



# DEFENCE WEEK

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## Defence Budget in a nutshell

The Budget's capability activities in 2013-14 will include further consideration of Australia's Air Combat Capability, P-8A Poseidon maritime patrol aircraft, land mobility, future armoured vehicles, afloat support vessels, communications and interoperability capabilities, intelligence and surveillance systems, electronic warfare, space and cyber.

The total value of projects proposed to be considered by Government in 2013-14 for progressing amounts to up to \$20 billion. Defence will also continue to progress a number of projects in 2013-14, including:

- Acquisition of the **Growler Airborne Electronic Attack** capability;
- Acquisition of 2700 medium and heavy trucks for Army as well as continuing delivery of 2,150 **G-Wagon** vehicles;
- Continuing upgrades of the **ANZAC Frigates** with advanced radars;
- Continuing upgrades to **Collins Class submarines** and reforms to improve their availability and reliability;
- Preparing for the delivery of **MH-60R Seahawk** maritime combat helicopters;
- Continuing with the acceptance into service of **Tiger Armed Reconnaissance Helicopters** and **MRH-90** battlefield helicopter;
- Progressing the acquisition of **C-27J** battlefield airlifters;
- Continuing construction of the **Air Warfare Destroyers**; and
- Commencing acceptance into service of the first **Landing Helicopter Dock, HMAS Canberra**.

As well, the Government will continue to develop the Future Submarine capability. The Government has approved over \$214



million for further detailed studies and analysis, which builds on work already undertaken, to inform the Government's decision on the design of Australia's next submarine.

It has also taken the important decision to suspend further investigation of the two Future Submarine options based on military-off-the-shelf designs in favour of focusing resources on progressing an 'evolved Collins' and new design options that are likely to best meet Australia's future strategic and capability requirements.

The Government has also directed further work on a new Submarine Propulsion Energy Support and Integration Facility in Adelaide. This land-based facility will substantially reduce risk in the Future Submarine Program by providing the capability to research, integrate, assemble and test the propulsion, energy and drive train systems in all stages of the Future Submarine's design, build and through-life sustainment.

**Comment:** "It's not that bad" seems to be the conclusion of most when it comes to the Defence Budget. The capital program is up, people are down and as always most real funding for big investments is out beyond the forward estimates of four years.

As always, the full Budget wrap up will be published in the June edition of *ADM*.



## Satcom terminal contract for L-3 (finally)

Tom Muir

**Following the widely reported selection last year (including by *ADM*) of L-3 for the supply of medium-size WGS-capable satellite terminals under JP 2008 Phase 3H, it has been announced that Defence has finally signed two multi-million dollar contracts with L-3 Oceania. Original reports were that L-3 was to supply 45 medium size terminals with an initial supply of 10 by July this year (2013) and our understanding was that they would be equipped with Viasat's EBEM high speed modems. *ADM* reported that contract approval was not expected before the first quarter of 2013.**

According to this week's announcement 51 terminals, 30 deployment kits, spares and test equipment is being acquired under Phase 3H for nearly \$32 million. A separate performance based in-service support contract will provide integrated logistics support, engineering services, supply support services, maintenance services and training at a value of around \$7 million over three years.

JP 2008 Phase 3H is part of a coordinated set of projects aimed at deploying an integrated Wideband Global Satellite (WGS) communications capability into the ADF which will be achieved by linking sensors, weapon systems, and commanders to their respective command and control systems.

Expanding the use of the WGS system through the introduction of these medium sized terminals for land forces will allow earlier use of enhanced satellite communications services in Australia and also in key operational areas where commercial satellite resources are limited. The capability is scheduled for delivery in 2014.





## LM gearing up for Sea 1439?

Tom Muir

In announcing Rod Drury's recent space systems appointment, Lockheed Martin Australia's CEO Raydon Gates noted that LMCO has an established portfolio of military satellite platforms and services including the Advanced Extremely High Frequency (AEHF) and Mobile User Objective System (MUOS) satellite-based communications systems.

We suspect that Mr Drury will have more than a passing interest in Sea 1439 Phase 5B.2, Collins external communications improvement, reviewed in *ADM's* April

issue. And while we were disappointed to learn that an RFT for that project was not imminent as we reported, nevertheless we did note that Lockheed Martin was among the many successful respondees to the ITR.

Elements of Phase 5B.2 include the acquisition of a high data rate (HDR) satellite communications capability including all hardware and software required to be installed on the submarines to transmit and receive information over the WGS system.

In the US the submarine HDR program provides submarines with antennas that have the bandwidth, gain, and flexibility for communications in the super high frequency (SHF) and extremely high frequency (EHF) spectrums.

Will the Collins HDR satcom capability follow suit and provide access to the Advanced Extremely High Frequency (AEHF) system?

Higher data rate communications are seen as necessary for ships to participate fully in network centric warfare and for land attack missile mid-course guidance.

Phase 5B.1 was for the class fit of the OE-538 comms antenna and mast covering VLF, HF, VHF, UHF (SATCOM and LOS) communications.

A further development of the mast system, presumably by Lockheed Martin subsidiary Sippican, will provide improved performance in the UHF signal band. It also will add Link-16, Iridium and Mobile User Objective System (MUOS) UHF satellite communications capabilities, while maintaining performance in legacy bands.

## ADM Cyber Security Conference

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

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## JLTV testing delays

Tom Muir

While we suspect that the JLTV option under Land 121 Phase 4 for 1300 Protected Mobility Vehicles Light (PMV-L) is wearing somewhat thin under pressure from the locally-developed Thales Hawkei PMV-L, it may be worth reporting that

**automatic spending cuts triggered by US DOD sequestration are poised to delay testing of the US Army-Marine Corps Joint Light Tactical Vehicle by three to four months, according to the Army's top uniformed acquisition official.**

The JLTV program is in its engineering and manufacturing development phase, with three contractors - **Oshkosh Defense**, **AM General** and **Lockheed Martin** - competing to move forward into production. The Army initially plans to buy 20,000 JLTVs, while the Marine Corps wants 5,500. The cost ceiling for each vehicle is \$250,000 and only one contractor will be awarded a low-rate initial production contract in fiscal year 2015. The Army has requested \$84 million for the JLTV in FY-14.

### Hawkei's MSA option

But back to the Hawkei, which was selected in December 2011 as the preferred vehicle for development and testing under the Manufactured and Supported in Australia option of Project Land 121 Phase 4. Last year \$38 million was allocated for further development and testing of the Hawkei, with Thales supplying six prototype Hawkei vehicles and one trailer for testing and evaluation.

Last year's delivery of the Hawkei prototype vehicle and trailer was an important milestone and the remaining five Hawkei vehicle prototypes are expected to be delivered by June 2013. These vehicles will undergo an extensive testing program, including communication system integration testing, reliability growth trials, survivability testing and user assessments.

Project Land 121 Phase 4 is a \$1.5 billion project that seeks to provide up to 1,300 protected and unprotected light vehicles-*TM/InsideDefense*



## BAE Systems Australia to slash 100 jobs

**By the end of 2013, BAE Systems Australia will reduce their workforce by 100 positions, primarily in South Australia.**

Taking the number of people employed across the business as at April 2012 and comparing that with April 2013, the BAE Systems Australia workforce has declined by 255.

According to BAE Systems Australia though this number is a moveable feast given project timelines,



ramp ups and ramp downs which occur frequently throughout the year.

As part of the change, the company's Land & Integrated Systems Business Unit and corporate functions will be restructured and more closely aligned.

The restructure follows the decision to consolidate the company's Mawson Lakes operations to the company headquarters at Edinburgh Parks before the end of 2013. Together, these decisions will reduce annual costs by around AUD \$15 million.

CEO **David Allott** said the company was operating in a challenging environment in Australia that included reduced defence spending and increased competition.

"Our focus is strategic and aimed at improving business efficiency so that we can continue to be highly competitive and 'fit for the future' in what is an increasingly tough market," Allott said. "These are difficult decisions and we are mindful of the impact these reductions have on our team. Natural staff turnover and redeployment will be used where possible and we will do everything we can to support those employees who are affected."

Allott confirmed that the restructure would not have any impact on the delivery of BAE Systems Australia's projects or services to its customers.

"We will continue to be a key partner of the ADF, delivering nearly 40 major acquisition and sustainment contracts across the air, land, sea and electronic domains. We will also remain a major economic contributor to South Australia, employing more than 1,100 people in this state and 5,500 people nationally."



## 100 not out!

**Thales CEO Chris Jenkins was joined by Queensland state Treasurer and Minister for Trade Tim Nicholls in opening the new Thales workshop and overhaul facility at Eagle Farm in Brisbane.**

Representing a \$5 million investment, Thales Eagle Farm is a 4,000sqm, state-of-the-art, secure facility. It offers 16 vehicle bays and will work to ensure the continuous availability, maintenance and sustainment of defence and industry capability.

The opening event also marked the delivery and handover the 100th Middle East Area of Operations (MEAO) **Bushmaster vehicle** to the Defence Materiel Organisation. This vehicle was refurbished and upgraded at the Eagle Farm facility.

**Robert Lumley**, assistant director general, Land Manoeuvre Systems, Defence Materiel Organisation, accepted the 100th MEAO



*Photos by: David Jones ADM*



Bushmaster on behalf of the DMO and the **Land 116 project team**.

Eagle Farm was developed in partnership with the DMO and the ADF. The opening of the facility is an important milestone for Thales and demonstrates the company's ongoing commitment to investing in Australia.

"The opening of this facility represents an important stage for Thales in Australia and its long-term investment in Defence capability," Jenkins said. "The Bushmaster is designed and built from the ground up to save lives. It is an internationally recognised defence asset, and this facility builds on and enhances this capability.

"Thales has established this facility in Brisbane, close to our customer. It's here Thales provides all major enhancement and upgrade, service and support capabilities for the Bushmaster.

The opening also provided a soft launch of Thales's **Fleet & Equipment Services** business. Targeting organisations with commercial fleets, and offering support services and maintenance for specialist vehicles and equipment, this new business leverages the skills, capabilities and facilities established at Eagle Farm

## Projects of Concern summit

**Minister for Defence Materiel Dr Mike Kelly has concluded a two-day summit with senior Defence officials and CEOs of defence industry companies that have projects on the Projects of Concern list.**

Dr Kelly said the purpose of the summit was to review remediation plans of each Project of Concern, discuss progress since the last summit in November 2012 and assess prospects for removal from the Projects of Concern list. Since February 2011 the Government has held bi-annual face-to-face meetings with Defence and industry to focus on advancing projects towards completion. This week's summit was the fifth held since 2011.

"We are seeing tangible benefits in having Government, Defence and Industry representatives discussing issues together and working towards remediation of these troubled projects" Dr Kelly said.

"Ultimately results from these summits will deliver real benefits to the men and women of the ADF."



## Quickstep proves F-35 capability

**Northrop Grumman Corporation's largest F-35 Australian supplier - Quickstep Technologies - has demonstrated that its new production facility is**

**equipped and qualified to manufacture and deliver quality composite parts for the F-35 Lightning II joint strike fighter centre fuselage produced by Northrop Grumman.**

In June 2012, Quickstep opened its new facility in Bankstown, near Sydney, and has quickly proven itself as a supplier of aerospace-grade composite parts. In April, it achieved two major milestones:

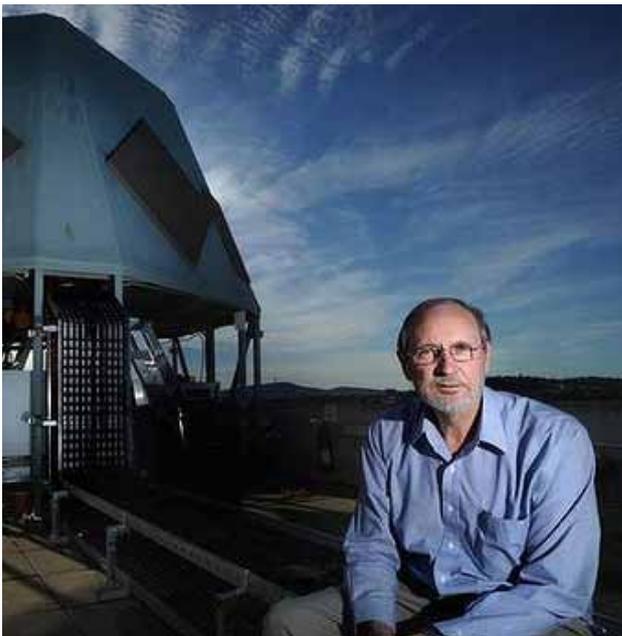


- Completion of the first bismaleimide and graphite epoxy production parts, demonstrating that its facility is equipped and qualified to execute all of the required processes for its work on the F-35 program
- Receipt of full approval from Northrop Grumman's F-35 chief engineer for its bismaleimide and graphite epoxy destruct test articles

"We are impressed by Quickstep's ability to reach these milestones less than a year after it opened its Bankstown facility," **Michelle Scarpella**, vice president of the F-35 program for Northrop Grumman Aerospace Systems said.

The Australian government joined the F-35 program in 2002. This month, Australia reaffirmed its commitment to the F-35 program, announcing its intention to operate three squadrons of F-35s beginning in 2020. One of eight international partners on the F-35 program, Australia has made significant contributions to the design and development phases of the program. The first two F-35 centre fuselages for the RAAF are now being manufactured on the Integrated Assembly Line at Northrop Grumman's Palmdale, facility.

As a principal member of the Lockheed Martin-led F-35 industry team, Northrop Grumman performs a significant share of the work required to develop and produce the aircraft. In 2012, the company delivered 32 centre fuselages and is on track to exceed 2012 delivery quantities in 2013.



## Croser takes out prestigious ATSE Clunies Ross

**Ian Croser of CEA Technologies has been presented with the prestigious ATSE Clunies Ross Awards.**

Croser is a world leading radar and communications innovator, who received the award for his work on developing an **anti-ship missile defence radar**. The radar is the first of its kind and Croser has furthered the technology with cost, space and weight savings. The technology has put Australia on the world stage,

and attracted hundreds of millions of dollars into the Australian economy. Significant impacts have included benefits to the Australian defence industry, improved border protection and less reliance of foreign technology.

These 2013 ATSE Clunies Ross Award Winners follow in the footsteps of past winners such as **Professor Ian Frazer**, inventor of the cervical cancer vaccine; Nobel laureate **Dr Barry Marshall**, who discovered the bacteria that causes stomach ulcers; **Dr Fiona Wood**, inventor of spray-on skin; and **Professors Martin Green** and **Stuart Wenham**, international leaders in silicon cell technology.





## 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, the DMO signed a Deed of Undertaking with Australian Aerospace and their industry partners that will help put the **MRH90 helicopter** program back on a positive footing.

A report was prepared by the Department of Defence that responds to public submissions made regarding the removal of the **Hammerhead Crane** at Garden Island, Sydney.

**Austal** announced new strategic partnerships with regional shipyards at the IMDEX Asia defence exhibition in Singapore.

And, **Inmarsat** acquired TC Communications of Australia.

## International



## COTS into MOTS

**InsideDefense** reports that the debate over the cost and feasibility of converting a commercial off-the-shelf helicopter into a combat-ready aircraft has been renewed as industry pitches offerings to replace the US Army's **OH-58 Kiowa Warrior**.

The helicopters industry is offering to include commercial derivatives, variants of the Kiowa and yet-to-be-built, next-generation aircraft designed to military-specific standards. The Army must choose to hold a competition for a new armed scout or commit to a service-life extension program for the Kiowa Warrior fleet. While the Kiowa has served the warfighter well in Afghanistan, its endurance and its ability to fly in high and hot environments and carry substantial payloads are all below what the service says it needs.

"We really need to work to military aircraft standards and what I mean is in terms of operating environment, survivability, crash-worthiness," Mitch Snyder, **Bell Helicopter's** executive vice-president for military programs, said at the Army Aviation Association of America's annual conference last month. "We have tried so hard several times to say, 'Let's take a commercial off-the-shelf product and then try to work our way back into a military product,' and we seem to always have a hard time because at the end of the day, you are designing a military product."

And while this is going on it appears that US Special Operations Command is considering an impending contract award for a new fleet of Ground Mobility Vehicles with an Ohio-based company that has announced a blanket purchase agreement with the Defense Department to begin transforming standard pickup trucks into tactical vehicles for SOCOM-TM//*Inside Defense*





## UCAS launched from US carrier

Naval aviation history was made today, as an autonomous unmanned aircraft took off from a US Navy nuclear aircraft carrier in the Atlantic Ocean off the coast of Virginia. The X-47B Unmanned Combat Air System demonstrator (UCAS-D) took to

the air from the *USS George H.W. Bush* (CVN 77) and is part of a program to develop carrier-based unmanned combat aircraft capable of carrying out missions according to pre-programed instructions rather than being under constant control by a ground-based pilot.

Launched from the Nimitz Class carrier at 11:18am by steam catapult like an operational carrier-based aircraft, the X-47B was controlled by a mission operator aboard the *Bush*, but also operated autonomously for parts of the test. The drone executed several low-altitude carrier approaches to demonstrate its ability to operate in a carrier environment, then flew across Chesapeake Bay and landed at the Naval Air Station Patuxent River in Maryland, where it has spent the last year conducting shore-based tests. During the 65-minute test, the aircraft navigated in the carrier airspace, and control was successfully transferred from the carrier-based mission operator to a shore-based operator. Further take-off tests will be conducted over the coming weeks, and the X-47B will attempt its first true carrier landing at sea this summer-*Gizmag*

## Rolls-Royce awarded US Navy T56 engines repair contract

**Rolls-Royce has been awarded a US\$35 million contract extension for repair and overhaul of T56 engines on US Navy aircraft.**

The services contract covers depot-level repair of the T56 Series III engine modules to support fielded P-3 and derivative aircraft, as well as T56-powered C-130 and C-2 aircraft.

The repairs will take place at Rolls-Royce Engine Services Oakland, US (RRESO). In addition to T56 repair and overhaul, RRESO services AE 1107C, F405 and M250 engines for other military customers.

## Sagem GFCS for Singapore Navy

**Sagem (Safran) has signed a contract with the Defence Science and Technology Agency (DSTA) of Singapore to develop and produce a new Gun Fire-Control System (GFCS) for eight Littoral Mission Vessels ordered by the Republic of Singapore Navy.**

Sagem's new GFCS is a centralised system located at the ship's operations centre that integrates several functions: main and secondary guns, radar, optronics



and navigation systems. Capable of operating from several multifunction consoles concurrently, Sagem's GFCS will also be interfaced with the combat management system. Its open architecture not only allows for easy integration but also ensures flexibility and scalability for future upgrades and enhancement.

A long-standing partner to the Singapore Navy, Sagem has also supplied the GFCS for the six Formidable class frigates, and four Endurance class LSTs.

## Germany cancels 'Euro Hawk' drone program

**Germany has cancelled a planned 'Euro Hawk' drone program fearing European authorities will not certify them, a defence ministry source said Tuesday after reported European safety concerns.**

Germany had "no hope" of seeing the unmanned aircraft, part of a program that would have cost more than one billion euros (\$1.3 billion), approved for use, said the source speaking on condition of anonymity.

The European Aviation Safety Agency has said it would only certify the drones to fly over unpopulated areas because of a lack of an anti-collision system to protect airliners, according to German press reports.

"The equipment is not ready for approval without immense expenditure," the source added.

Germany has already spent 508 million euros on a Euro Hawk prototype and was due to fork out a further 500 million on four more models.

The Euro Hawk is a version of the American **Global Hawk** produced by **Northrop Grumman** and re-modelled by the European defence and aerospace company **EADS**.

Berlin has also already spent 40 million euros on modernising the northern Jagel air base where the reconnaissance drones would have been based.

Northrop Grumman also did not want to provide technical documents necessary for the certification process, German press reports said.

In 2011, one year later than planned, the prototype Euro Hawk arrived at the Manching base near Munich in southern Germany.

Germany is in talks with Israel on buying **Heron TP drones** but German Defence Minister **Thomas de Maiziere** has indicated that any purchase would not take place ahead of September 22 elections, according to news weekly *Der Spiegel*.

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# 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)

## 2013 Hunter Defence Conference

**DATE:** 22-23 May 2013, Fort Scratchley  
**ENQUIRIES:** Web: [www.stickytickets.com.au/10869](http://www.stickytickets.com.au/10869)

The 2013 Hunter Defence Conference, supported by NSW Trade & Investment, HunterNet and Hunter Business Chamber, is an excellent opportunity for SMEs to hear about current Defence opportunities, diversification, innovation and skilling in supporting Defence.

## 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.

## Land Environment Working Group

**DATE:** 21 June 2013, National Convention Centre, Canberra  
**ENQUIRIES:** Erin Frazier: [erin.frazier@defence.gov.au](mailto:erin.frazier@defence.gov.au), Ph: 6265 4820  
Web: [www.govdex.gov.au](http://www.govdex.gov.au)

This meeting is an opportunity for Industry representatives to discuss projects in the DCP with project managers. The way ahead for Land Development Branch in Capability Development Group will also be discussed. Interested participants can register and RSVP for the event through the Govdex website. Access to this website can be granted by sending an email to Erin Frazier.

## 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.

## SimTecT

**DATE:** 16 Sep - 19 Sep, 2013, Brisbane Convention and Exhibition Centre, Queensland  
**ENQUIRIES:** Web: [www.simtect.com.au](http://www.simtect.com.au)

SimTecT is the annual Simulation Technology and Training Conference held by Simulation Australia. Since its inception in 1996, SimTecT has grown to become Australasia's premier simulation conference for industry, government and academia.