

Public - Australian Industry Capability (AIC) Plan

1. COMPANY DETAILS

Company Name: Northrop Grumman Australia Pty Ltd (NGA)
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2. EXECUTIVE SUMMARY

Northrop Grumman Australia (NGA) is committed to engaging and supporting Australia's Defence sector throughout the life of AIR6500. This is strengthened through knowledge sharing and collaborative innovation with our Capability Partners, supported through a robust strategic sourcing process and local industry engagement of essential supporting services that would otherwise be delivered overseas. NGA has also identified key offerings that relate to Local Industry Activities (LIA), for Australian Industry Capability (AIC). This commences with a range of Risk Reduction Tasks (RRT) and proposed activities associated with our Capability Partners and other Australian Suppliers, contributing to a LIA expenditure exceeding \$3,000,000 throughout the Competitive Evaluation Process (CEP) Stage 2 (CEP2). These AIR6500 Phase1 (AIR6500-1) risk reduction tasks contribute to the engagement of Australians for prototyping, upskilling, technology transfer and enhancements.

The LIAs address 17 Critical Industrial Capabilities (CIC) of Sovereign Capability Industry Priorities (SICP) by delivering unique and enduring capability relative to AIR6500-1 requirements. This is aligned to the Australian Government's policy priorities to make material contributions and promote Australian Industry. NGA's policy driven approach is linked to critical enablers/outcomes, driving growth in precise areas most important to Australia. Combined, these efforts build on NGA's historical investments by implementing 'AIC Strategies' to select 12 Capability Partners, who will apply their world-leading capabilities and technology, notably Australian, tailored for the RRTs in CEP2. Five of these Capability Partners will collectively receive almost \$1,000,000 to directly or indirectly pursue research and development (R&D) outcomes through CEP2. AIR6500-1 AIC expenditure and LIA spend builds on our organisational construct of a JABMS Enterprise and investment (\$55,000,000) from 2017 to 2021 in supporting infrastructure and related Internal Research and Development (IRAD).

CEP2 also focuses on targeted initiatives and building a high-performing team, a corner stone for the JABMS Enterprise. This team will leverage a contract value of up to \$21,000,000 (including contract extensions if exercised by the Commonwealth). Further, NGA's physical and digital infrastructure, open architecture, and expatriate knowledge transfer is to ensure our Capability Partners are set up to succeed. NGA is also exclusively partnered with Nova Systems, a high performing Australian company, to establish and provide strong leadership, tangible commitments (ie. to technology, skills transfer, and sustainment) and invaluable end-user experience.

Table 1: Industry Participation Expenditure / Involvement.





LOCAL INDUSTRY ACTIVITY EXPENDITURE:	AUSTRALIAN CONTRACT EXPENDITURE:	TOTAL AUSTRALIAN EXPENDITURE:	AUSTRALIAN PROJECT STAFF:	AUSTRALIAN INDUSTRY INVOLVEMENT:
\$3.051M	\$9.9M	> \$13M	> 31 FTE	> 45% RRT's
to augment the national industrial base	will boost Australia's economy	local solutions, including NGA capability uplift	a genuine Aussie workforce, driving uplift & upskilling	facilitating growth and knowledge sharing SME's & local industry

3. SCOPE OF FUTURE WORK ACTIVITIES

NGA is committed to promoting and developing AIC in Australia by placing more contracts with our 12 Australian Capability Partners, further supported by Australian small to medium enterprises (SMEs) for prototyping and successful delivery. A final decision with respect to how much work will be subcontracted in Australia, will be commensurate with CEP2 industry partner participation and innovation (ie. engagement in early systems engineering, software integration and solutions towards realising technology breakthroughs). To demonstrate NGA's enduring presence and participation, this will include investment in R&D and a key focus on Australia's Sovereignty to help drive growth and prosperity in a collaborative partnering and working environment.

NGA will also bring together capable and experienced partners in support of delivering enduring benefits to Australia and the Australian economy. To optimise the extent of Australian content, program design solutions (existing now or under development) will be acquired primarily from Australian companies (ie. for components, bills of material (BOM), and sparring etc). This includes ongoing market scanning activities to identify other Australian Suppliers, above the 12 partners, for industry leaders and specialised high-technology companies operating within the Australian Defence Industry. Decision making will be shaped by business needs, as the 'DNA' to create opportunities in support of the Program as listed in Table 2 (not an exhaustive list).

Table 2: Industry Participation in CEP2.

Capability Partner	Locality	Tier Level	Anticipated Support/Service
 Nova Systems	Williamstown / Newcastle, NSW	1	<ul style="list-style-type: none"> Nova Systems establishes a strong leadership, professional services and support across multiple aspects of AIR6500-1 Trades studies to deliver solutions, strength and security through sovereignty in support of innovation / program.
 AOS	Melbourne, VIC	2	<ul style="list-style-type: none"> Builds upon Defence Innovation Hub (DIH) contract to develop autonomous agents and demonstrates operation within a defence relevant system, further developing and maturing AOS capability Provide the framework for the use of artificial intelligence (AI) autonomous agents in the team's approach to AIR6500-1
 ARCITECTA®	Northcote, VIC	2	<ul style="list-style-type: none"> Provides the data management platform (Mediaflux application) within the Defence / Program ecosystem Develop detailed understanding and support for problem solving and data sources to enable innovation for data analytics
 Daronmont Technologies	Burwood, VIC	2	<ul style="list-style-type: none"> Daronmont maintains significant involvement in design, engineering, integration and support of deployable C2 solutions Provides expert support to the Air Battle Management elements of the team's approach to the deployed capability

Capability Partner	Locality	Tier Level	Anticipated Support/Service
Glitech 	Sydney, NSW	2	<ul style="list-style-type: none"> Partnering as Agile Project Management process and tool configuration experts Leveraging years of experience supporting project management tool and associated processes with numerous Fortune 500 companies, both in and outside the Defence industry
4th Harmonic 	Adelaide & Sydney, NSW	2	<ul style="list-style-type: none"> Survey support for reducing risks and maximising AIC benefits Identifying non-traditional candidate partners from outside the defence industry, for expert contributions to AIR6500-1 Market scanning to ID Indigenous enterprises/opportunities
KJR 	Forde, ACT	2	<ul style="list-style-type: none"> Talent, Defence Industry relationships, assurance, system safety processes experience and risk reduction capability
Red Hat Australia 	Canberra, ACT	2	<ul style="list-style-type: none"> Providing open source solutions, through virtualisations and source technologies, along with award-winning support, training, and niche Australian consulting services. Application and IT solutions for emerging technologies
RGB Assurance 	West End, QLD	2	<ul style="list-style-type: none"> Engineering consulting and consultancy services for software development and training in the area of high-integrity, safety-critical systems and specialist needs for AIR6500-1
Selenium Defence 	Wingfield, SA	2	<ul style="list-style-type: none"> Services and applications as a global leader in the design solutions and deployment of passive surveillance systems Critical products and services to detect without compromise, act with confidence, and enhance situational awareness (SA)
Ultra Avalon Systems 	Mawson Lakes, SA	2	<ul style="list-style-type: none"> Architecture, Engineering and Technical Services associated with the integration of sensor technologies into the team's approach to AIR6500-1
ICN 	North Sydney, NSW	3	<ul style="list-style-type: none"> ICN will help bring suppliers and project owners together by giving access to a powerful online database (ICN Gateway) and network ICN Gateway helps suppliers to promote their business capabilities for upcoming ANZ contract/sourcing opportunities ICN is a pivotal connection between major projects and the best suppliers in ANZ, to reduce the cost and effort of the procurement
The University of Melbourne 	Melbourne, VIC	3	<ul style="list-style-type: none"> Continue existing research into advanced Threat Evaluation and Weapons Assignment algorithms to provide future technology injection to the team's approach to AIR6500-1. Creates an opportunity for organic sovereign innovation and capability development, and further research and development, specifically applied for the AIR6500-1 Advances the team's shared commitment to STEM

3.1 Key Offerings / Specific Deliverable

1. Program Support Services 2. Systems Safety and Certifications 3. Software Engineering & Integration 4. Prototyping, Research & Development (R&D) 5. Systems of Systems Engineering (IOT Engineering & Environment)	6. Supply Support Services 7. Complex Systems Test and Evaluation (T&E) 8. Trade Studies & SME Engagement 9. Supplier / Industry Showcases 10. Advance leading-edge technology
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Our management of the AIC program offers an open, collaborative and supportive approach to involve our partners every step of the way. As key offerings, the CEP2 work activities will primarily be enhanced by transfer of expertise from NGA to Australian industry. Although, some opportunities that arise for Australian Industry may be limited due to security restrictions, export controls restrictions, intellectual property limitations or regulatory frameworks. These restrictions will be managed by NGA to ensure governance, consistency and compliance.

3.2 Work Location

NGA's innovative environment for distributed engineering, Parallax Labs, enables our partners to engage collaboratively in systems and software engineering securely from their individual remote work locations. Where appropriate, any site related work specific to this contract will be undertaken on-site within Northrop Grumman or a designated Commonwealth facility or supplier/subcontractor premises, for a collaborative and sustainable sovereign capability ecosystem in support of AIR6500-1 and the enduring capability outcomes (for delivery). The opportunity afforded to Australian Industry, nationally by the architecture of our design and work locations, will be pivotal to the development pathway, emerging technologies and maturity in support of AIR6500-1, for life of type.

4. FUTURE OPPORTUNITIES INDUSTRY ENGAGEMENT

In line with NGA's commitment to Australia and New Zealand (ANZ) Industry, NGA will engage Australian industry through our supplier database and the Industry Capability Network (ICN), to give fair and reasonable opportunity to potential ANZ Suppliers. On receipt of expressions of interest (EOI), NGA will conduct a market-testing and due diligence appraisal, to respond appropriately to companies. NGA will offer an opportunity for feedback to all organisations that submit an EOI. As Work Packages are awarded an announcement will be made on the ICN Gateway (NGA_AIR6500.ICN.ORG.AU). ICN will also assist with enquiries and identifying specific suppliers, inclusive of indigenous and social procurement. From time to time, suppliers are likely to be added to and retired from the approved suppliers list, as managed under the AIC program for compliance.

Emphasis will be placed on targeted initiatives for future opportunities to present the optimal mix of innovation, technical solutions, and contributions towards growth in the Australian Defence sector, in addition to working with organisations such as the Defence Industry Innovation Centre (DIIC), and the State Business Access Offices (BAO's), to identify new SME's and support our local NGA requirements. As a prime, NGA has invested in AIC expertise and a diverse team to strike the right balance, foster collaborative and create healthy relationships. Combined, these efforts maximise Australian industry participation matched to the AIC strategy and objectives.

Subcontractor/supplier agreements are also executed in compliance with corporate responsibilities, purchasing guidelines, and the AIC framework which assures governance with legislative obligations and ethical standards. At the same time, each agreement will include a flow down of relevant clauses from the Prime Contract for assurance and alignment of our Capability Partners. This is mirrored to the Commonwealth outcomes required for all AIC related matters or effort, of economic significance to the Australian economy and sovereign capability.

5. Point of Contact

NGA - Industry Capability and Engagement Manager is the point of contact for all AIR6500 Industry activities, interaction and capability development. This Public AIC Plan will be maintained in accordance with Commonwealth requirements. For opportunities specific to this contract, suppliers should contact:

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6. Authorised for and on behalf of NGA

APPROVAL (SIGNATURE & DATE)



Chris Deeble (Country Executive – Australia)
Northrop Grumman Australia (NGA)

31-Aug-2021
Date