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BAE Systems Reference No.: Contract Number – CASG/ASD/Deed19989/1/02

LEAD IN FIGHTER (LIF) ENGINE REPLACEMENT CONTRACT AUSTRALIAN INDUSTRY CAPABILITY PUBLIC PLAN

Company Details:

Company Name: BAE Systems Australia Limited

Location: Williamtown Drive, Williamtown NSW 2318

Website Address: www.baesystems.com/australia

Executive Summary:

As the Australian Prime Contractor for the Lead-In Fighter In Service Support Contract, we have developed our solution to maximise the Australian Industry work share to the greatest extent possible whilst delivering a cost effective program to the Commonwealth of Australia (Commonwealth).

This Contract is for the provision of thirty-three (33) Adour 951 engines for replacement of the Adour 871 engines in the LIF Aircraft.

The Commonwealth acquired the Hawk Mk127 aircraft in the year 2000 with a 10,000 flight hour and 25-year Life-of-Type (LOT) to conduct RAAF introductory fighter pilot training and Australian Defence Force (ADF) air support tasks. This included the acquisition of 39 Adour 871 engines (aircraft fit plus 6 spares) from Rolls-Royce UK, supported via a 25 year Engine Maintenance Guarantee (EMG) contract.

Air Force has extended the Planned Withdrawal Date of the Hawk LIF for an additional 5 years to mid-2031, with the opportunity to extend further. Whilst the airframe and support systems have sufficient life remaining to support the extension, the Adour 871 engine has been subject to in-service technical issues and presented a cost challenge for extended operation.

The Commonwealth has determined replacement with an Adour 951 engine as the most appropriate and value for money risk mitigation and key considerations for upgrading the engine included:

- High product maturity and reliability, ideally suited to Jet Trainer requirements
- Fitted to other advanced Hawk fleets, including the UK and Kingdom of Saudi Arabia (KSA)
- Full Authority Digital Engine Control (FADEC) benefits
- Provides a lower cost of ownership when compared to continuation of the 871 to 2031.

In June 2021, Project Air 5438 Phase 2 achieved Gate 2 Government Approval to proceed with this LIF Engine Replacement Contract to upgrade the LIF with thirty-three (33) Adour 951 engines.

The scope of work for the AIR5438 Phase 2 (Acquisition) program (Contract Number CASG/ASD/Deed19989/1/02) includes:

- Procurement of Adour 951 engines
- Engine integration design activities
- Platform certification activities
- Provision of Modification Kits and Initial provisioning spares
- Aircraft Modification of 33 aircraft
- Technical Publications and Training Material updates
- GSE Assessment, updates and procurement
- Packaging of removed Adour 871 engines

The majority of Australian Industry Activities are performed by BAE Systems Australia at our facilities located in Williamtown, NSW and Bullsbrook, WA.

The work packages that relate to a Sovereign Industry Capability Priority are:

- Aerospace platform deeper maintenance and structural integrity

The scope of work contracted to Australian Industry is summarized as follows:

- Total Australian Contract expenditure is \$25,355,240
- Total Australian Industry Activity (AIA) Value is \$20,420,384
- Total Australian Overheads expenditure value is \$4,934,856
- The AIA value comprises Project Management, Commercial Management, Subcontract Management, Systems Engineering Management, Certification and Configuration Management, Integrated Logistics Support and Aircraft Modification / Engine embodiment work performed by BAE Systems Australia in Williamtown, NSW and Bullsbrook, WA and provision of aircraft components by Leonardo Australia, Essendon Fields, VIC.
- There are currently no Indigenous enterprises within the supply chain.
- It is expected a small number of Small Medium Enterprises will be included within the supply chain with future work opportunities.
- Training has been offered to Australian Industry under the Contract for the engine Full Authority Digital Engine Control (FADEC) system.

Scope of Work Opportunities:

Although BAE Systems Australia has established the majority of subcontractor arrangements, there will be additional opportunities for Australian Industry to be engaged on the program. The primary opportunities for future work relating to the contract SOW include:

- Specialist packaging for defence products
- Supply of aerospace hardware and consumables
- Engineering technical support – Aerospace Systems Engineering

Where future work needs arise, there is no preference on the location within Australia where the work is performed.

Future Opportunities Industry Engagement:

In response to the Australian Government's Global Supply Chain initiative, BAE Systems established the Global Access Program (GAP) in 2012, through our team embedded across our international business units,

GAP creates export opportunities for Australian companies to access the supply chain of BAE Systems group and partner organisations.

In addition to identifying opportunities and providing introductions, our GAP team also offers companies mentoring and assistance with qualification and proposal writing.

BAE Systems Australia Approved Suppliers are those who have been assessed under our supplier evaluation and approval process, after successfully bidding and winning business with us. Once a Supplier is added to our Approved Suppliers List, they will participate in regular reviews to ensure performance is acceptable and the contract is still valid.

Current business opportunities can be found on the ICN Gateway.

<http://www.baesystems.com/en-aus/our-company/about-us/our-suppliers>

Yours sincerely,

Andy Wellings
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