



# DEFENCE WEEK

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## New reports in cyber

**Katherine Ziesing | Canberra**

**The Attorney-General's department has just released *The 2012 Cyber Crime and Security Survey: Systems of National Interest* report.**

The survey was designed and conducted to obtain a better understanding of how cyber incidents are affecting the Australian businesses that form part of Australia's systems of national interest, including critical infrastructure.

The key findings for this survey include:

- over 90 per cent of respondents deployed firewalls, anti-spam filters and anti-virus software
- two-thirds of respondents had documented incident management plans, however only 12 per cent had a forensic plan
- nearly two-thirds of organisations used IT security related standards
- over two-thirds of respondents had staff with tertiary level IT security qualifications. - over half had vendor IT security certifications, whilst just under half had non-vendor IT security certifications
- over 20 per cent of organisations know they experienced a



cyber incident in the previous 12 months, with 20 per cent of these organisations experiencing more than 10 incidents.

Of the organisations which know they experienced cyber incidents:

- 17 per cent suffered from loss of confidential or proprietary information, 16 per cent encountered a denial-of-service attack, and 10 per cent financial fraud
- 44 per cent reported the incident to a law enforcement agency, whereas only 13 per cent sought a civil remedy through action from legal counsel
- 20 per cent chose not to report the matter to a law enforcement agency because of the fear of negative publicity the most common responses as to why incidents were successful, were that they used powerful automated attack tools, or exploited unpatched or unprotected software vulnerabilities or misconfigured operating systems, applications or network devices
- over half of all organisations have increased their expenditure on IT security in the previous 12 months.

The report comes in the wake of another report from the US-based **Mandiant** on *Exposing China's Cyber Espionage Units*.

**"APT1 (Advanced Persistent Threat tier 1)** is a single organisation of operators that has conducted a cyber espionage campaign against a broad range of victims since at least 2006," according to the report. "From our observations, it is one of the most prolific cyber espionage groups in terms of the sheer quantity of information stolen. Our analysis has led us to conclude that APT1 is likely government-sponsored and one of the most persistent of China's cyber threat actors. We believe that APT1 is able to wage such a long-running and extensive cyber espionage campaign in large part because it receives direct government support."

Click on the titles to download each report: [The 2012 Cyber Crime and Security Survey: Systems of National Interest](#) and [APT1 \(Advanced Persistent Threat tier 1\)](#).

## Fraser-Nash supports AIR9000



**Engineering consultancy Fraser-Nash has been appointed to work with the Defence Materiel Organisation (DMO) on a project to replace the current Seahawk 'Classic' helicopters with new Naval Combat helicopters.**

**Project Air 9000 Phase 8** will deliver 24 **MH-60R Seahawk Romeo helicopters** and associated mission and support systems, with an initial operating capability by the third quarter of 2015. The helicopters will provide the Royal Australian Navy with the next generation maritime aviation combat capability.

The Romeo helicopters will be able to operate from the flight decks of Navy's



frigates and destroyers in rough seas, by day or night. The Romeo will be integrated into the Anzac Class frigates and the Air Warfare Destroyers, currently being developed and built in Adelaide.

Frazer-Nash Consultancy is representing the project in the **ANZAC Class Systems Program Office**, which is responsible for in-service aspects including maintenance and implementing capability upgrades. Frazer-Nash will lead the Integration System Safety Program, which involves the implementation of new lighting, power and weapons magazine systems and products onto the existing platforms, allowing for safe and effective use of the new Romeo helicopters with the Anzac class ships.



## Highlights from the latest round of Senate Estimates

**As always, Senate Estimates for the Defence Foreign Affairs and Trade committee make for an interesting read.**

For example, a question as to whether we are pursuing a warranty claim from the RFA for the faulty equipment on **HMAS Choules** was never actually answered or even taken on notice.

Army reserve days have been savagely cut thanks to budget priorities, the clearest set of numbers in the public domain (46 days annually down to 30 in 2ns division)

Funding for the Defence Logistics Transformation Program still exists but in a different financial year, much to the confusion of the committee it seemed.

**“Senator Johnston:** A \$145 million project has been moved to the right because we do not have the money for it?

**Mr Richardson:** That is right. We have been quite open about moving certain things to the right to accommodate the budget.”

Chief of Navy RADM **Ray Griggs** outlined his conversation with mining CEOs about what happens when they ‘poach’ RAN personnel.

“I laid out the consequence of continuing to raid, if you want to use that term, the ADF and particularly the Navy. I was quite heartened by the response, because there was a particular question: what are you going to turn up with if there is a problem on the North-West Shelf? My half-glib response was: that depends on how many people you take off me between now and then. My point was that I was not saying do not poach, because that is a silly thing to say to a corporation and our people can leave if they wish to do so. I wanted them to understand what the impact was.”

The details of the leaking of a draft White Paper was canvassed but not really answered due to ongoing investigations.

The importance of the transition phase of the Rizzo reforms before bedding down were highlighted due to the scale of the changes outlined in the report. The people side of the equation is still ‘a significant challenge’ for both DMO and Navy.

The negotiation cell pilot program with **Land 121 Ph3B** seems to be in a spot of trouble.

“I cannot and will not enter into a contract with that company [**Rhinemetall MAN Military Vehicles Australia**] under the present state of negotiations, because of



significant failings of the negotiation process,” DMO CEO **Warren King** told the committee. Keep an eye out for the March edition of *ADM* for more on this.

At the end of the day much of the conversation centred around the effects of budget impacts on the ADF. Much has been moved to right in response to the cuts, with a list of deferrals requested and taken on notice, but Secretary **Dennis Richardson** was careful in his wording about the overall affects.

“I think it would be fair to say that the pressures present us with challenges, but I do not believe the pressures are affecting the capability of the ADF at this point.”



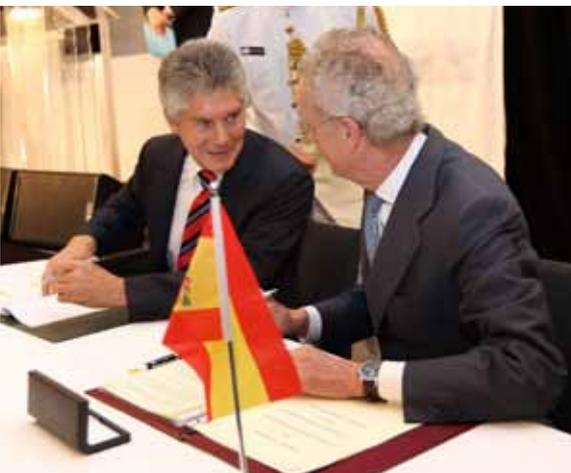
## The JSF debate continues

Thanks to ABC's *Four Corners* this week, the debate surrounding the Lockheed Martin-led JSF program has once again made the mainstream.

While the *Four Corners* program did not present any new information to those closely involved with the project, its emphasis on the negatives of the program were stark. Even dedicated JSF watcher **Andrew Davies** of **ASPI** was **unimpressed with the critique**. As Davies points out, the gains that the program has made were barely mentioned.

But as with any public debate on the true capability that the JSF can offer, the classified material that makes the debate worthwhile is missing. Modelling done by public domain users, as seen on *Four Corners*, relies on exactly that: information in the public domain. So much of the technology edge that the JSF offers is behind a classified curtain. The most obvious omission from the article was feedback from users, either the US Marines or US Air Force pilots.

The Australian government has asked for pricing on another batch of 24 **Boeing** Super Hornets through the Foreign Military Sales (FMS) channel and the impact of that decision on the **NACC office** has yet to be felt publicly. Regardless of the outcome of this effort, if Australia is to retain the technology edge in the region, a decision on how the fighter force is to be balanced needs to be made sooner rather than later.



## Australia and Spain strengthen defence cooperation

In recognition of the increasingly close defence ties between the two countries, Defence Minister Stephen Smith and the Spanish Minister of Defence, Pedro Morenés Eulate, signed an MOU on bilateral defence cooperation during the



**naming ceremony of *HMAS Canberra* last week. This arrangement will build upon existing materiel cooperation and provide a framework that will see the bilateral defence relationship expand into new areas, such as strategic planning, logistics, and science and technology.**

During the meeting, the Ministers reviewed the progress of materiel projects between Australia and Spain and reaffirmed their shared commitment to deliver the best possible capabilities to the Australian Defence Force. In addition to the new Canberra Class LHDs, Australia and Spain are collaborating on Australia's Hobart Class **Air Warfare Destroyer** (AWD's), **amphibious landing craft**, and **Multi Role Tanker Transport aircraft** programs.

Also discussed was the broader strategic outlook for Australia and Spain, noting their respective plans for contributions in Afghanistan – including transition in 2014 and post 2014 transition commitments. Spain currently has around 1,600 troops in Afghanistan, principally in Badghis Province.

Defence Minister Stephen Smith also said he and Minister Morenés had toured the Spanish Armada Ship *Cantabria*, which has been deployed to Australia from mid-February until November this year. *Cantabria's* deployment is a result of the excellent relationship between the Spanish Armada and the Royal Australian Navy (RAN). Many of *Cantabria's* ship systems are the same as Navy's new LHD's and AWDs. The project arrangement provides an excellent opportunity for RAN personnel to train and familiarise themselves with *Cantabria* before they go on to crew the LHD and AWD.

During the deployment *Cantabria* will participate in training and exercises with Australian naval ships and helicopters. The deployment will culminate with *Cantabria's* participation in the Australian International Fleet Review in October.



## QinetiQ celebrates five years in Australia

**QinetiQ has celebrated five years in Australia. The celebrations across QinetiQ Australia's Adelaide, Brisbane, Canberra, Port and South Melbourne and Sydney offices involved all 250 employees**

**participating in a cake-cutting ceremony.**

"This is a proud day for the company and our employees in Australia," Alan Woolford, chief executive officer of QinetiQ Australia said.

QinetiQ Australia's partnerships with Australian defence and government organisations have contributed significantly to many strategically important national assets including the:

- Royal Australian Air Force AP-3C Orion, C-17A Globemaster, C-130J Hercules, E-7A Wedgetail Airborne Early Warning and Control, F/A-18F Super Hornet, F/A-18A/B Classic Hornet, Heron Remotely Piloted Aircraft, KC-30A Multi-Role Tanker Transport and Woomera Test Range
- Royal Australian Navy Adelaide Class Frigates, Armidale Class Patrol Boats and Collins Class Submarines
- Australian Army Armed Reconnaissance Helicopter Tiger, Bushmaster Protected Mobility Vehicle, CH-47D Chinook, MRH90 Troop Lift Helicopter and QinetiQ's TALON and DragonRunner Unmanned Ground Vehicle robots
- Australian Defence Force Mulwala Explosives Factory.





## ADM Online: Weekly Summary

A summary of the latest news and views in the defence industry, locally and overseas. Check out our webpage for daily news updates on the *ADM* home page and make sure you bookmark/RSS this for a regular visit.

This week, Victorian-based **Lovitt Technologies Australia** was awarded contracts with Boeing valued at around \$4 million for machined parts for the global

F/A-18 Super Hornet fleet.

The first of two new **Landing Helicopter Dock** (LHD) ships was officially named Canberra in a traditional Navy ceremony at Williamstown, on February 15.

**Quickstep** Holdings Limited appointed Tony Quick and Bruce Griffiths OAM as independent non-executive directors of the company.

Thales Communications announced a new Low Rate Initial Production (LRIP) contract for secure radios to support the US Army's **Nett Warrior Program**.

Also, Defence officials announced the successful transfer of all Defence health services from Defence to **Medibank Health Solutions**.

## International



## Rolls-Royce wins \$97.3 million C-130J contract

**Rolls-Royce has been awarded a \$97.3 million contract from the US Air Force to support its C-130J transport fleet in 2013.**

The **MissionCare** contract covers sustainment services for the Rolls-Royce AE 2100 engines as well as the nacelles and propellers on the US Air Force C-130J fleet. The work includes logistics and program management support, engineering services, spares and technical data support.

Through MissionCare, Rolls-Royce offers a suite of services, tailored to each military customer's needs. The US Air Force contract is in the sixth option year, providing a variety of support for the fleet of C-130J aircraft. Rolls-Royce has met availability metrics every year, while helping the USAF meet its combat deployments overseas. Through proactive fleet management, Rolls-Royce has maintained greater than 90 per cent parts and fleet availability.

**Rolls-Royce** has also announced that **Ian Davis** will succeed **Sir Simon Robertson** as Chairman of the company.



Davis will join the Board as a non-executive Director on 1 March 2013 and take over from Sir Simon at the conclusion of the Annual General Meeting on 2 May 2013.

Davis spent more than thirty years with McKinsey & Company, including six as Chairman and Worldwide Managing Director. He serves, as a non-executive Director, on the Boards of BP and Johnson & Johnson and is a non-executive member of the Cabinet Office Board.



## Boeing and Elbit to collaborate on defence solutions

**Boeing and Elbit Systems have signed a Memorandum of Understanding to offer Elbit Systems' Directed Infrared Counter Measure (DIRCM) systems for a**

**range of Boeing military fixed-wing and vertical-lift aircraft.**

The Elbit DIRCM family of systems, produced by Elbit Systems' wholly owned subsidiary Elbit Systems Electro-optics ELOP Ltd., are lightweight, compact systems designed to protect aircraft from common battlefield threats.

Boeing's Network & Space Systems and Boeing Military Aircraft organisations are working together to integrate the systems onto new and existing aircraft, as well as to provide signature analysis and end-to-end services and support.

## Chinese part found in USMC anti-tank weapon!

**The prime contractor of an urgently needed Marine Corps anti-armour weapon has issued a stop-work order after it was found that a nearly 43-cent component in the weapon's nose cap was sourced to a Chinese company, Navy Secretary Ray Mabus recently informed Congress.**

Federal law prohibits goods and services on the US Munitions List from being obtained from any Communist China military company, but Mabus has waived this requirement in the case of the Light Anti-Armor Weapon.

"Because this item is such a small part of the total weapon and no alternative is available immediately, I have determined that a waiver is necessary for national security reasons," Mabus wrote in his 3 January letter to Congress. "The Marines are confident that an alternate source can be found for this item. Approval of the waiver allows remedial actions to proceed without adverse operational risk or impact to the Marine Corps."

The Marine Corps has received nearly 29,000 of these weapons. The fiscal year 2012 Defence Authorisation Act required defence officials to give Congress at least 15 days advanced notice that a waiver is needed - *Inside Defense*





## LEMV Airship program terminated

**The US Army's behemoth hybrid airship - the Long Endurance Multi-Intelligence Vehicle (LEMV) - has been terminated, according to service and congressional sources.**

The LEMV program was cancelled last week, an Army official with knowledge of the budget told *InsideDefense.com* this week.

While the service has not formally notified Capitol Hill, a congressional source was told unofficially of LEMV's cancellation. The reason likely has to do with the program being behind schedule and over budget, the source told *InsideDefense.com*. The program has been funded through reprogramming rather than through the normal budget since its inception, the source added, guessing that the funding "fell out of the fiscal year 2014 budget in order to pay other bills."

A US Army spokesman said, "The Long Endurance Multi-Intelligence Vehicle (LEMV), a hybrid air vehicle, is a technology demonstration project administered by the US Army Space and Missile Defense Command. This project was initially designed to support operational needs in Afghanistan in Spring 2012; it will not provide a capability in the timeframe required. Due to technical and performance challenges, and the limitations imposed by constrained resources, the Army has determined to discontinue the LEMV development effort."

The LEMV was intended to act as a very long endurance aircraft that could hover on station at an altitude of 20,000 feet (6,100 metres) for 21 days, for surveillance and reconnaissance.



## Successful testing of RADA's advanced C-RAM radar

**RADA Electronic Industries has successfully tested its advanced Multi-Mission Hemispheric Radar (MHR) with the RPS-40 Counter-Artillery, Rockets and Mortars (C-RAM) mission. The RPS-40 mission provides tactical accuracies of the Point of Origin (POO) and the Point of Impact (POI).**

During the testing - which was performed recently and observed by representatives from the Israel Defence Forces (IDF) and the defence industry - multiple mortars and rockets were fired within the radar's area of coverage. The system detected the threats at a very early stage and provided exceptionally long alert times, while demonstrating no false alarms.

The RPS-40 detects, tracks, classifies and locates direct and elevated threats fired at stationary or mobile forces; threats include rockets, artillery, mortars, ATGMs, RPGs, and more. The system can be integrated with any protection and/or C4I system and can be installed at stationary bases and posts, or onboard fighting vehicles.





## BMT provides safety support for Ministry of Defence

**BMT Isis (BMT), a subsidiary of BMT Group, has announced its latest contract with the UK Ministry of Defence's (MOD) Expeditionary Campaign Infrastructure (ECI) Team, to provide a comprehensive**

**review of its safety processes and associated documentation.**

The ECI Team is responsible for the delivery and safe use of the infrastructure required to support operational activity, including Modular Domestic Accommodation such as tented camps. In a bid to ensure safety management processes and documentation within its portfolio of projects are robust and in accordance with MOD Policy, the ECI Team has turned to BMT for independent safety support.



## OCCAR and Airbus Military sign ISS contract for French A400M fleet

**OCCAR and Airbus Military have signed the initial In-Service Support (ISS) contract**

**providing an 18-month A400M support services package to the French Air Force. This is a key milestone in preparation for the delivery of the first A400M to the French Air Force.**

This contract provides a tailored service to meet the needs of the French Air Force building on the foundations laid by the A400M Launch Contract between OCCAR (acting on behalf of France, Turkey, the UK, Germany, Spain, Belgium and Luxemburg) and Airbus Military, which already foresees Integrated Logistic Support (ILS) services such as Technical Documentation, Aerospace Ground Equipment and the like. The ISS contract covers industrial on-base maintenance support, spares management, extended query answering service and more to allow for smooth flight operations at the A400M's initial operating base at Orleans.

In preparation of the period following the initial 18 months ISS package, Airbus Military provided last November a joint French/UK ISS proposal for a further support arrangement. The parties concerned are currently discussing this offer with an expectation to reach an agreement during the second semester of this year.

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12-13 February 2013 \* Hyatt Hotel Canberra

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Exhibitors



DefenceHealth

# FORTHCOMING EVENTS

For a full list of defence and industry events, head to **ADM's** online events page at [www.australiandefence.com.au](http://www.australiandefence.com.au)

## Avalon 2013: Australian International Airshow and Aerospace & Defence Exposition

**DATE:** 26 February - 03 March 2013, Avalon Airport, Geelong

**ENQUIRIES:** Aerospace Maritime Defence Association Ph 03 5282 0500;

**Email:** [airshow@amda.com.au](mailto:airshow@amda.com.au); **Web:** <http://www.airshow.net.au>

The Australian International Airshow and Aerospace & Defence Exposition is the essential aviation, aerospace and defence event for the Asia Pacific. Industry-only trade sessions will be held Tuesday to Thursday (all day) and Friday will be both a trade and public day. The exposition will open each day from 9am until 5pm. Associated industry and technology conferences, seminars and symposia will be held at Avalon and in Melbourne and Geelong during show week.

## International Maritime Security Conference

**DATE:** 14-16 May 2013, Changi, Singapore

**ENQUIRIES:** More details to be released closer to the date.

**IMDEX Asia Web:** <http://www.imdexasia.com/index.aspx>

IMSC 2013 will bring together Navy Chiefs, Coast Guard Directors-General and academia around the world to discuss threats to maritime security and safety, as well as develop frameworks and solutions to deal with the security challenges that threaten and disrupt sea lines of communication.

## ADM Cyber Security Conference

**DATE:** 12-13 June, 2013, Hotel Realm, Canberra

**ENQUIRIES:** ADM Events - Jamie Burrage, Ph: 02 9080 4321;

**Email:** [Jamie.burrage@informa.com.au](mailto:Jamie.burrage@informa.com.au) **Web:** [www.admevents.com.au](http://www.admevents.com.au)

ADM's 3rd Cyber Security Summit will see stakeholders from Australia's Defence and National Security agencies address the current and emerging cyber threats to Australia's security. More details to be released closer to the date.

## DSEI

**DATE:** 10-13 September, 2013, ExCel, London

**ENQUIRIES:** **Web:** [www.dsei.co.uk](http://www.dsei.co.uk)

DSEI is the largest fully integrated defence and security show in the world, featuring Air, Naval, Land and Security show content. Based in ExCeL, London every two years, the event provides unrivalled access to key markets across the globe.