



Australian Government
Defence

Defence and Industry: Enabling Defence's mission in the Digital Age

27 March 2025

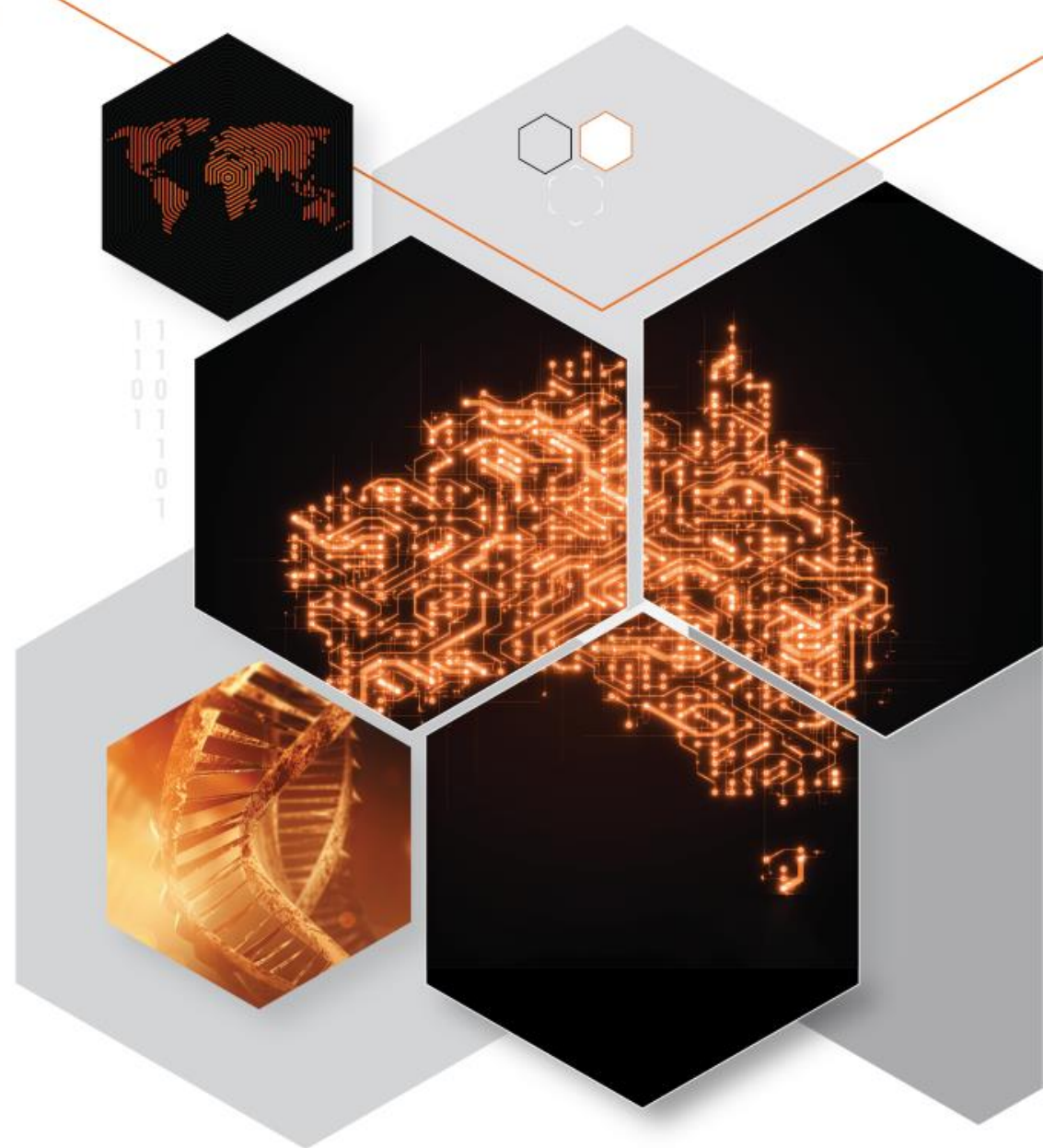
MAJGEN Sue Graham

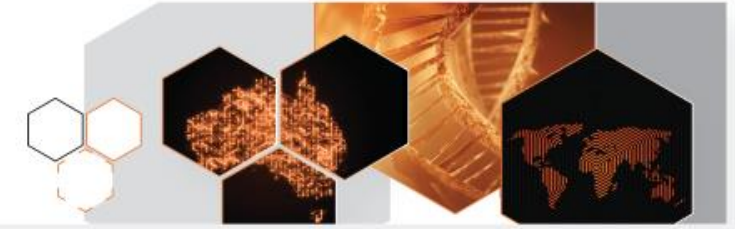
Head Business
Transformation

Defence ERP Program



Defending Australia and its National Interests
www.defence.gov.au





What is Defence ERP Program?

Defence is implementing SAP's S/4HANA Defence and Security as its ERP solution. The system has global adoption in Defence agencies, is a proven provider of easily adopted processes and is the dominant Australian Commonwealth solution.

Defence ERP will modernise, integrate and transform Defence's approach to managing its finances, human resources, logistics, engineering, maintenance and estate operations

Defence ERP is the foundation to enable the **One Defence Business Model**

Transforming Defence capability with the Defence ERP Solution



Better informed decisions when planning, preparing for and supporting operations



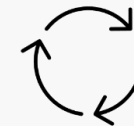
Improving information in disrupted communications environments



Improving interoperability with allied militaries and external agencies

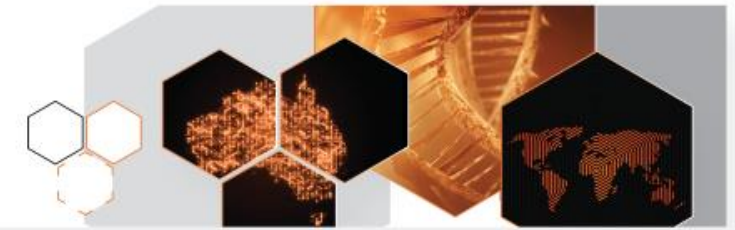


Providing a real-time, integrated and accurate view of critical information



Providing a seamless transition to and from operations



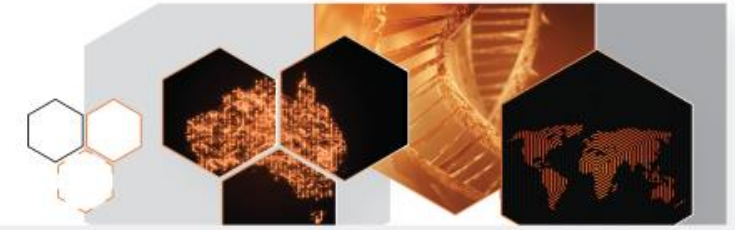


ERP Capability Roadmap

Finance	Supply chain	Procurement	Asset management	Project and portfolio management	Estate	Case management	Human resources	Force planning and preparedness	Other capability
Inventory postings	Supply chain foundation	Core purchasing	Core maintenance	Portfolio & project management	Real estate infrastructure & maintenance	Simple case management	Positions, people & qualifications	Initial force element inventory	Analytics and reporting
Chart of accounts	Bulk fuels	Services Procurement	Foundation engineering		Other estate capability	Complex case management	Core human resources	Capability reporting	Disconnected logistics (foundation)
Accounts payable & receivable	Health knowledge mgt support	Sourcing and contracting	Complex maintenance & engineering				Performance management	Enterprise wide force planning	Disconnected (extended)
General ledger & assets	Transportation management	Operational procurement & catalogues	Existing products				Succession & development	Support for flying operations	
Central payments	Dangerous goods & hazmat	Supplier mgt & spend analysis	Path finder products (Aviation/Maritime)				Learning	Op reporting & coalition interoperability	
Process controls	Explosive ordnance		Product / platform extension 1				Recruiting & on-boarding		
Budgeting & planning	Catering		Product / platform extension 2				Workforce planning		
Enterprise risk management	Integrated business planning		Product / platform extension 3				Workforce analytics		
Travel & expense management	Enhanced carrier collaboration		Product / platform extension 4				Environmental health & safety		
			Predicative maintenance						

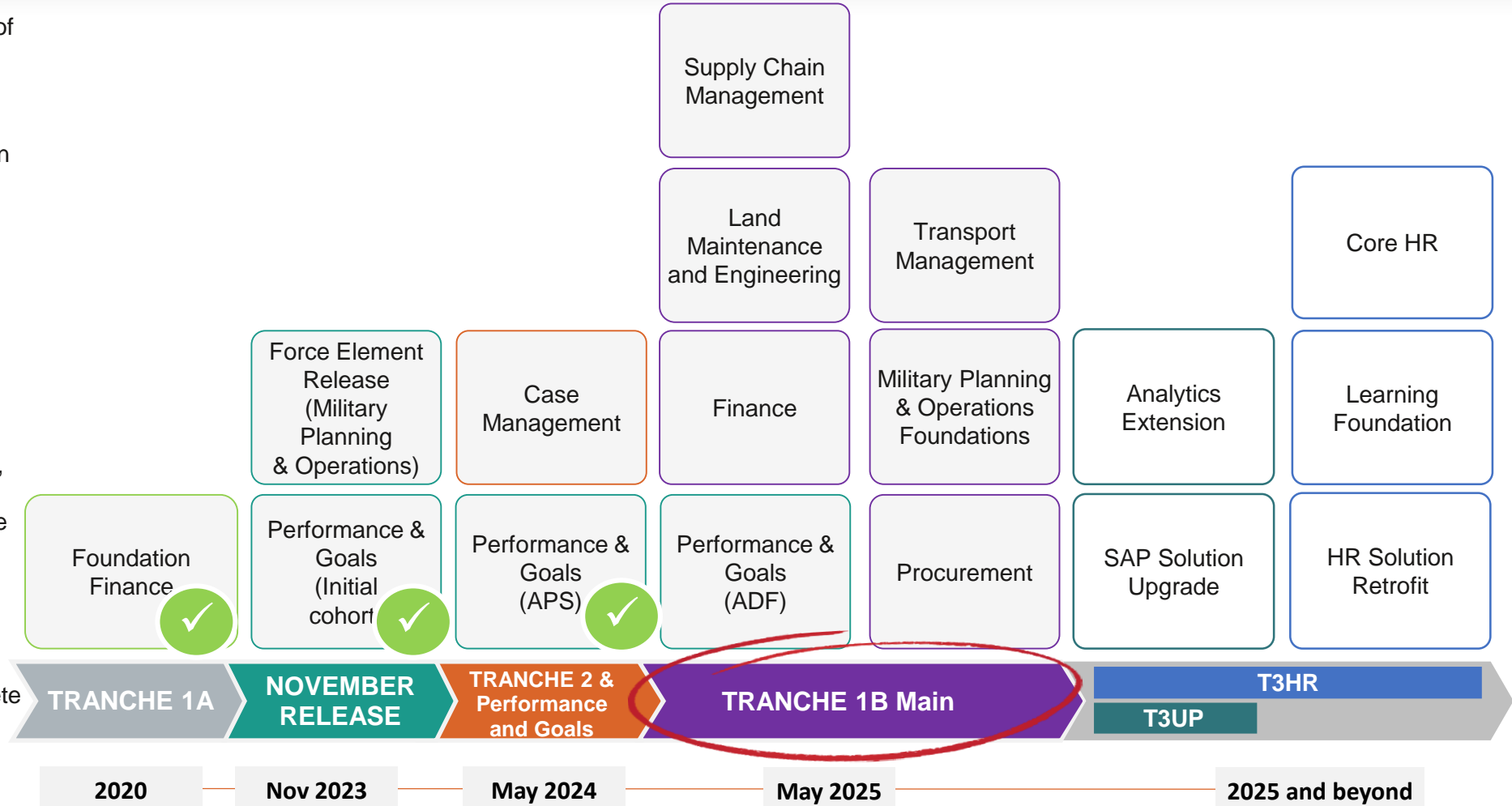
- Tranche 1 – Delivery May 2025
- T1 – Partial delivery May 2025
- Tranche 2 – Delivered May 2024
- Tranche 3 – Ongoing delivery from 2025
- P&G – Delivered Nov 2023
- P&G – Partial delivery Nov 2023, May 2024

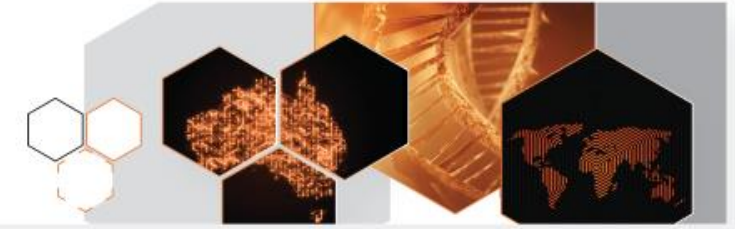




Delivery Timeline

- Tranche 1A** delivered an early release of Finance foundations providing an enhanced reporting capability.
Delivered
- November Release** saw the introduction of Force Element and Performance & Goals.
Delivered
- Tranche 2** introduced a simplified, integrated and standardised case management system used for entering, tracking, resolving and reporting personnel related cases.
Delivered
- Tranche 1B** will provide an engineering, logistics and Defence material maintenance capability and establish the remaining foundations for the Defence ERP transformation.
Go Live: 12 May 2025
- Tranche 3** will build on capability delivered in Tranches 1 and 2 to complete the ERP solution.
Go Live: From May 2025





Key areas of change for Defence Industry

TRANCHE 1B MAIN

Go Live: 12 May 2025



The **Defence ERP Solution** will replace a range of Defence systems used by industry partners today. In line with this, there will be new processes and ways of working.



A new **Enterprise Asset Management Framework** for Defence materiel will be implemented impacting industry partners supporting asset engineering and asset maintenance in Land based systems.



The delivery of an integrated **supply chain capability** will impact industry partners involved in Defence warehouse and inventory management.



The **SAP Business Network for Procurement** will be introduced offering Defence Industry new ways to transact with Defence.

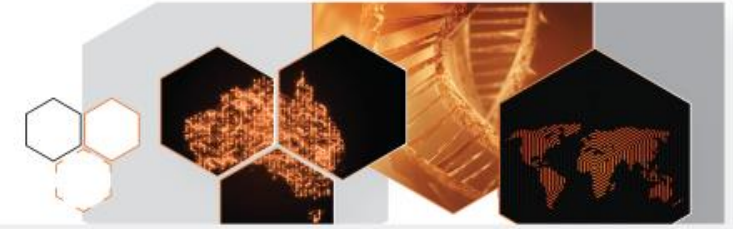


There will be **new master data standards and governance** which industry will need to follow.



Impacted industry partners will need to **participate in ERP training** in the lead up to Go Live.





T1B Main – Training

- ERP training will equip Defence Industry Partners and their workforces with the skills required to perform their duties using the new ERP solution.
- Defence Groups, Services and supported Agencies have ensured Defence Industry will have **access to the new ERP system** through role mapping exercises. Based on this role mapping, **ERP training has been assigned**.
- All ERP training is in **ADELE (P)**, accessible only from inside the Defence Protected Network (DPN).
- Access to ERP is dependent on the successful completion of required training. **No training, no access, and no partial access.**
- The T1B Main training window is now open. All assigned training must be **completed by Friday, 2 May 2025** in order to be granted access to the system on Day 1.
- In addition, **Review, Refresh and Rehearse** mechanisms have been developed to allow users to practise the ERP skills they have learned.

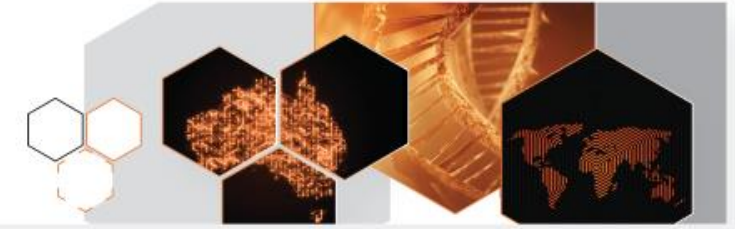
Training is being delivered as:

- Self-paced eLearning
- In-person Instructor-Led Training (ILT) (scheduled for **17 March – 2 May**)
- Virtual ILT

Review, Refresh and Rehearse resources include:

- ‘Do You Remember’ videos
- ERP Practice Environment
- Micro Learning sessions at select ERP On the Road locations.



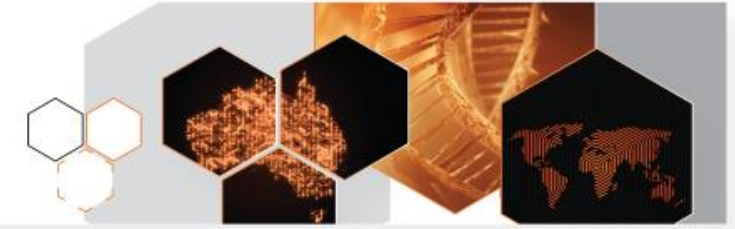


T1B Main – Cutover

- The introduction into service of the T1B Main capability is a complex undertaking, requiring a multi-phased approach underpinned by support from across Defence and Defence Industry.
- The T1B Main release has three distinct Cutover phases: Ramp Down, System Freeze, and Ramp Up. These phases include a continuum of technical and business-related activities that are required to ensure the seamless transition from legacy systems to full operational use of ERP.

Key Phases:





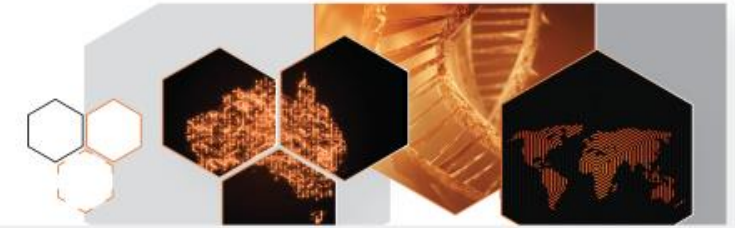
SAP Business Network for Procurement

- The Defence ERP Solution is introducing the SAP Business Network for Procurement (SBN) at T1B Main.
- The SBN will be Defence's e-business platform and will provide a more efficient, easy-to-use procurement platform which will deliver an improved experience into the future.
- The SBN will operate on a buyer-funded model and there will be **no fee** for suppliers using the SBN for Defence transactions.
- The SBN is not mandatory. If an Industry Partner does not wish to transition to the SBN, existing manual processes will continue.
- Defence reached out to suppliers between July and September 2024 to initiate the SBN onboarding process. For the T1B Main Go Live, onboarding will be restricted to those who participated in the onboarding process and have signed the Training Relationship Request.
- Post Go Live, suppliers who wish to sign up, should reach out to their Defence key contacts.

Advantages of the SAP Business Network

- No fees for all Defence transactions.
- Greater visibility and transparency of the order cycle, including notifications and real time status updates to keep suppliers informed of where transactional documents are in the processing and payment lifecycle.
- Improved reporting capability and insights.
- Accessible on mobile devices.
- Improved speed and accuracy for both Defence and suppliers.

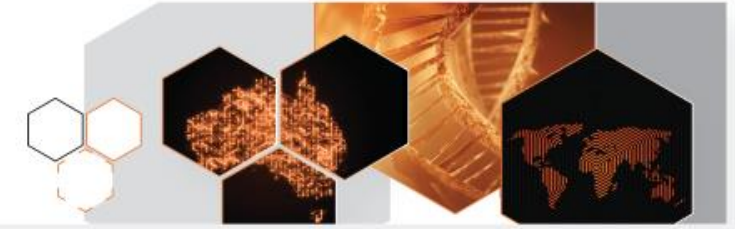




Preparing for the System Freeze Phase

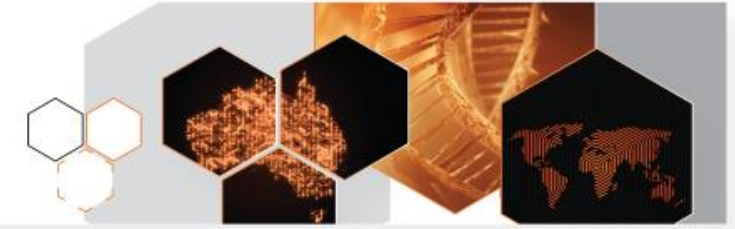
To minimise disruption during the System Freeze phase, please take note of the following key dates:

Invoicing Any invoices submitted after these dates will be processed after Go Live	Submit email invoices to invoices@defence.gov.au	No later than 1700 hours 22 April 2025
	Submit eInvoices through MILIS DESE / Webview or PEPOL	No later than 1700 hours 28 April 2025
	Resume sending invoices to Defence using existing channels. Reminder that quoting Defence's 10-digit Purchase Order number on all Tax Invoices is mandatory	12 May 2025
Deliveries Non-warehouse deliveries to Defence addresses will continue as normal	Contact your Defence Key Contact / Purchase Order Point of Contact to reschedule any deliveries to a Joint Logistic Unit (JLU) warehouse during this period	17 April – 12 May 2025
	Contact your Defence Key Contact / Purchase Order Point of Contact to reschedule any deliveries to a non-JLU warehouse during this period	17 April – 12 May 2025



Key invoicing changes from Go Live

Key change	What it means
Purchase Order Numbers	<p>New Defence Purchase Order numbers will begin with '30' and be 10-digits.</p> <p>Any open MILIS Purchase Orders will feature an M preceding the old number. Open ROMAN Purchase Orders will retain their old number, beginning with '45'.</p> <p>Note: for some Suppliers there is no change to what you see today. Purchase Order number(s) <i>must</i> be referenced on all Invoices.</p>
New Remittance Advice	<p>A new look remittance advice will be sent to your company on invoice payment; a sample copy of the new format is on the next slide. Remittance of funds to settle your invoices will be paid from the same Defence bank account as is the case now.</p>
Purchase Order General Conditions	<p>A new approach to referencing the General Conditions of Contract for the Supply of Goods and Repair Services. The Purchase Order will contain a URL link to a Defence internet webpage that hosts the Purchase Order Form SP020, including General Conditions.</p>
MILIS DESE/Webview closure	<p>The MILIS DESE/Webview platform will be replaced by the SAP Business Network for Procurement.</p>



Key Industry Readiness Activities



Stay informed, engage with your Defence Contract Manager about the changes and your specific readiness activities.



Communicate with your workforces about ERP changes.

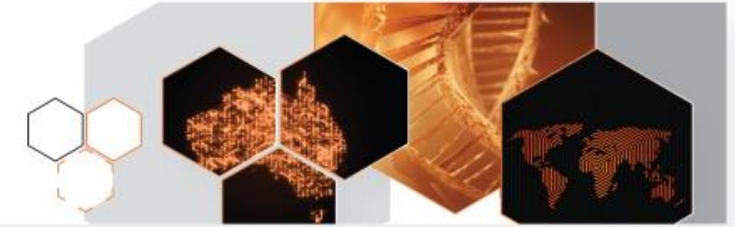


Ensure your personnel are completing training in the required timeframes.



Ensure that you understand the key cutover dates and activities.





QR code for the ERP Program website



Do More...

Freeing up capacity to allow Defence to do more, faster

Do Differently...

Ability to continually transform Defence through better informed decision making

Do Consistently...

Greater access to more information in near real-time

