



Australian Government
Department of Defence
Defence Materiel
Organisation

DMO Bulletin

APRIL 2011

FOR **INDUSTRY**

CANBERRA MAKES A SPLASH

Hull of new LHD launched

Real reform
The DMO supporting change

Getting industry ahead
Inside IDEX 2011

Thank you to the following who provided information for the articles in this issue of the DMO Bulletin:

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IN THE NEWS

MARCH



Australia could gain an additional C-17A Globemaster III heavy lift aircraft after a letter of request was sent to the United States (US), said the Minister for Defence, Stephen Smith. Following receipt of cost and availability information from the US, the Government will make a decision about purchase based on capability, cost and schedule assessments of an additional C-17.



The Army's fleet of Chinook Helicopters will continue to support troops in Afghanistan after Defence signed a contract with BAE Systems, said the Minister for Defence Materiel, Jason Clare. The \$20.9 million contract means BAE will maintain the Chinooks over the next six years.



Junior officers in the Royal Australian Navy will learn how to pilot the next generation of warships, in an upgraded \$10 million training facility delivered to the Navy by the DMO. The ship bridge simulation system was delivered on time and under budget to HMAS WATSON in Sydney.



Ballistic plates for combat body armour to protect Australian troops can now be made in Australia after the development of new manufacturing technology, announced the Minister for Defence Materiel, Jason Clare, and the Minister for Defence Science and Personnel, Warren Snowdon. This will allow for new technology to be prototyped quickly and for product development to occur in Australia rather than in the US, said Mr Clare.

APRIL



The Navy's capability will be strengthened following the acquisition of a Bay Class amphibious ship from the United Kingdom, announced the Minister for Defence, Stephen Smith, and the Minister for Defence Materiel, Jason Clare. Largs Bay is a Landing Ship Dock (LSD) and has been acquired for approximately \$100 million.



Get more on these stories and other Defence news, from the Defence online media room: www.defence.gov.au/media

Defence + Industry 2011 Conference
28 - 30 June Adelaide

ADM Defence Skilling Summit
5 - 6 September Brisbane

ADDITIONAL INFORMATION FOR INDUSTRY

- + The DMO: www.defence.gov.au/dmo
- + Skilling Australia's Defence Industry: www.defence.gov.au/sadi
- ✗ The Defence and Industry ePortal: www.dplusi.defence.gov.au

WORK TO BE DONE



As we approach the end of the 2010-11 financial year, I can confidently say that we are making progress in achieving our efficiency and effectiveness targets. This is a testament to our professional management efforts while, at the same time, we are continuing to respond to the ADF's equipment needs.

Initial analysis of the progress in implementing the Mortimer Review outcomes is underway and has outlined many strengths as well areas in which we must improve. While we are doing reasonably well with our cost estimates, schedule delays continue to be the issue that most plagues us. With new approvals being given in out-turned dollars, any schedule delays with a commensurate cash flow delay will cause a loss of purchasing power within remaining project approval funding. This ultimately decreases our ability to deliver equipment and systems within the approved price.

This initial analysis also shows the importance of raising issues of underperformance early, so that corrective action can be taken. Likewise, Capability Managers need to be made aware of emerging threats to the capacity to sustain a platform or fleet into the future. The final key point raised is the need to deliver projects as directed by the Government, so approval must be sought for any changes.

On 25 March I represented the DMO at the parliamentary hearings of the Joint Standing Committee on Foreign Affairs, Defence and Trade. Together, the DMO and Defence senior executives were able to provide detailed responses to questions about different projects, including projects of concern, thanks to the briefing material prepared by DMO employees. I would like to acknowledge all of the staff who

contributed to this process. Your hard work enabled us to respond with clear, concise and factually correct answers to questions from Senators and members.

Many of you will also be aware that work to compile the 2011-12 Portfolio Budget Statements (PBS) has commenced. This document outlines our goals for the next 12 months, highlighting what we will deliver, by when and at what cost. The PBS ultimately sets our strategic direction for the new financial year, so it is absolutely essential that we get it right.

We must all take responsibility and accept accountability for the work we do. Failures in accountability arrangements damage the reputation of Defence, weaken Defence's performance and make us less efficient and less effective. I stress the need for all areas to carefully check submissions and ensure that the information you provide for the PBS is accurate.

The Australian National Audit Office (ANAO) is once again conducting an independent audit of DMO activity; this time looking into the Military Integrated Logistics Information System (MILIS) as well as major projects. I would like to thank all staff who are assisting ANAO with its investigations. This can be time-consuming but the Auditor-General and his staff have a vital role across government agencies – ourselves included – to keep us accountable. I have no doubt that this investigation, like previous ANAO audits, will highlight the strengths of our processes and standards while highlighting where improvements can be made.

This brings me to my final point; reform within the DMO. With the 2011 series of Business Plan Reviews commencing in New South

DMO Bulletin

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Wales (NSW) in early April, I will be outlining key ways in which we are pursuing reform with a view to achieving savings targets of \$285 million in 2010-11 and \$376 million for 2011-12.

We need to be smarter with our spending. We need to look for new and better ways of doing business, including in areas that may have previously been overlooked. Three key themes will help us to achieve these Smart Sustainment Savings including:

1. **Minimise** - downtime, absenteeism and vacancy;
2. **Reduce** - costs, effort and overhead;
3. **Maximise** - utility, performance

and functionality.

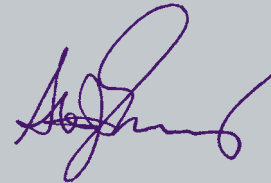
In many cases we will need to re-tender sustainment contracts for efficiencies and/or negotiate improved value for money in existing contracts. A 'must' in terms of our approach is a genuine effort to engage with Capability Managers and with our Industry suppliers.

Some areas are already implementing these methods and I congratulate these proactive employees. I look forward to seeing what else we can achieve when more teams adopt these strategies.

We are currently investigating better ways to measure and account for Strategic Reform Program (SRP) savings which will give us a more

accurate understanding of our reform progress.

Together we can make the DMO more business-like and commercial in our day to day operations. I encourage you all to actively contribute to ongoing performance improvement across the DMO.



Dr Stephen Gumley AO
CEO DMO

REAL REFORM UP CLOSE AND PERSONAL

Over the last few months, you've told us that you want to see real results of the SRP; success stories that you can touch! Last edition we brought you news of the new Defence fire truck testing unit that's making an environmental difference as well as a saving. For this edition, we've decided to head overseas.

Meet Captain (CAPT) Kylla Patterson. Late last year, she became the first pharmacist to be deployed to the Middle East Area of Operations (MEAO). With the assistance of multiple Defence areas, including the DMO, she's been able to make some noticeable improvements in the way medical supplies are delivered to ADF personnel on the ground.

The SRP team's website clearly defines the DMO's role in fulfilling the Smart Sustainment initiative <http://intranet.defence.gov.au/dmoweb/sites/SRP/comweb.asp?page=96653&Title=Smart%20Sustainment#TheFacts>

It says that we're to work with the Navy, Army and Air Force



CAPT Patterson with her supplies.



CAPT Patterson's supplies.

cooperatively, to improve the way we maintain and support the ADF and inventory holdings. CAPT Patterson's story shows how one particular area of the DMO is helping to achieve this kind of efficiency.

When CAPT Patterson was first deployed to the MEAO she had to build her pharmacy up from scratch.

"When I arrived there was nothing ready to go. No storage. No office," she said.

The DMO's Health Systems Program Office (HLTHSPO) has been working closely with CAPT Patterson to ensure her pharmacy's shelves are well stocked with medical and dental pharmaceuticals, consumables and equipment – what's technically known as Class Eight requirements.

Prior to her deployment, the process to obtain these supplies was lengthy and difficult. The MEAO lodged the supply request on the Lotus Notes Interim Demand System, which then had to be approved by the Defence National Storage and Distribution Centre – Randwick (DNSDC-R) and Land Systems Division (LSD) before going to HLTHSPO.

In the event of a delay, it could take up to three weeks before HLTHSPO was made aware of the stock requirement, which ultimately meant the goods would take more time to get to the MEAO.

Now that CAPT Patterson is on the ground however, she transacts 90 per cent of the MEAO's Class Eight stock requirements

herself, on the Military Integrated Logistics Information System (MILIS) every day.

HLTHSPO's Sustainment Manager, Anthony Thomson, said this has greatly improved the procurement process.

"The SPO and DNSDC-R can now immediately see the supply requests and stock outs and can trigger procurement action," he said.

"This is further enhanced by regular phone contact and email link-ups between the MEAO and HLTHSPO pharmacists to discuss Class Eight support and identify future requirements."

Through this action, the time it takes to send these medical supplies to the MEAO has been reduced by about three weeks, with stocks now arriving within seven days of the request being made.

CAPT Patterson said that this is just one way the DMO's HLTHSPO is assisting the MEAO. She said it's constantly helping to revolutionise the way her business is done.

"HLTHSPO has been wonderful. It has assisted me with some lateral

► HLTHSPO has assisted me with some lateral thinking to provide solutions to collective problems that are outside any of our control

thinking to provide solutions to collective problems that are outside any of our control and potential obstacles to achieve success," she said.

According to CAPT Patterson, two processes that HLTHSPO helped to establish have dramatically improved operations.

The first of these, was establishing Al Minhad Air Base

as a central dispensing point for the Prime Vendor.

"This has allowed me to be more responsive to an ever changing battlefield, but more importantly has returned the faith that we can deliver. This has reduced stock piling, waste and ultimately the cost to Defence."

HLTHSPO also assisted by giving the MEAO pharmacy direct access to DMO funds for local purchase of consumable medical stores.

"The impact of this has been huge," said CAPT Patterson.

"It has allowed me to locally purchase wholesale for items such as knee supports, first aid bandages and cotton wool tips. Not only are these items cheaper locally but they're not holding up space on sustainment flights."

"This maximises local procurement, builds positive Middle East business relations and frees HLTHSPO up to focus on sustainment procurement."

By adapting its processes to better suit the needs of the MEAO, HLTHSPO is helping to provide better service to the warfighter, while fostering a more robust commercial arrangement. It's a great example of how the DMO can work with other areas to support this whole of Defence reform.



The International sign of first aid - the red cross - on an Australian uniform.

CANBERRA TESTS ITS SEA LEGS



A side-on view of the LHD hull launched in Spain.

With the rain pouring and the wind blowing a gale at Navantia Dockyard in Ferrol, Spain, many suspected the hull launch of Australia's next Landing Helicopter Dock (LHD) would be delayed. But with the heavens holding out for just long enough, the Canberra class ship made a splash on 17 February and signalled a new era for Australia's amphibious ship capability.

There's only one thing better though than one LHD project running on time; and that's two! As we celebrated this hull launch, the keel for the second LHD was being laid, meaning we're on track to have a pair of 27,000 tonne ships in service within the next five years.

These two ships will eventually become HMAS *Canberra* (III) and HMAS *Adelaide* (III) and will be the largest the Royal Australian Navy (RAN) has ever owned.

Before then though, the hulls of both ships need to be built, fitted out and then transported to Australia so the superstructure, final touches and testing can be completed. It sounds like a lot of work – and it is – but with the completion of each phase, we're one step closer to the ships being in service.

We recently caught up with the DMO's Amphibious Deployment and Sustainment (ADAS) team to get an update of what's happened and what's to come!

THE HULL IS LAUNCHED

A sea of Australian flags flapped in Ferrol as a Canberra sparkling wine was broken over the hull.

The Chief of Navy, Vice Admiral (VADM) Russ Crane, attended and was accompanied by the ship's Launch Lady, Vicki Coates – a long term Canberran and the wife of the late Rear Admiral Nigel Coates, who commanded the previous HMAS *Canberra*.



Launch Lady, Vicki Coates, at the hull launch.

Work is now underway to lay out the LHD's internal fittings including the cabling, accommodation blocks and medical bays.

Shaun Walker from ADAS said this is one of the most exciting parts of the construction process.

"It's interesting to see the internal fit out of the ship and watch steel compartments turn into actual capability," he said.

"We're very much looking forward to the LHD 01 arriving in Australia next year and seeing the size and complexity of the ship ourselves."

THE KEEL IS LAID

One day after the LHD 01 hull launch, VADM Crane was in attendance again, this time at a keel laying ceremony for LHD 02 at Ferrol Slipway. As ship makers build a vessel's hull around its keel, setting this large beam in place marks the beginning of the construction process and is therefore celebrated. During this ceremony, VADM Crane participated in an old tradition and placed a coin on the keel's centreline dock block for good luck. So far, it appears the lucky tradition is working!

WHAT NEXT?

The hull of Nuship *Canberra* is set

to arrive in Australia next year, but it's no easy task getting this giant down under. BAE Systems has been contracted to do this job and will get the world's largest open-deck semi-submersible heavy lift ship the Blue Marlin, to take the hull on this 23,150 kilometre journey to Victoria.

From here, BAE Systems will integrate the superstructure to the ship and get it ready for service.

With ADAS, the RAN and the contractors feeling confident of meeting their deadlines, the LHDs look set to sail in the next five years.

Shaun Walker said the team is working hard both here and in Spain to ensure LHD 02 is delivered on time.

"We're talking weekly and monitoring the progress of the ship by walking around the site and checking that quality management is in place," he said.

"We're liaising with the Navantia engineers, who have been contracted by BAE Systems to build the flight deck and we're holding regular meetings to ensure safety regulations are being met and that the other 40 or so other components we're creating for the LHD will integrate with the ship."

At the recent launch of LHD 01's hull, VADM Crane expressed similar positivity.

"We are well progressed in our planning for the LHD arrival," he said.

BAE Systems Australia's Maritime Business Unit Director, Harry Bradford, echoed similar comments.

"Steel cutting and block manufacture for the superstructure and combat system integration for the ship has already begun at Williamstown," he said.

"We are working closely with the Commonwealth and our sub-contractors to ensure that this critical project remains on track both here and in Spain."



VADM Crane placing a coin on the keel's centreline dock block during the keel laying ceremony of LHD 02.

GETTING TO KNOW THE LHD

As we're still a few years from seeing the final product, we caught up with a DMO employee who has first hand experience with an LHD. Shaun Walker from ADAS was seconded to US Navy LHD 04 – a Wasp-class amphibious assault ship – during the 1990s. Although there are some minor differences between this ship and the ones to come, the NUSHIP *Canberra* and *Adelaide* are essentially the same in terms of size and capability.



The cutaway view of Australia's new LHD.



DMO Employee, Shaun Walker, on board the LHD 04 during the 1990s.



The hull is launched in Spain.

Why were you on board the LHD4?

I was a linguist and translator in the RAN and employed to support the Marine Expeditionary Unit (MEU) during Operation Stabilise in East Timor in 1999.

The Marine Export Unit (MEU) was supporting International Forces, East Timor (INTERFET) by delivering more than 1.5 million pounds of food and supplies to the Australian led peacekeeping forces and to the East Timorese.

I had to teach the marines basic phrases and go ashore as an interpreter for the coordination of stores and equipment within the villages.

What does it feel like to be on an LHD?

I lived at the bow end of the ship - that's the pointy end for those non military types. To get an idea of the size, it used to take me about 10 minutes walk to my office. The flight decks of these new ships will be over 4750 square metres, so we're talking about very big vessels!

As for living conditions, the mess held about 40 of us with three showers and two toilets; fairly

standard living for any ship. We had a TV and 24 hour Internet access which wasn't as common as it is today. In comparison, the Canberra Class ships will have 18 recreation rooms, two gymnasiums, two reading rooms, as well as video, TV, music, telephone and Internet facilities.

It's really important for the servicemen and women on board to have access to these kinds of facilities. It helps them to relax and keep in touch with the outside world.

To get ashore I hitched a ride on the Landing Craft Air Cushion (LCAC) which is a hovercraft that can carry stores and equipment. The LHD would flood the well way and open up the rear ramp so that the LCAC could reverse out. This was an absolute buzz; I never got sick of screaming across the water at 40 to 50 knots!

I also remember being impressed with the medical facilities; they were huge! It was essentially a floating hospital. These medical features will also be included on the new ships.

There'll be two operating theatres, intensive care and dependent care wards, a laboratory, X-ray facilities, a pharmacy and a dental surgery.

What will the DMO be doing over the next few years ahead of the LHDs coming into service?

We're planning to introduce Industry companies to the Canberra Class ships. As this is a new type of vessel for the Defence Force, we are informing Industry of the sustainment model and trying to get them on board early in the process. We'll make them aware of possible opportunities to support HMAS *Canberra* and *Adelaide* when they come into service in 2014 and 2015.

2014 will remain busy for ADAS as we can expect LHD 01 acceptance trials and Initial Operational Release. In 2015 we'll do it all over again with LHD 02.



Laying the keel of LHD 02.

LIFE-SAVING PROJECT COMPLETE

What would you change with the benefit of hindsight? If you asked building companies and insulation manufactures that operated in the 1960s and 1970s, they'd probably wish they hadn't used asbestos in their products.

50 years ago this mineral was the 'miracle' product. It was widely used for things like acoustic and thermal insulation, fireproofing high temperature / friction engineering parts and was also mixed in with other building materials for its tensile strength properties.

In the 1990s, this all changed as more cases of asbestos related illness emerged. Its fibres don't dissolve in water, don't evaporate and are resistant to intense heat, chemical attack and biological degradation.

So if microscopic asbestos fibres are inhaled and lodge themselves inside a person's lungs, they can build up and form a thin, deadly coating over time.

A significant amount of Defence's infrastructure and inventory, which was acquired before the dangers

of asbestos were recognised, was found to have Asbestos Containing Material (ACM).

► *It turned out to be the largest inspection program ever undertaken by Defence within its workplaces for a single purpose and one that has made Defence workplaces safer.*

In December 2008, Comcare – the Australian Government agency working to reduce workplace injuries and disease in the Commonwealth jurisdiction – launched an investigation into asbestos within the Australian Defence Organisation.

Although a Defence Asbestos Eradication Management Plan (DAEMP) was in place, identification of asbestos by untrained personnel was problematic and the removal of ACM items from inventory holdings was sluggish.

Taking the lead, the DMO established a qualified group to improve this process and in response, the Asbestos Inventory Tiger Team (AITT) formed in January 2009. This dedicated team has just completed its two year assignment and in doing so, has improved the health, safety and well being of thousands of Defence staff.

HERE'S HOW THE TEAM DID IT

February – March 2009

The AITT conducted a sample inspection of 16 ADF Units and found ACM inventory items in all 16 units. As a result, a 100 per cent inspection of all Defence workplaces was then undertaken to provide 99.99 per cent confidence that ACM inventory items had been identified and removed from all Defence workplaces.

February 2009 – March 2010

The AITT conducted its formal inspection program of all Defence workplaces. 1128 Defence workplaces were identified

as being within the scope of the AITT Project and were inspected by trained AITT inspectors. The sites included 545 ADF regular and reserve units, 489 Defence cadet units, service museums and office accommodation.

The AITT also inspected operational areas such as Operations ASTUTE in East Timor, ANODE in the Solomon Islands and SLIPPER in the MEAO, as well as overseas and offshore ADF workplaces in Singapore, Malaysia and the Cocos and Christmas Islands.

The AITT also provided inspection team support to the Defence Science and Technology Organisation and the Chief Information Officer Group (CIOG).

WHAT DID THEY ACHIEVE?

When the AITT was initiated, there were more than 76,500 catalogued ACM inventory items listed in Defence's inventory management system. Asbestos was found in a wide range of high temperature/high

friction items including; gaskets, seals, brake discs, brake pads/linings, clutch plates, insulation blankets, carburettors, door seals, safes, temperature probes, heat shields and a range of adhesives, glues, resins and paints.

To date, the AITT has facilitated the identification and removal of more than 67,000 of these ACM catalogued items as well as a substantial amount of miscellaneous ACM items. Just over 10,700 items still need to be disposed of, 96 per cent of which are F-111 aircraft and Caribou aircraft parts and have disposal plans which will be actioned by the existing Defence Disposals Agency.

The AITT re-inspected 51 ADF units in late 2010 and was able to confirm that ACM had been removed and that recontamination hadn't occurred since the original inspection. This validated the inspection methodology of checking bulk warehouses prior to operational units and workplaces.

WHAT DOES THIS MEAN FOR DEFENCE?

As a result of AITT's hard work, Comcare closed its investigation into asbestos within Defence without taking further action.

More importantly however, the AITT's precise and thorough identification and removal of ACM will ensure current and future Defence employees can operate within safer environments.

The AITT's Director, CAPT Alan Johnston, said he's proud to have been involved with the project.

"We were set a challenging and daunting task, the enormity of which was not fully evident at the beginning of the program," he said.

"It turned out to be the largest inspection program ever undertaken by Defence within its workplaces for a single purpose and one that has made Defence workplaces safer."



CAPT Alan Johnston hands Director General of Occupational Health and Safety, Lindsay Kranz, the transition plan for ACM disposals within Defence following the closure of AITT.

L-R: Mr John Heggart, CAPT Alan Johnston, Mr Lindsay Kranz, Mr Martin Calnin and Chief Petty Officer John Oakes.

I SCRATCH YOUR BACK - YOU SCRATCH MINE



GPCAPT Cunningham (third from left) demonstrates a "smart target" at IDEX 2011. Image provided by © Gulf News, Dubai.

Tanks are rolling through the streets and fighter jets are ripping up the sky. We're smack-bang in the middle of the United Arab Emirates (UAE) and over 700 companies – including 19 Australian Defence representatives – are keen to get down to business at the world's largest arms industry show.

Although the International Defence Exhibition and Conference (IDEX) was as glamorous as it sounds, there's certainly a serious side to this event. With the DMO's Defence Export Unit (DEU) acting as a facilitator between companies and investors, IDEX was – and is – a gateway for Australian Defence Industry to tap into one of the globe's best resourced markets.

Under the leadership of Major General (MAJGEN) Mick Fairweather, Group Captain (GPCAPT) Pat Cunningham and Mr Linus Ryrie, the DEU arranged the 'Team Australia' exhibition stand at this year's event in late February. It organised meetings between the Australian companies, regional governments and industries and

although it could be a while before all the results are seen, GPCAPT Cunningham said one agreement has already been set in stone.

"Signing off on the contract between Broens Group and the UAE Air Force was the highlight of this year's conference."

This contract that supplies specialised Ground Support Equipment (GSE) for C-17 aircraft is worth over \$8 million and was actually initiated after Team Australia introduced the two parties at the last IDEX in 2009.

Broens' Business Development Executive, Medhat Wassef, said the DEU's assistance at trade shows is an important part of the jigsaw puzzle of winning contracts.

"The support we've received from DEU has been phenomenal. This includes before and after IDEX 2009 and 2011," he said.

GPCAPT Cunningham hopes this is just the first of many deals to be made.

"This contract demonstrates the potential for Australian Small

Industry companies with Team Australia at IDEX 2011:

- Austal
- Bisalloy Steels
- Britton Marine
- Broens Group
- ByField Optics
- CEA Technologies
- Cgear
- Cirrus RTPS
- Combat Clothing
- Crystalaid Manufacture
- C4i
- Electro Optic Systems (EOS)
- Entech Group
- Hawker Pacific
- Marathon Targets
- MCT-Telcom
- Prism Defence
- SOS Marine
- Specialist Training from Australia
- Trakkacorp

to Medium Enterprises (SMEs) when they have the appropriate opportunity and introductions. We'll hopefully see more agreements solidify as a result of our work at IDEX in the near future," said GPCAPT Cunningham.

But why does the DMO want these local SMEs to expand?

GPCAPT Cunningham explained that with the DMO's assistance, these Australian Defence companies are then better placed to meet Australian Defence needs.

"Export promotion and facilitation helps these companies to sell products and services overseas. This develops and sustains their capabilities back home in Australia, to then support ADF operations."

"IDEX is the premier defence exhibition in the Middle East and DMO support for Australian industry demonstrates to our overseas customers, that the Australian Government is willing to support SMEs in the global market."

HOW THE DEU HELPED BROENS SECURE ITS CONTRACT:

2008

Broens asks DEU for letters of support knowing that Qatar and UAE are about to purchase C-17 and C-130 aircraft.

2009

February DEU helps Broens to showcase itself at IDEX in Abu Dhabi. Broens informs DEU that it wants to present to Qatar and the UAE Air Force delegations at the show. DEU helps to organise this initial meeting. Broens makes an offer to Qatar and an unsolicited offer to UAE.

March Qatar Chief of Air Force attends Avalon Airshow. DEU assists Broens to make contact and showcase its stand.

2010

February DEU provides an escort when delegation from Qatar Air Force visits Broens. DEU also facilitates visit to Royal Australian Air Force Base Richmond. DEU's GPCAPT Ron Derlagen accompanies Broens on a visit to the UAE Defence Attaché in Canberra. UAE Attaché suggests a demonstration to UAE Chief of Air Force who is visiting Australia in April 2010.

March Broens signs contract with Qatar.

April Defence talks to UAE Chief of Air Force in Australia about C-17 Crew Training. DEU arranges for him to see a loading demonstration for C-17 aircraft at Amberley using Broens' loaders. DEU issues a follow-up letter of support directed to the UAE Chief of Air Force.

May UAE Chief of Air Force invites Broens to visit and give a presentation on their GSE.

June Broens presents equipment to UAE Air Force and offers an updated generic quote. This is finalised over the next few months.

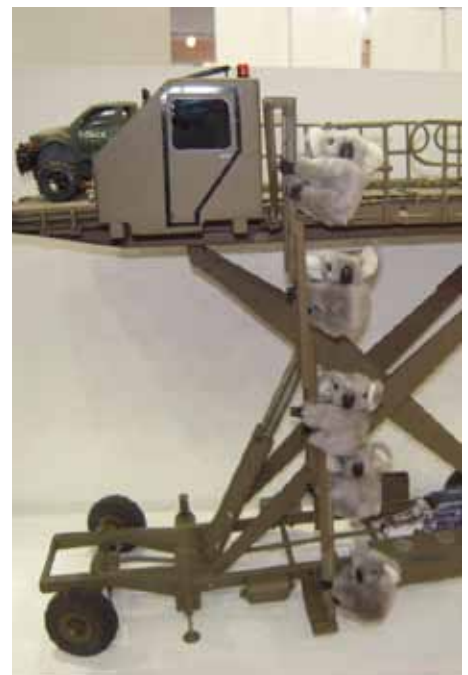
2011

February DEU helps Broens to showcase at IDEX. Broens signs agreement with the UAE Offset organisation, which is an essential part of the contract to be processed.

BROENS
EXCELLENCE IN ENGINEERING



On the road to IDEX 2011.



Broens' Group spread Aussie pride at IDEX 2011.

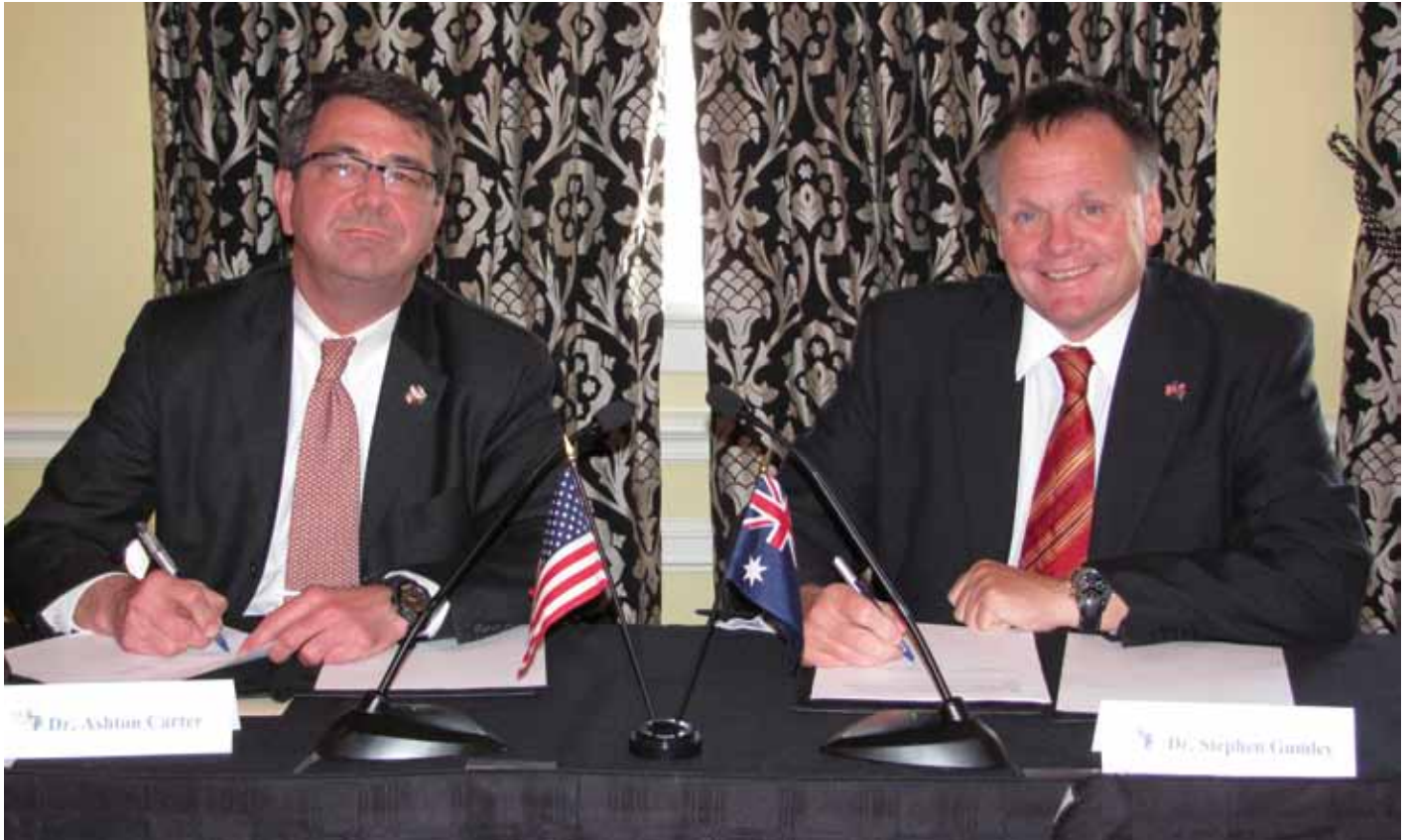


Medhat Wassef in the Team Australia Stand.



The Team Australia stand at IDEX 2011.

CATCHING UP WITH THE BIG BROTHER



L-R: US' Under Secretary of Defense for Acquisition, Technology and Logistics, Dr Ashton Carter, with the CEO DMO, Dr Stephen Gumley, at ADAC 2011.

Did you know that 40 per cent of Australia's military acquisition budget is spent directly on US programmes? With this in mind, it's absolutely essential that the DMO maintains a good working relationship with its American counterpart.

The Australian – United States Ministerial Defence Acquisition Committee (ADAC) meeting held in Sydney during March gave Australia and the US an opportunity to further strengthen this relationship.

Chaired by the CEO DMO, Dr Stephen Gumley, and his American equivalent, Under Secretary of Defense for Acquisition, Technology and Logistics, Dr Ashton Carter, the 12th ADAC gave both parties the chance to discuss mutual interests and concerns.

ADAC is the DMO's premier bilateral forum with the US for armaments cooperation. The forum covers a range of topics including acquisition, research

and development, interoperability, logistics and strategic and export policy. Senior executives from the DMO, Defence Science and Technology, Capability Development, Strategy and the Services together with their respective US counterparts attended.

The committee meets annually and focuses on matters that build ADF capability and improve Australia's capacity to make effective contributions to coalition operations. The success of programs such as the Super Hornets, Abrams Tanks, C-17 heavy airlifter, Counter Rocket Artillery and Mortar, Shadow Unmanned Aerial Vehicle and the urgent supply of munitions are testimony to the strength of the relationship that has been developed through this forum.

A new feature at this year's ADAC was a discussion on Joint Cooperative programs, which focussed on topics like the C-17 aircraft, Air Warfare Destroyer, Joint

Strike Fighter and Joint Light Tactical Vehicle. Meanwhile, the formal ADAC session covered issues relating to acquisition reform initiatives, cost estimation in acquisition, Foreign Military Sales, Defence Trade Cooperation Treaty, the US export control reform program and US security cooperation reform.

ADAC is supported by six sub-working groups including requirements harmonisation, acquisition technology and development, electronic warfare, logistics, maritime, land and air. These working groups deliver on the ADAC objectives and priorities set by the Principals.

The meeting was highly successful with open and in depth discussion on issues, relevant to the DMO and Defence senior executives and the meeting's key achievements will be discussed during the Australia – United States Ministerial Consultations (AUSMIN) in September.

PROJECT PROGRESS

Square pegs don't easily fit into round holes. Adjustments can be made, but this takes time and costs money – two things that we can't waste when trying to equip our current and future forces.

Thorough planning is absolutely essential in making sure our pegs and holes line up.

The Battle Group and below, Command, Control and Communications system (BGC3) within the DMO's Electronic Systems Division (ESD), has recently completed a significant round of Detailed Design Reviews (DDR) bringing digitisation of the first combat Brigade one step closer. The BGC3 is designed to meet the objectives of the land networking milestone in the Defence Network Centric Warfare Roadmap, and is the first tranche of several planned for the next decade.

Three projects – Land 75 Phase 3.4, Land 125 Phase 3A and Joint Project (JP) 2072 Phase 1 – are developing the BGC3 that includes a number of systems that will enhance operations between both troops and vehicles. With this combination of new tools, personnel will be able to collaboratively plan the next mission, execute the current mission with less need for voice communication

and generally have a better understanding of the environment in which they're operating. The system will be considered for further future development to include additional sensors, integrate BGC3 into more vehicle platforms and to expand the role at the Brigade headquarters.

DDR give the Commonwealth an opportunity to review and agree on the final design of a system before it goes into production. BGC3's contractor, Elbit Systems Limited (ESL), ran presentations over a number of weeks in November and December 2010 to inform the Project Office, Army and other related projects of the proposed designs. Individual teams then assessed the systems and broke off into small groups to discuss the information and work out where adjustments may be required. The successful completion of DDR established a baseline for the systems to proceed to production and Initial Materiel Release (IMR) of the BGC3.

The Protected Mobility Vehicles (PMV), Land 75, Land 125 and JP2072 are continuing to work with ESL and Thales to improve the design, meaning we're on track to deliver the right equipment for the job!

TOPICS DISCUSSED AT DDR

- Bushmaster design updates
- Platform installation
- Mack truck and mechanical design
- Unimog design installation and mechanical design updates including antenna and GPS positioning on the Unimogs and dashboard installation
- Environmental analysis
- Battle Management System (BMS) Dismounted Integration Kit (assessments, analysis and tests)
- BMS dismounted safety
- Production readiness
- Verification and validation
- System specifications
- Communication (including communication architecture)
- BGC3 network simulation
- Data distribution
- Simulation analysis and results
- Network integration summary
- Software deployment tools
- Configuration management



Army personnel have a close look at the prototype installation in the Bushmaster.

AVALON ACTION



The 2011 Australian International Airshow and Aerospace and Defence Exposition, held at Avalon in Victoria from 1-6 March.

It has been described as the best Avalon International Airshow ever staged – and the DMO was right in the thick of it.

From 1 to 6 March 2011, the tenth edition of the biennial show was in full swing at Avalon Airport in Victoria.

Around 100 aircraft were on display, including bombers, fighters and surveillance planes and with the first Lockheed Martin F-22 Raptors on show in Australia, the crowds gathered in their thousands.

The DMO joined the wider Defence Organisation in a stand to showcase our capabilities, business opportunities and employment



The Minister for Defence Materiel, Jason Clare, meets Australian Fighter Pilot Squadron Leader (SQNLDR) Matt Harper. SQNLDR Harper is on an exchange posting with the US at 90th Fighter Squadron Elmendorf Air Force Base Alaska flying the aircraft in the background, the F-22 Raptor.



F/A-18F Super Hornet 'Rhino', piloted by Flight Lieutenant Andrew Habersberger from No.1 Squadron flies over Port Phillip Bay, Melbourne, Victoria during the Australian International Airshow 2011.

prospects. With Aerospace, Electronic, Explosive Ordnance and Helicopter Systems Divisions all attending, we were able to give industry and potential employees a taste of what we do here in the DMO.

During the trade days, senior industry representatives and delegates from foreign defence services met with our senior leaders to discuss business and contracting opportunities.

Meanwhile representatives from DMO Jobs kept busy during the public days, informing potential new recruits of the career options within our organisation.

The DMO also made use of the Avalon Careers and Skills Forum, with our CEO, Dr Stephen Gumley, delivering a presentation. After outlining the DMO's purpose and goals, he walked job hunters through the benefits of working with the DMO.

"You will have the opportunity to contribute your expertise to some of

the most technically demanding and complex projects being undertaken in Australia," he said.

"Working in the DMO you'll have...real opportunities in career development... an attractive salary package...[and] the flexibility to work in a range of

locations across Australia."

The DMO will be on display again from 28 to 30 June at the 2011 Defence and Industry Conference and Trade Expo at the Adelaide Convention Centre.



Inside the Defence Australia stand at Avalon 2011. Image by: Mr Andrew Ang of Pico Australia Pty Ltd.

THINKING OUTSIDE THE SQUARE



The Minister for Defence Materiel, Jason Clare, witnesses the contract signing at the Rolls Royce stand at the Avalon Airshow 2011. From left: Nick Durnham (Rolls Royce), Minister for Defence Materiel, Jason Clare, and DMTC CEO, Mark Hodge.

Albert Einstein's words are more important to Defence than ever before in the current SRP climate. Innovative strategies for maintaining ADF equipment needs to be developed to ensure capability life cycles are met and the ADF has adequate support.

The ADF's needs change depending on the environment in which it's operating. With technological changes happening more rapidly, it's essential that innovative equipment is coupled with fresh maintenance techniques so that capability can be repaired rather than replaced.

The Defence Materials Technology Centre (DMTC) is dedicated to achieving this goal. It draws on the expertise of defence industry companies and research providers to develop and deliver superior technologies to Australia's defence industry.

At this year's Avalon Airshow, DMTC signed a Memorandum of Understanding with Rolls-Royce

"The significant problems that we face today cannot be solved at the same level of thinking that created them."

-- Albert Einstein

to develop Australia's ability to offer through-life support of military engines.

Rolls-Royce is incorporating cutting-edge fan and compressor blisks (single engine components comprised of a rotor disk and blades) into its civil and military engines in an effort to make them lighter and perform better. However as this is innovative technology, cost effective blisk repair techniques are yet to be developed.

This is what DMTC and Rolls-Royce are attempting to change. The jointly funded agreement will study and develop surface treatment methods that save manufacturing time and money and also enhance the component's reliability. This will help to foster a local industry capable of making repairs and returning the equipment to service in a shorter timeframe.

The Chief Technologist at Rolls-Royce, Dr William Brindley, said the agreement would benefit all involved.

"Rolls-Royce is able to contribute world leading technical expertise that will help to foster the development of indigenous high technology engine component repair capability in Australia," he said.

"It will also provide Rolls-Royce with access to the highly skilled technical community in Australia."

DMTC CEO, Mark Hodge, echoed similar comments.

"It represents a strong partnership between an [Original Equipment Manufacturer] OEM, the Australian research sector and industry supply chain, which will support key through-life support and sustainment outcomes."