and ensure that all participants diligently comply with applicable Work Health and Safety legislation and workplace gender equality objectives and requirements. The team intends to bring a focus on ensuring the generation and sustainment of the Australian industrial capabilities essential for this Project, the future support of the OPVs and in meeting Australia's military self-reliance and operational capability needs.

The creation of Luerssen Australia and the subsequent announcement of a new joint venture with Cimtec, Australian Maritime Shipbuilding & Export Group Pty Ltd (AMSEG) will together provide Australian industry with new local and export program opportunities and help maintain a constant baseload of work to sustain a viable naval shipbuilding industry in Australia.

Luerssen has robust policies regarding supplier qualification and selection, driven by our desire to achieve value for money for the Commonwealth. This includes fair and equitable tendering processes.

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Australian industry is welcome to contact the Luerssen SEA1180 team via either of the following avenues:

Vendor/Supplier	Contact person	Email	Phone
Luerssen Australia	Malcolm Taylor AIC Manager	malcolm.taylor@luerssen.com.au	08 6595 5962 0427 622 364
Luerssen Germany	Procurement Department	srm.australia@luerssen.de	

In addition there are industry supplier portals which can be accessed at:

SEA-1180 Project Australian Industry Supplier portal <https://portal.luerssen.de> .

Civmec supplier web site and portal <https://supplierportal.civmec.com.au/>

For indigenous companies, Supply Nation operates the Indigenous Supplier Portal

<http://www.supplynation.org.au>



Tim Wagner
Director, Luerssen Australia Pty Ltd