

AIR6500 Phase 1 Contract

Public Australian Industry Capability (AIC) Plan

Company Details

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Executive Summary

Lockheed Martin Australia Pty Limited (LMA) was selected as the Strategic Partner for AIR6500 Phase 1 (AIR6500-1) to provide sovereign design, development, installation, integration and support of the Joint Air Battle Management System (JABMS) for the Commonwealth of Australia, represented by the Department of Defence. LMA will act through Capability Acquisition and Sustainment Group (CASG).

JABMS is a joint ‘system-of-systems’ that will connect disparate Australian Defence Force systems and platforms, across all domains, into a cohesive 21st century operational environment. JABMS synchronises air and missile defence operations, improves situational awareness and enhances the speed of decision making to protect Australian forces against current and emerging air and missile threats.

The total value of the AIR6500-1 Contract, Contract No. CASG/ADSS/Con15460/1 executed on 22 March 2024 is equivalent to AUD\$581,469,761 (GST inclusive). The initial term is 8 years, concluding 30 June 2032. The Contract is phased over several ‘Tranches’, with the current Tranche being Tranche 2A (T2A). T2A will run for a period of 27 months concluding 30 June 2026. The overall LMA Australian Contract Expenditure (ACE) percentage commitment for the T2A period to 30 June 2026 is 60%.

AIR6500-1 contributes to the development and maintenance of the Sovereign Industry Capability Priorities (SICP) and associated Critical Industrial Capabilities listed in Table 1.

Table 1: AIR6500-1 Sovereign Industry Capability Priorities

Sovereign Industry Capability Priorities	Critical Industrial Capabilities
Enhanced Active Phased Array and Passive Radar Capability	<ul style="list-style-type: none">Active and passive radar design and productionAdaptive methodsSystems design and integration skillsSustainment of advanced radar systems
Advanced Signal Processing Capability	<ul style="list-style-type: none">A digitally-capable and specialised workforceSignal processing algorithms and softwareReal-time data processingTactical sensor integration
Test and Evaluation, Certification and Systems Assurance	<ul style="list-style-type: none">Joint Force capability assuranceComplex systems test and evaluation capabilities
Surveillance and Intelligence	<ul style="list-style-type: none">Big data processing and exploitationC4I integration

Sovereign Industry Capability Priorities	Critical Industrial Capabilities
Robotics, autonomous systems and artificial intelligence	
Precision guided munitions, hypersonic weapons and integrated air and missile defence systems	
Information warfare and cyber capabilities	

The Australian Industry Activities (AIAs) to be delivered by LMA and AIC Subcontractors are:

1. Passive Radar Design and Production
2. Sustainment of Australian Active and Passive Radars
3. Information Communications Technology (ICT) Certification and Accreditation Activities.

Subcontracted Work Scope to Australian Industry

The forecast value of subcontracted work for Australian Industry is approximately AUD\$103M, with AIC Subcontractor ACE of 69%. The subcontracted scope to Australian industry includes:

- Engineering Services
- Deployed Communications
- Passive Radar
- Networked Voice Communications.

LMA will subcontract elements of T2A scope to AIC Subcontractors identified in Table 2.

Table 2: AIC Subcontractors

Subcontractor	Location(s)	Nature of Work
Boeing Defence Australia Pty Ltd	Brisbane, QLD, 4001 Williamtown, NSW, 2308	<ul style="list-style-type: none"> • Engineering Services • Deployed Communications Component of the Communications Subsystem
Leidos Australia Pty Ltd	Scoresby, VIC, 3179	<ul style="list-style-type: none"> • Engineering Services
Silentium Defence Pty Ltd	Gepps Cross, SA, 5094	<ul style="list-style-type: none"> • Production and Support of Passive Sensors

Australian Subcontractors for T2A which are Indigenous Enterprise, Small to Medium Enterprise, and/or that have signed the Veterans employment commitment are outlined in Table 3.

Table 3: Australian Subcontractors for AIR6500-1 T2A

Subcontractor	Location	Indigenous	SME	Veteran Employment
Leidos Australia Pty Ltd	Scoresby, VIC, 3179	No	No	Yes
Boeing Defence Australia Pty Ltd	Brisbane, QLD, 4001	No	No	Yes
Raytheon Australia Pty Ltd	Mawson Lakes, SA, 5095	No	No	Yes
Silentium Defence Trading Pty Ltd	Gepps Cross, SA, 5094	No	Yes	Yes
C4i Pty Ltd	Melbourne, VIC, 3004	No	Yes	Yes
Shoal Group Pty Ltd	Adelaide, SA, 5000	No	Yes	Yes
Daronmont Technologies Pty Ltd	Mawson Lakes, 5095	No	Yes	Yes

Creation, Enhancement and Maintenance of Industry Capabilities

The development and sustainment of the JABMS by an Australian workforce will support the creation, enhancement and maintenance of Industry Capabilities (IC) relevant to the SICPs outlined in Table 1. The majority of the LMA workforce will be located at Mawson Lakes, Adelaide, Canberra and Williamstown. Specific work and initiatives that assist to create, enhance or maintain ICs as part of AIR6500-1 include:

- Australian based workforce to manage and develop the JABMS capability in Australia, supported by US based experts and Australian based U.S. expatriates with specialists Integrated Air and Missile Defence (IAMD) expertise
- Transfer of technology of IAMD related technologies from the US through knowledge transfer and co-development of technologies
- Industry skilling and development to support suppliers to improve competitiveness for export and future IAMD opportunities
- Open system architecture to support integration of Australian technologies into JABMS
- Research and Development to support the development of innovative Australian technologies for integration into future JABMS capabilities.

Although targeted assistance is not within the scope of the T2A Contract, through the creation, enhancement and maintenance of ICs, AIR6500-1 will contribute to the following Australian Industry sectors:

- **Professional Scientific and Technical Services** – development of digitally capable, software, hardware, systems engineering workforce in communications, sensors, radar, modelling and simulation, test and evaluation and IAMD
- **Manufacturing** – assembly, fabrication of hardware, electrical and electronics components related to sensors and communications systems
- **Construction** – construction of secure facilities.

Future Work Opportunities

LMA has identified all sources of supply required for the T2A Contract, with no additional subcontracting opportunities remaining for T2A. LMA will continue to test the market throughout the life of the AIR6500-1 Program to identify gaps and opportunities for Australian Industry.

Market Engagement

LMA will engage and notify Australian Industry of opportunities to be involved in the AIR6500-1 Program for future work tranches. Opportunities will be made available to Australian Industry through engagement of existing AIR6500-1 Program suppliers and/or through the engagement of the following organisations:

- Industry Capability Network (ICN) Registration Portal
- Office of Defence Industry Support (ODIS)
- Defence Industry Associations, such as the Australian Industry and Defence Network (AIDN)
- Supply Nation's Member Opportunity Portal
- State and Territory Governments.

LMA may also seek to invite suitable businesses to formally submit a proposal to become potential suppliers on AIR6500-1.

When businesses make general enquiries, LMA will respond within 20 business days.

Australian Industry should register their interest for future AIR6500-1 opportunities by providing their information and contacting the following representative:

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