

Electronics factory to get smart

VALERINA CHANGARATHIL



Redarc chief executive Anthony Kittel and Advanced Manufacturing Growth Centre managing director Jens Goennemann. Picture: Brenton Edwards

ELECTRONIC systems maker Redarc has unveiled plans to invest \$20m in 12 months into its South Australian operations.

The Lonsdale-based business will spend \$800,000, in partnership with some of its key suppliers, to develop a “smart factory”.

That initial investment, almost \$400,000 of which has come from the Federal Government’s Advanced Manufacturing Growth Centre (AMGC), will lead to the wider \$20m spend over the coming year.

The company, which makes electronic systems primarily for recreational vehicles, will share its learnings with the AMGC as part of the deal. Some of the smart factory initiatives are introducing more “cobots” – robots operating in collaboration with workers – as well as automation of back-end and internal systems.

"This project builds on our last capex (capital expenditure) of \$22m which we completed in 2018, after which we doubled jobs," Redarc managing director Anthony Kittel said.

"With the current business incentives and low rates, we will be investing in the order of \$20m in the next 12 months to build on what the smart factory will achieve for us.

"While 35 new jobs are linked to the smart factory, there will be a lot more once we complete our investment."

The business, which has a turnover in excess of \$100m and exports to 33 countries, employs 275 people nationally and overseas.

"We are running three shifts and a 24/7 operation now with our sales in the past six months north of 60 per cent," Mr Kittel said.

The new investment is designed to support the existing business, but also the development of new products in hypersonics, electric vehicles and the medical devices industry.

Redarc manufacturing engineering manager Andrew Rogers oversaw the 2018 expansion of the business and will drive the second major round. "We need to have a nimble, agile and value-driven manufacturing base to be able to sustain that type of business and respond quickly to customer needs," Mr Rogers said.

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AMGC managing director Jens Goennemann said Redarc's project was one of many taking Australia from "a lucky country to a smart country".

"As an SME (small and medium-sized enterprise), but with the kind of investments and jobs they have created, (Redarc) are a picture-book example of manufacturing we want to see more of," Dr Goennemann said. "Australia has to compete by being better, not cheaper.

"And advanced manufacturing is not about replacing jobs, it's about creating more. Redarc has shown how it has done both successfully."

Redarc is highly regarded for its focus on local jobs and investing 15 per cent of its revenue back into research and development annually since 1997, when Mr Kittel bought the business.

It currently has three robotic machines on its manufacturing floor, working on mundane, repetitive tasks, and has trained and redeployed workers previously doing those jobs into higher skilled areas.

Redarc was founded in 1979 as a single-product line business. It now has 600 product lines. The US, Europe and France are its high-demand markets.