

Budget 2018: No more peaks, troughs, just smooth sailing



'There are huge opportunities in defence' ... MG Engineering managing director Anthony Brdar at his factory in Port Adelaide. Picture: James Elsby

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Anthony Brdar has spent half his life working in the shipbuilding industry and he says the future has never looked so bright.

The 44-year-old managing director of MG Engineering, based in Port Adelaide's expanding shipbuilding precinct, says the federal government's \$90 billion continuous naval shipbuilding program will eliminate the peaks and troughs that have prevented the industry from reaching its full potential. This certainty, he says, should result in the tripling of MG's workforce to 100 employees by 2022.

The company builds smaller ships for private clients but also supplies components, including the masts for the recently built Air Warfare Destroyers.

"There are huge opportunities in defence," Mr Brdar says. "We've never had such a massive workload on the horizon. It's very exciting.

"This plan for the next three decades will get rid of all the ups and downs that we've experienced in the past. It gives certainty to invest more, expand further ... just a lot more confidence moving forward."

As a preferred supplier to government-owned shipbuilder ASC, coupled with its favourable location, MG is well placed to win work on the upcoming offshore patrol vessel project, which will be followed by construction of nine frigates and 12 submarines in Adelaide.

MG supplied piping and duct work for the Air Warfare Destroyers, in addition to the masts.

"One of the major enjoyments we get from defence work is the importance of the end product to the country's future," Mr Brdar said.

"It's a very satisfying thing for the business. People want to work on it, so it helps us attract employees."

Mr Brdar was upbeat last night, saying the budget measures were "just a bonus on top of everything else that has been announced".

The 2018-19 budget yesterday revealed a \$52 million spend on the Future Frigate program in the coming financial year to help replace Australia's existing fleet of eight Anzac-class frigates with nine new anti-submarine warfare ships.

Arrangements are expected to begin for the design and engineering work at Osborne Shipyards in Adelaide over the next 12 months in advance of cutting steel in 2020.

The budget also committed \$274m to the offshore patrol vessel project in 2018-19, with the build expected to commence this year, as well as a \$376m commitment to advance the delivery of the three Hobart-class AWDs.

The Defence Department expects to spend \$1 billion on shipyard upgrades and more than \$25m on workforce growth and skilling initiatives.

The naval shipbuilding program is tipped to create a \$134.4bn economic windfall for South Australia, including 8000 jobs — 3500 in shipbuilding and 4500 in related industries — according to a report from professional services firm PwC.