

**PUBLIC AIC PLAN**  
**HAWK 127 LEAD IN FIGHTER IN-SERVICE SUPPORT**

**Company Details**

**Company Name:** BAE Systems Australia Limited  
**Company Location:** Taranaki Road, Edinburgh Parks  
Edinburgh South Australia 5111  
**Website Address:** [www.baesystems.com/australia](http://www.baesystems.com/australia)

**Sustainment Project Name**

**Project Name:** Hawk 127 Lead In Fighter (LIF) In-Service Support (ISS)  
**Contract Number:** **DMO/ASD/00281/2012**  
**Project Location:** RAAF Base Williamtown and RAAF Base Pearce

**Executive Summary**

The LIF ISS AIC Plan continues BAE Systems' extensive Australian Industry Involvement for LIF since Acquisition in 2000. The LIF ISS Phase 3 Contract between the Commonwealth of Australia (CoA) and BAE Systems Australia Limited (BAE Systems) is a contract to provide continuing engineering, supply support and maintenance for the LIF Training System.

The CoA acquired 33 LIF to provide Fast Jet aircrew training and other ADF support requirements from home bases at Williamtown and Pearce. BAE Systems PLC is the design authority and Prime Contractor for LIF ISS since aircraft acquisition in 2000.

The LIF ISS Phase 3 Contract is a follow on contract to the previous LIF ISS support and maintenance contract. The services provided under this contract range from aircraft fleet planning, engine management, deeper maintenance including Authorised Maintenance Organisation, engineering design and support including Authorised Engineering Organisation, Integrated Logistics Support (ILS) including obsolescence management and Repairable Item (RI) Management, training support and project management.

Notwithstanding the maturity of the present supply chain, BAE Systems is always exploring other possible component suppliers and subcontractors in an attempt to gain better value for money for the CoA. We intend to maintain that focus for the foreseeable future.

Over 65% of the contract price is being delivered by Australian industry. Australian industry participation is included in Table 1 below.

## BAE SYSTEMS

TABLE 1- AUSTRALIAN INDUSTRY WORK

Australian Company Performing the Activity	Local Industry Activity	Location of work
BAE Systems Australia	Prime Contractor - Project Management, Engineering, Maintenance, Supply Support and Synthetic Training Device support	Williamtown NSW and RAAF Pearce WA.
GE Aviation (Former Smiths)	Maintenance and repair of various Avionics equipment	Williamtown NSW.
Airflite	Workshop and maintenance support of various Repairable Items at Pearce	RAAF Pearce WA. RAAF Williamtown NSW.
Raytheon Australia	Maintenance and repair of the Radar Emulation Pod and Deployment Pod	Adelaide SA.
Rockwell Collins	Maintenance and repair of various Avionics equipment	Melbourne VIC
Rosebank	Maintenance and repair of the Cold Air Unit	Melbourne VIC
Qantas Defence Services	Maintenance and Repair of Engines	Sydney NSW
Turbomeca Australasia	Maintenance and Repair of the Auxillary Power Unit	Sydney NSW

### Key Offerings for Australian Industry

BAE Systems is committed to establishing and maintaining an in-country support capability for the LIF capability system for the foreseeable future.

The Commonwealth and BAE Systems (Operations) UK undertook a logistics analysis activity during Acquisition to optimise an in-country repair capability. This eventuated in the establishment of repair capability for over 250 Repairable Items in Australian workshops. BAE Systems intends to carry forward this investment for AIC into LIF ISS Phase 3. BAE Systems will continually seek value for money in all Supply Chain activities while maximising AIC for LIF ISS Phase 3. Additional to these, BAE Systems has implemented:

- An Innovation, Research and Development (IR&D) Strategy – nationally, BAE Systems has an active, internally funded IR&D Program with an annual budget of over \$3.5M AUD. The Program covers the Maritime, Aerospace, and Land and Integrated Systems Business Units, and projects range from small scoping studies through to capability technology demonstrations with DSTO and other industry partners, including granting approved Australian Subcontractors access to knowledge repositories and BAE Systems innovation, research and development capabilities; and
- A Global Engagement Strategy – including integrating Australian industry into BAE Systems Global Supply Chain network.

# BAE SYSTEMS

## Future Opportunities

Because of the rolling wave nature of the LIF ISS Contract, BAE Systems has an opportunity to develop long-standing relationships with suppliers. BAE Systems leverages its procurement spend through preferred supplier agreements that foster key supplier relationships with a limited number of suppliers. In this way BAE Systems maximises cost reduction opportunities and gains productivity efficiencies through the reduction of internal transactional and administrative work volumes.

BAE Systems has a specialist Global Access Program (GAP) team who are responsible for creating global supply chain opportunities for Australian companies. The GAP team supports development and continuous improvement activities with Small to Medium Enterprises, providing advice around regulatory issues and acts as a single point of contact into BAE Systems' global supply chain.

It is BAE Systems' preference to source through its preferred supplier agreements, but is continually seeking high performing, well managed companies to strengthen its team of key suppliers.

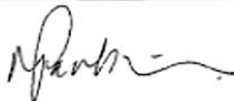
## Industry Engagement

To gain a better understanding of BAE Systems' supply chain management approach and to find out how to pursue future opportunities with BAE Systems, Australian industry may register its interest by contacting the BAE Systems representative.

The BAE Systems LIF Company representative contact details:

Contact Name:	Mr Patrick Wall
Position:	LIF Commercial Manager
Address:	Williamtown Drive, Williamtown NSW 2318
Phone:	02 4928 9371
Email Address:	pat.wall2@baesystems.com
Website Address:	<a href="http://www.baesystems.com/australia">www.baesystems.com/australia</a>

BAE Systems will endeavour to respond to all expressions of interest made by Australian industry. As a result of the expression of interest, Australian suppliers may be asked to demonstrate their capabilities in order to be added to the BAE Systems Approved Suppliers List; enabling future consideration as opportunities arise.

Authorised on Behalf of BAE Systems Australia Limited			
Name	Signature	Title	Date
Mark Parkinson		Head of Commercial and Procurement - Aerospace	19 Feb 2013

MD  
RW