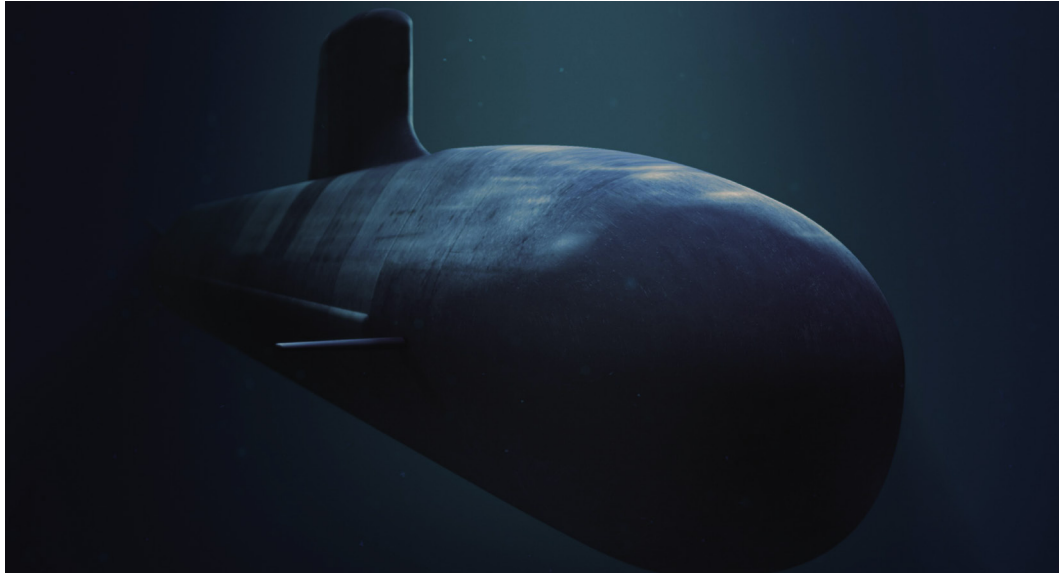


ADM AUSTRALIAN DEFENCE MAGAZINE DEFENCE WEEK PREMIUM EDITION

SERVING THE BUSINESS OF DEFENCE



The Commonwealth aims to ensure an appropriate allocation of risk over the life of the Future Submarines.

NAVAL GROUP

Progress but no deadline for Future Submarine agreement

Julian Kerr | Sydney

Protracted negotiations between Defence and French submarine maker Naval Group on a vital [Strategic Partnering Agreement \(SPA\)](#) are making progress but no timeline has yet been set for their completion, Rear Admiral Greg Sammut, head of the Future Submarine program, told *ADM*.

"We haven't put a timeline on it because it's more important to get the agreement right. Of course we want to conclude it as soon as possible. We're at stages now where we're dealing with the remaining difficult issues," he said.

"Naturally the Commonwealth team has focused on ensuring we have the appropriate allocation of risk in the program and that those matters are managed in an equitable way throughout the life of this long contract.

"We must ensure there is an equitable set of arrangements in place such that both parties can continue to work together through problems, not end up with a contractual impasse where we can't manage the issue and have to

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halt work because we have to renegotiate terms and conditions that didn't exist.

"Naval Group is similarly focused and this shouldn't be a surprise when we're talking about a program of such magnitude."

The overarching SPA is intended to set out terms and conditions that will endure for the entire \$50 billion Future Submarine program, avoiding the need to renegotiate a known set of provisions as work transitions from phase to phase.

Negotiations on the SPA began in early 2017 and were intended to have been completed during that year.

Then Vice-Chief of the Defence Force Vice Admiral Ray Griggs told Senate Estimates on 28 February this year that he saw no reason why SPA negotiations should not be completed "before the middle of the year."

Secretary of Defence Greg Moriarty added that "another month or two" beyond that on a contract of such consequence was likely to get a reasonable hearing from government.

RADM Sammut said work on the Future Submarine's design had continued unimpeded under the Design and Mobilisation Contract (DMC) signed in September 2016. This \$500 million agreement was originally intended to be succeeded before 2019 by the Submarine

Design Contract (SDC), which itself will sit under the yet-to-be-agreed SPA.

However RADM Sammut said the DMC had been set up so it could be extended. The ongoing flow of work included the transfer of the necessary intellectual property to the Commonwealth and to combat systems integrator Lockheed Martin.

Current work is focused on finalising the Concept Design so more resources can be moved in 2019 to Basic Design, which itself would move to Detailed Design around 2022.

Other work undertaken during the DMC phase had included progressing the design of the submarine construction yard at Osborne North to the extent that ground works could begin there in December.

Steel qualification work had continued with Bisalloy and BlueScope, and the latter had produced a first heat of 212 tonnes of steel to the HLES specification – steel of particular properties used in the construction of French submarines.

That heat had passed and in a number of cases exceeded required standards in tests in Australia. According to RADM Sammut, further tests would be undertaken in France, primarily on its ability to be welded.

TOP COMMENTS

The RAN's ANZACs and tomorrow's Type 26 frigates may be often sent on operations carrying a single MH-60R Seahawk for ASW, ASuW and CSAR. That will be especially likely if Navy fails to procure a second tranche of those high capability helicopters. However, before that expensive procurement there is a window during which to satisfy Navy's need for a smaller lower cost utility helicopter. Recently Defence announced that Land 2097 Phase 4 is expected to procure about 16 light utility helicopters for rapid delivery of Army special force tactical assault teams. The exact same type of helicopter could well satisfy Navy's need for a low end utility machine for survey, rescue, boarding, scouting and possibly light attack sorties. – **DJAC**

"This shouldn't be a surprise when we're talking about a program of such magnitude"

Shorten aims for continuity in Defence and industry policy

Ewen Levick | Sydney

Opposition Leader Bill Shorten gave a speech at the Lowy Institute this week outlining Labor's foreign policy platform and position on the Defence budget and major projects.

"You're not going to get a radically different Defence policy"

The speech, attended by Shadow Defence Minister Richard Marles and Shadow Foreign Minister Penny Wong, indicated that Labor would not implement significant changes to the Defence budget or to major projects should the party win the next federal election.

Minister Shorten opened by laying out how a Labor government would approach Australia's relationship with the US and China.

"Australia's policy needs to respond from forethought, rather than reaction," Minister Shorten said.

Whilst Minister Shorten emphasised that Labor is 'committed' to the US alliance, he acknowledged the possibility of future disagreements.

"Australia's interests will obviously be different from those of the US in some areas. We tell truth to power – we recognise that we will not always see eye to eye on international issues. We can and will express any differences within the enduring framework of our close relationship."

Minister Shorten also acknowledged that China's party system is "very different to our liberal democracy," but said that "the next Labor government will not deal with China purely through the prism of worst-case assumptions about its long-term ambitions."

Other foreign policy priorities for a Labor government include improving Australia's relationships with Indonesia and India, appointing a global human rights ambassador, improving the aid budget as an investment in regional and national



Opposition Leader Bill Shorten has said that little will change for Defence under Labor.

EWEN LEVICK

security, and investing in what Minister Shorten called the “blue continent” of the South Pacific.

“We are not going to forfeit the Pacific because we didn’t turn up,” Minister Shorten said.

“We will encourage the private sector to drive development in the region. My vision is to actively facilitate concessional loans and financing for investment that is for vital national building projects through a government-backed infrastructure investment bank.”

Whilst Minister Shorten mentioned NZ as a model for this policy, the Kiwis were generally absent from the speech, clocking up only two other mentions over the space of forty minutes. It was a notable omission given Wellington’s long-standing and deep engagement with the same South Pacific states Minister Shorten intends to prioritise.

Whilst the speech focused on foreign policy, it indicated that Defence and industry can expect continuity from a future Labor government.

“I do reiterate our firm commitment to a strong, self-reliant Defence force,” Minister Shorten said. “We’re committed to maintaining Defence spending at two per cent of GDP.”

“We will also develop a capable national Defence industry because, [as Richard Marles has said](#), this industry uniquely has the ability to project Australian power, to have Australia be taken seriously in a way that compliments the work of the ADF.”

“A home-grown Defence industry is part of Labor’s DNA.”

Minister Shorten took a number of questions afterwards, and was pressed on Labor’s commitment to large Defence projects and the two per cent benchmark.

“We do regard the commitment of two per cent of GDP as a fundamental proposition,” Minister Shorten replied.

“We do want to ensure that [taxpayers] are getting value for money... [but] you’re not going to get a radically different Defence policy.”

“This industry uniquely has the ability to project Australian power”

Naval Shipbuilding College launched

Minister for Defence Christopher Pyne has officially launched the Naval Shipbuilding College in Adelaide.

The College is a government initiative being delivered by [a joint venture](#) between KBR and Huntington Ingalls Industries, the largest shipbuilding company in the US.

In addition, a National Workforce Register has been launched to connect Australian workers and students with new career opportunities as part of the \$90 billion Naval Shipbuilding Program.

The Register is being implemented by the College, which will provide a link to education and training providers as well as industry.

“The College is playing an important role in developing the workforce required to support the continuous naval shipbuilding enterprise which will build and sustain Australia’s naval capabilities, create economic growth and secure Australian jobs for decades to come,” Program Director Bill Docalovich said.

"The Workforce Register will enable people from around Australia who are interested in long-term shipbuilding career opportunities to express their interest and receive assistance through the skilling and employment process.

"More than 15,000 direct and in-direct jobs will be created to build the Future Submarines, Frigates and Offshore Patrol Vessels, not to mention the workforce required around Australia to sustain the current and future fleet.

"We're partnering with training and education providers throughout Australia to make sure courses align with the future needs of the naval shipbuilding industry.

"Naval shipbuilding offers a diverse range of skilled and professional career opportunities from working on the ship deck, through to project management and into the board room."

BAE Systems Australia chief executive Gabby Costigan said that preparing Australia's workforce to deliver on these exciting naval projects is a number one priority.

"The Naval Shipbuilding College will play a pivotal role in helping to develop the capability that we need to deliver future maritime defence programs including the delivery of the Hunter Class frigates," Costigan said.

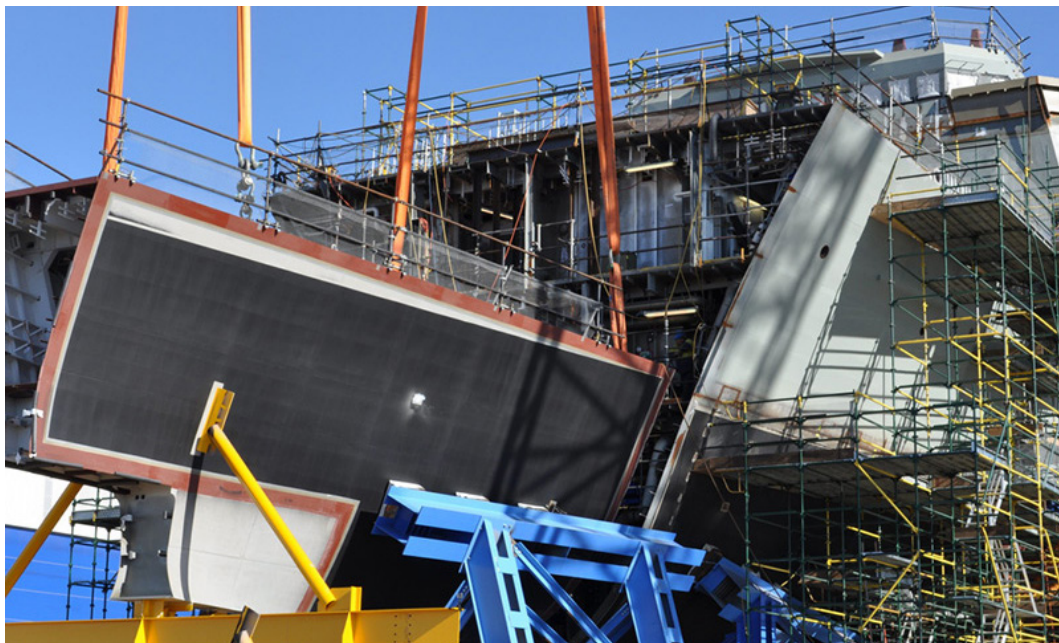
"With the pipeline of work ahead of us, we must continue to invest in the skills and education to deliver on Defence plans."

The College is working with TAFEs in each state on providing endorsed training courses, with TAFE SA's welding component the first to achieve this standard.

South Metropolitan TAFE managing director Terry Durant said her team is excited to be working with the College to produce job-ready graduates.

"As a long-standing provider of training and workforce development services, we welcome the opportunity to work closely with the Naval Shipbuilding College to ensure the workforce is suitably skilled and qualified for the industry now and into the future," Durant said.

"The College is playing an important role in developing the workforce required to support the continuous naval shipbuilding enterprise"



The College aims to build the workforce underpinning the continuous naval shipbuilding enterprise.

DEFENCE

Sydney company enhances US energy security

Sydney-based energy storage company Ecoult is supplying technology to Raytheon for use in a new microgrid project. The project, along with other future developments, has the potential to significantly enhance US energy security with [sustainable backup power systems](#).

“This will be the first wind-powered microgrid in the US Department of Defense”

The microgrid is being used by the US Department of Defense at the Otis Air National Guard Base on Cape Cod.

The base will rely on the microgrid to provide reliable and secure power to critical infrastructure. A 1.6 MW/1.2 MWh Ecoult energy storage system, which uses the CSIRO-invented UltraBattery, will be connected to an existing 1.5 MW wind turbine and a 1.6 MW diesel generator.

An Integrated Power and Energy Management Controller (IPEM) provided by Raytheon coordinates the supply of electricity from local microgrid assets like wind, solar, battery storage or generators, and matches it with building loads. The system will support the Otis Air National Guard base with continuous microgrid backup power in the case of grid failure, through a combination of high penetration wind, energy storage, and minimal use of diesel generators.

This will be the first wind-powered microgrid in the US Department of Defense and the first US military facility cyber-secure connection to an independent system operator allowing returning revenue with the target of a 5-year simple payback.

“We’re excited to have had the opportunity to work for Raytheon on this project and to support them in the supply of their microgrid solution,” John Wood, Ecoult CEO, said.

“Our team has had the invaluable opportunity to work with its Australian technology, alongside the Otis base personnel, Raytheon, and organisations like MIT Lincoln labs and the US National Renewable Laboratory.”



The base will rely on the microgrid to provide reliable and secure power to critical infrastructure.

ECOULT



Leading Seaman Aviation Support Jamie Kennedy signals to a US Marine V-22 Osprey.

DEFENCE

Largest-ever Marine Corps rotation winds up in Darwin

The 2018 Marine Rotational Force – Darwin (MRF-D), consisting of 1,587 US Marines, has completed another six months of training and exercises in northern Australia and has now left the country.

This year's MRF-D was the seventh and largest rotation to date and also included a squadron of eight MV-22 Ospreys and an artillery battery of six M777 Howitzers.

“MRF-D participated in 15 training activities alongside the ADF and other regional nations”

During the past six months, MRF-D participated in 15 training activities alongside the ADF and other regional nations including Japan, the Philippines and France.

In a statement, Defence said that the MRF-D is a “practical demonstration of Australia’s existing strong defence alliance with the US conducted under the US Force Posture Initiatives.”

“The Initiatives enhance the ability of Australia and the US to work together with regional partners in the interests of regional peace, stability and security and better position both nations to respond to contingencies and natural disasters in the Indo-Pacific.”

“Australia supports a strong US presence in our region to uphold the rules and norms that have underpinned regional prosperity and security for over 70 years.”

The largest Marine rotation to the NT comes as Director-General US Force Posture Initiative Brigadier Mark Brewer called for new approaches to training at ADM’s [Northern Australia Defence Summit](#) as the Marine Corps presence steadily ramps up.

“I think we need to ask ourselves whether our traditional approach of heading

out into the bush or flying over it and training on areas that have fixed and field firing ranges with a few containers stacked on each other which we call an urban facility is actually now fit for purpose,” BRIG Brewer said.

“At the moment I would observe that our training area design ideas culminate at developing roads, creek and river crossings, camp accommodation and range control. We also tend to develop ranges in service silos.

“Surely there is more to it.”

MOST READ ONLINE AT WWW.AUSTRALIANDEFENCE.COM.AU



1. [Canada opts for Type 26 frigate](#)
2. [First supplier named for Land 400 Phase 2](#)
3. [Senate concerned about precedent set by ANAO report on Hawkei](#)
4. [Australian scientist honoured for F-35 software](#)
5. [Navy commissions new unmanned aerial squadron](#)

XTEK armour makes export progress

Australian company XTEK could become the next export success after making a proposal to the US Department of Defence (DOD) to develop new ballistic plates for the US Marine Corps.

XTEK completed the request for information process with Diamond Age, a US-based material science and engineering firm, to co-develop anti-ballistic armour systems that combine XTEK’s polyethylene plates with Diamond Age’s ceramic strike face materials.

XTEK has also been progressing the evaluation of the company’s helmet shells’ performance in conjunction with the US government’s Combating Terrorism Technical Support Office (CTTSO).

Initial evaluations produced positive results earlier this year, and additional test helmets will be sent to the US government for further testing.



Ballistic plates with Australian technology could be used to protect US Marines.

DEFENCE

“Initial evaluations produced positive results earlier this year”

In a statement, XTEK said it expects to have the test results in early 2019. If successful, the company will seek to secure a larger evaluation order from the US to validate pre-production quantities.

“The XTclave manufactured helmet shells represents promising and significant upside potential, as we look to develop the existing evaluation agreement with the US CTTSO into a significant commercial agreement,” managing director Philippe Odouard said.

“XTEK remains confident on the results of CTTSO’s evaluation given the similarities to the internal test.”

The company is also in discussions with European clients.

The ADF [placed an order](#) for XTEK armour in June, which will be sent to Diggerworks in December for evaluation.

Dassault and LogiCamms sign system integrator agreement

LogiCamms has signed a system integrator alliance agreement with Dassault Systèmes, which will cover both enterprise technology deployments and implementation services for Dassault Systèmes’ industry solution experiences based on the 3DEXPERIENCE platform.

The system integrator alliance deepens Dassault Systèmes’ 2017 software collaboration with LogiCamms, which included the development of SA’s [Virtual Shipyard program](#) and the mapping of digital capability for large manufacturing projects.

Under the terms of the agreement, Dassault Systèmes and LogiCamms will establish a teaming relationship and define business processes to deliver solutions to their mutual customers.

This marks Dassault Systèmes’ first system integrator alliance in Australia.



Narayan Sreenivasan of Dassault, Dan Drewe of LogiCamms, Masaki Sox Konno of Dassault, Sylvain Laurent of Dassault, and Peter Watson of LogiCamms during the signing at the IMARC conference in Melbourne.

LOGICAMMS

In a statement, the company said the agreement is part of a broader strategy to expand its footprint in Australia through system integrator partners like LogiCamms.

"This is a major landmark for LogiCamms both locally and globally, as our capabilities and market leadership will be greatly enhanced with Dassault Systèmes' powerful industry solutions," LogiCamms Interim Chief Executive, Dan Drewe said. "We look forward to helping our customers achieve their innovation milestones through this system integrator alliance."

"We look forward to deepening our partnership with LogiCamms, which has a long-standing presence in Australia's mining, energy and life sciences industries," Masaki Sox Konno, managing director Asia Pacific South for Dassault Systèmes said.

"Our system integrator alliance with LogiCamms will help our Australian clients to maximize their investment in the 3DEXPERIENCE platform by leveraging LogiCamms' unique expertise and experience in the country."

"This is a major landmark for LogiCamms both locally and globally"

PEOPLE ON THE MOVE

JFD has appointed Harry Dunstall, currently the Managing Director of Canberra-based strategic advisory firm Ngamuru Advisory, as non-executive chairman to oversee its future growth and direction in the local defence sector. Mr Dunstall's appointment is effective today.

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Forthcoming Events

ADM EVENTS

More detail on **ADM** Events can be found on our dedicated website: admevents.com.au

- [ADM Congress 2019 – 13 February 2019](#)

Veterans Film Festival

Date 1 November – 3 November

Location Palace Electric Theatre, ADFA, Canberra

Website www.veteransfilmfestival.com

The RSL National Veterans Film Festival (VFF) is an annual event, putting the spotlight on stories about veterans, first responders, their families and the influence of warfare on our society. The festival presents a curated program of carefully selected feature films, short films and media art from Australia and around the globe. Our focus is on recent work by talented indie filmmakers. However, within our program we also present mainstream films, retrospectives and provide opportunities to meet with filmmakers and content creators via Q&A's, panels, etc. All films submitted to the official competition will be eligible to compete for the coveted Red Poppy Awards.

SIA Biennial Conference

Date 7-8 November 2018

Location Rex Hotel, Canberra

Website www.submarineinstitute.com/sia-conferences

Join submarine professionals and key decision makers as the ninth in the biennial series of conferences run by the Submarine Institute of Australia returns to Canberra to explore the issues and opportunities emerging from the decision to extend the lives of the Collins class submarines.

Armistice and After – An Exhibition

Date 11 November 2018

Location Hall School Museum and Heritage Centre

Website <http://www.museum.hall.act.au>

'Armistice and After' records the participation of the Hall district diggers in the triumphs of 1918 and the euphoria that accompanied the end of hostilities. It also records the difficulties of repatriation and adjustment to civilian life in a world where the promises of peace and prosperity never quite materialised. The exhibition is the closing chapter of our ANZAC exhibition – 'When Hall Answered the Call'. All are welcome to the opening by Andrew Leigh MP at 11.00 am on Remembrance Day 11 November.

ACA Corrosion & Prevention 2018

Date 11-14 November 2018

Location Adelaide Convention Centre

Website <http://www.corrosion.com.au>

As always, the focus of the ACA's annual conference and trade exhibition will be the safe and effective management of the continuing challenge posed by corrosion. More than 400 delegates are expected to attend the conference and extensive exhibition supported of key industry suppliers. Industry experts will deliver five plenary presentations—including the F P Thompson Lecture, which will be delivered by Professor Brian Kinsella, Curtin University, Australia.

MilCIS 2018

Date 13-15 November 2018

Location National Conference Centre, Canberra

Website www.milcis.com.au

In November each year, the Defence Chief Information Officer Group (CIOG) partners with the UNSW Canberra and the Institute of Electronic and Electrical Engineers (IEEE) to present MilCIS.

Australian Warrior Expo

Date: 15-17 November 2018

Location: Brisbane Showgrounds, Exhibition Building

Website: www.australianwarriorexpo.com.au

The Australian Warrior Expo (AWE) is Australia's premier Law Enforcement, Military, Emergency Services and Security Expo and is the only event of its type in Australia. AWE is dedicated to showcasing the latest products, technology, equipment and services to this niche market. AWE will bring both professionals and agencies together including Government Procurement Managers, Decision Makers and Operators.

Avalon Airshow 2019

Date: 26 February – 3 March 2019

Location: Avalon Airport

Website: <https://www.airshow.com.au/airshow2019/index.asp>

The Australian International Airshow and Aerospace & Defence Exposition is one of Asia-Pacific's most prestigious aviation and aerospace events and the most comprehensive aviation, aerospace and defence exposition in the southern hemisphere. Avalon hosts multiple concurrent conferences and expo streams, across the spectrum of Defence, Airlines, Business and General Aviation, Sport and Recreational Aviation, Airports, MRO, Space, Unmanned Systems, Air Safety and Ground Equipment.

IMDEX Asia 2019

Date 14-16 May

Location Changi Exhibition Centre, Singapore

Website www.imdexasia.com

Coming to its 12th edition, the biennial IMDEX Asia is Asia Pacific's premier international maritime defence show and a must-attend event in the global naval and maritime security calendar. With established conferences and real-time discussions on maritime security, IMDEX Asia draws a plethora of global leaders and distinguished guests.

Paris Air Show

Date 17-23 June 2019

Location Le Bourget

Website <https://www.siae.fr/en/>

The 53rd Paris Air Show will once again bring together all the players in this global industry around the latest technological innovations. The first four days of the Show will be reserved for trade visitors, followed by three days open to the general public.

Pacific 2019

Date 6-8 October 2019

Location Sydney Convention Centre

Website www.pacific2019.com.au

As the only comprehensive international exhibition of its kind in the Indo-Asia-Pacific region, PACIFIC 2019 will again provide the essential showcase for commercial maritime and naval defence industries to promote their capabilities to decision-makers from around the world.

MilCIS 2019

Date 12-14 November 2019

Location Canberra Convention Centre

Website www.milcis.com.au

In November each year, the Defence Chief Information Officer Group (CIOG) partners with the UNSW Canberra and the Institute of Electronic and Electrical Engineers (IEEE) to present MilCIS.

The annual Military Communications and Information Systems (MilCIS) Conference welcomes military and government organisations, academia, and defence industries to contribute to the future direction of military communications and information systems.

TEAM DEFENCE AUSTRALIA EVENTS

- **Indo Defence 2018** – 7-10 November 2018, Jakarta, Indonesia

For more information go to the business.gov.au TDA webpage [here](#). TDA EOIs will open a few months prior to the event – to keep up to date [register](#) for the CDIC newsletter.