

AUSTRALIAN INDUSTRY CAPABILITY PLAN - PUBLIC

Company Details

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Executive Summary

EOS Defence Systems has been contracted by the Commonwealth of Australia to provide 82 Remote Weapon Stations (including manufacture, integrate, test, deliver and install) to support the Combat Reconnaissance Vehicle (CRV) Procurement for the Australian Defence Force (ADF).

The project is valued at \$49m (AUD) GST inclusive and \$44m (AUD) GST exclusive, with 35m (AUD) attributed specifically to Local Industry Activities. Work has immediately commenced to support these activities, with an expectation that these activities will continue until Early 2024. These figures have been audited and verified by the CASG FIS Team in 2019.

EOS Defence Systems will be performing the works required using its local workforce, supported by Australian companies to not only assist with achieving the requirements but to increase the capability and knowledge base of Australian industry in the process.

The RWS will be completely designed, manufactured, integrated, and sustained in Australia including:

- a. Design – The R400 RWS is part of the EOS Defences Systems family of RWS, which is Australian owned Intellectual Property and EOS Defence Systems is the Technical Design Authority;
- b. Manufacture and Assembly - All manufacturing and assembly will be conducted in Australia;
- c. Integration – Integration into the vehicle platform will be conducted in conjunction with the vehicle OEM;
- d. Training – Training and training systems will be developed and delivered using EOS staff and Australian training service providers; and
- e. Integrated Logistic Support – All manufacture, integration, installation, testing and training will be conducted in Australia which increases the ability to sustain the systems and deliver through life support for the life of the systems.

EOS Defence Systems have engaged Systematiq Pty Ltd as a Subcontractor to assist with the development of Contractual deliverables and provide ILS support (Listed as L400_LIA_003 and L400_LIA_004).

Australian Industry has been at the centre of the work undertaken by EOS since its inception in 1983. EOS Defence Systems has a long history of engagement with Australian industry and currently has more than 146 Australian suppliers in its existing supply chain. Opportunities exist to increase the level of Australian content of the latest generation of RWS towards 100% and

accordingly to raise the number of suppliers as the technology evolves. The project will be supported through the following Local Industry Activities (LIA):

1. Stage 1: Design Development and System Integration
2. Stage 2: Production Activities
3. Integrated Logistics Support and CDRLs
4. PMO Activities

LIA Item Number	LIA Title and Description	Industry Requirement	Sovereign Industry Capability priorities (SICP)
L400_LIA_001	Design Development and System Integration	Design and Test	Land combat vehicle and technology upgrade Surveillance and intelligence data collection, analysis dissemination and complex systems integration
L400_LIA_002	Production Activities	Manufacturing	Land combat vehicle and technology upgrade Surveillance and intelligence data collection, analysis dissemination and complex systems integration
L400_LIA_003	Integrated Logistics Support and CDRLs	Document Deliverables	Land combat vehicle and technology upgrade Surveillance and intelligence data collection, analysis dissemination and complex systems integration
L400_LIA_004	EOS PMO Activities Specified staff supporting the manufacture and delivery of the RWS	Project Delivery	Land combat vehicle and technology upgrade Surveillance and intelligence data collection, analysis dissemination and complex systems integration

Increasing Australian Opportunities

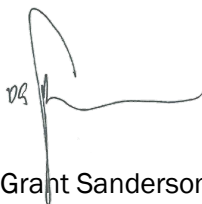
EOS Defence Systems approach is to offer Australian industry, especially those who are Small to Medium Enterprises (SME), the opportunity to be part of a Defence program that will assist in developing an understanding of the Commonwealth as a customer and the ability to diversify their businesses. The Commonwealth, via this project, will assist this process to enhance the supply chain capability by continuing to interact with EOS Defence Systems as a contractor for the supply of specialist equipment and supporting maintenance services.

EOS Defence Systems is engaged with more than 146 Australian suppliers in its existing supply chain with over 88% of parts in the R400 sourced from the Australian supply chain. Opportunities exist to increase the level of Australian content of the latest generation of RWS towards 100% and accordingly to raise the number of suppliers as the technology evolves. Parts are only sourced from overseas if they are not made in Australia or not made to the standard (military specification) required.

To maximise Australian industry participation in its projects, EOS Defence Systems currently does, and will continue to, regularly engage with its existing Australian supply chain and seek potential new suppliers in exploring opportunities to refine products and services or to develop new parts in an attempt to improve performance and/or obtain cost savings within the product lifecycle. Part of the selection criteria for new suppliers is based on assessment of their ability to consistently supply quality products or services. EOS Defence Systems identifies potential new suppliers and products through research and investigation during development of new designs and subsequent systems engineering activities. Assessment of suppliers is conducted under EOS Defence Systems' standard purchasing and procurement and quality procedures prior to being selected and added to the approved suppliers list. Audits are regularly conducted on existing and new suppliers to ensure the required reliability to deliver and that quality of products and services is maintained.

Opportunities to increase content or capability is gained when multiple suppliers with similar capabilities are available or utilised to provide either redundancy, should another supplier be unable to deliver, or to be engaged where production efficiencies can be gained utilising multiple sources. EOS Defence Systems will explore all avenues to increase Australian Industry participation in all of its projects including Land 400 Phase 2 RWS.

Signed

A handwritten signature in blue ink, appearing to read "Grant Sanderson". The signature is written over a vertical line that extends from the text below.

Grant Sanderson
CEO EOS Defence Systems