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Saab Australia Pty Ltd
ABN 88 008 643 212

Public Australian Industry Capability Plan

Warship Asset Management Agreement (WAMA)

REVISION: | 1.0

DATE: 13 July 2018

1. COMPANY DETAILS

Company Name: Saab Australia Pty Ltd
Location: 21 Third Ave, Mawson Lakes SA 5095
Website Address: www.saabgroup.com/au

2. EXECUTIVE SUMMARY

The Warship Asset Management Agreement (WAMA) is a four-way alliance between the Commonwealth's Capability Acquisition and Sustainment Group (CASG), Saab Australia (Saab), BAE Systems Australia and Naval Ship Management Australia for the provision of total asset management and capability upgrade management for the ANZAC Class. The WAMA Mission is to deliver materially seaworthy ships on time, every time, whilst driving long term efficiencies to enable the Royal Australian Navy to fight and win at sea.

Current major capability upgrades being managed by Saab under the WAMA Contract include:

- SEA 1448-4B - Long Range Surveillance Radar and Identification Friend or Foe (IFF);
- SEA 1352-1 - ESSM Block 2; and
- SEA 1408-2 - Torpedo Self Defence.

The following capability projects are expected to transition to the WAMA Contract in the future:

- SEA 1397-5B - Nulka AMD Enhancements; and
- SEA 500-3 - Communications – ES Replacement.

In-Service Support (ISS) for Saab's 9LV Combat Management System (CMS) for both the ANZAC (FFH) and CANBERRA (LHD) Class Ships is also provided via a Common Support task under the WAMA Contract. This tasking provides obsolescence management, delivery of software releases, field services and engineering and technical investigations in support of the CMS and Fire Control System (FCS).

The WAMA Contract is based on a Total Asset Management philosophy for the life of the Class. Through this contract, Saab will contribute to meeting the mission objectives of the WAMA, whilst providing progressive improvement in system and subsystem availability and a reduction in Life Cycle Costs. One major WAMA Key Performance Indicator (KPI) is the number of Material Ready Days (MRD) which provides a measure of ANZAC Class Ship availability to the RAN.

Saab currently has scope under the WAMA for 44 Full Time Equivalents (FTE) within the WAMA Alliance Management Office (AMO), the Engineering Support Services (ESS) Group and the Inventory Management Office (IMO). Through these work groups Saab provides Configuration Management, ILS Support, management of Naval Stores, Technical Documentation Control and Engineering Support Services.

The WAMA Contract has a term of 5 years (60 months) with options to extend. The current Total Contract Value equates to AU\$125,497,850 which includes an Australian Contract Expenditure of AU\$113,371,360.

Australian Industry Requirement Work Packages

Saab has established sub-contract arrangements with key subcontractors and strategic partners for the work packages noted in Table 1 below. Saab has identified these subcontractors and suppliers based on their experience, commitment to quality, value for money, schedule and their knowledge and understanding of the relevant requirements. Furthermore, Saab has established long term tasks for other sub-contractors for Ad-Hoc repairs or overhauls of equipment associated with the ANZAC Class Combat Systems.

Table 1 – ISS Contracts Allocated to Australian Industry under WAMA

Product / Service	Strategic Partner / Key Subcontractor	Status (Partner / Contracted / Shortlisted)	Location
SINS/NDDS Support	Electrotech Australia	Contracted	Brookvale, NSW
Mine and Obstacle Avoidance (MOAS) and Hull Mounted Sonar (HMS) Electronic System Support	Thales Australia Ltd	Contracted	Rydalmere, NSW
Solid State Continuous Wave Illumination (SSCWI) Support	CEA Technologies Pty Ltd	Contracted	Fyshwick, ACT
Mine Obstacle and Avoidance (MOAS) Hoist Support	G.A. Glanville and Co (Manufacturing) Pty Ltd	Contracted	Cairns, Qld
ANZAC World Simulator	DXC Technology Australia Pty Ltd	Contracted	Macquarie Park, NSW

The scope of work performed under the WAMA, as allocated to Australian Industry, can be summarised as follows:

- (i) Total Contract Value: \$125,497,850;
- (ii) Total Australian Contract Expenditure: \$113,371,360;
- (iii) Total Local Industry Activity Value: \$101,703,173;
- (iv) Subcontractor Details and Allocated Scope: As per above Table;
- (v) Location of Work Performed: The majority of the work conducted by Saab will be in Western Australia and South Australia, however field services and shipboard related activities, including sub-contractor work, will be completed on ships at Fleet Base West or the Maritime Precinct at Henderson WA and at Fleet Base East in Sydney NSW;
- (vi) SME/Indigenous Enterprise details: In 2016, in recognition of our reconciliation journey, Saab Australia entered into a Strategic Agreement with the Indigenous Defence Consortium (IDC). As a supply chain aggregator, the IDC focuses on identifying business opportunities for its Indigenous business consortium partners and then presents integrated solutions to its clients.
Saab Australia has an ongoing contractual relationship with the IDC providing a range of products and services in support of Saab's daily business and has previously engaged the IDC for professional services.
Saab's approach to supporting the Commonwealth of Australia's Indigenous Procurement Policy is through considering and involving indigenous businesses within the supply chain as part of delivering the statement of work.

3. SCOPE OF FUTURE WORK OPPORTUNITIES

The highly skilled team of Saab, based primarily in Adelaide South Australia, has been intimately involved in the successful delivery of major programs within the Defence and Commercial sectors; for both Australian and International customers for over 30 years. Saab Australia is part of the International Saab Group, serving the global market of governments, civil authorities and corporations with products, services and solutions covering military (maritime, land and air), civil security and cyber domains.

Saab Australia was created 30 years ago for the provision of a Combat System for the ANZAC Ship Build Program. The two main elements of the Saab Combat System are the 9LV CMS and the FCS (including Fire Control Director). The ANZAC Program established Saab in Australia and formed the foundations of an enduring Australian engineering capability which has grown into an Australian organisation with over 400 highly-skilled and experienced staff. Saab has leveraged the success of the on-going ANZAC Class Program to secure contracts for the Landing Helicopter Dock (LHD) and Auxiliary Oiler Replenishment (AOR) ships for the Royal Australian Navy (RAN), Short Range Air Defence (SHORAD) and Counter Rocket and Mortar (CRAM) elements for the Australian Army and security and surveillance solutions for a range of government and civil customers. Additionally, Saab has secured a range of export programs in Canada, Thailand, India, the UAE, Turkey and New Zealand.

Saab has innovation and Research & Development (R&D) embedded within our global strategy. Our investment in R&D is driven by strategy and is particularly focussed around major projects. Globally, Saab reinvests 23% of revenue in to R&D. Additionally, Saab has close ties with a number of research programs in Australian Universities.

In May 2017, a Memorandum of Understanding (MoU) was signed between Saab and UniSA to establish the Saab Australia / UniSA Institute for Defence Technologies. This agreement will provide a unique industry-based collaborative environment for students to experience real-life projects as an integral part of their studies, ensuring graduates are well-equipped to succeed in the defence sector.

Saab's commitment and success in Australia has led to the decision by government to include Saab and the 9LV technology as a key input into an enterprise approach for the delivery of combat management systems across the RAN. This includes the selection of the Saab 9LV CMS for the Offshore Patrol Vessel (SEA 1180), and as the Australian Interface on the Future Frigate (SEA 5000) and the Air Warfare Destroyer Combat System Upgrade (SEA 4000 Phase (6) programs.

4. INDUSTRY ENGAGEMENT AND MARKET TESTING

The scope of work under the WAMA Contract covers a wide range of activities required to support the ANZAC Class Ships and associated Shore Training Facilities. While much of the activity can be regarded as core business for Saab, there is considerable opportunity for other Australian Industry participants to provide assistance to Saab in the execution of the contract.

Saab's Head of Industry Engagement has the responsibility to engage with, and develop opportunities for Australian industry in support of Saab's Australian business opportunities.

Saab has an active program for engagement with Australian suppliers through the company's Global Supply Chain; this will be exploited to support the ANZAC Program. Saab's on-going industry engagement process is summarised below:

- Trade delegations attending to trade shows and exhibitions to gain access to experts in the relevant field;
- Meetings and discussions with other industry representatives at trade exhibitions;

- Saab business areas providing briefs to industry on current and upcoming projects, including industry opportunities that exist within those projects; and
- Providing industry the opportunity to brief relevant Saab business areas on their company's products and services.

Saab continues to pursue business opportunities in the defence and commercial sectors, both domestically and internationally. As a result, Saab is continually aiming to develop suppliers in support of our domestic and global supply chains and will engage with Australian industry and test the market as opportunities arise.

For activities involving software development or product integration, Saab is generally self-sufficient but does, on occasion, use subcontracted labour to supplement its core skills and/or resources. An example of this includes a SME company providing resources to supplement Saab's Safety Engineering functions for major projects. For elements of the ships' systems which are not Saab's products, industry is engaged to provide the requisite level of support required.

Occasionally, Saab is provided with an unusual or unique problem; in these circumstances, approved companies are approached to provide a resolution. If a suitable resolution cannot be identified, or the problem requires a more unique approach, Saab will turn to alternative methods to obtain the most appropriate solution. This may lead to a solution being found within the wider Saab Group, an internet investigation, enquiries through professional institutes and networks, trade associations, universities and specialist user communities. The range and scale of the investigation will depend on a variety of aspects such as ITAR restrictions, suitability of the proposed solution, ship constraints and availability (or lead-time) of product.

It is highly probable that these avenues of potential supplier investigations will be used in the execution of the contracted scope in the following areas:

- Software code development;
- Metal trades;
- Electronic circuit board and power supply design; and
- Electronic consoles and cabinet production.

In 2016 and 2017, Saab conducted a series of events targeting potential SME collaboration or supply opportunities for our current and prospective maritime programs, including WAMA. This road show achieved a reach of over 300 companies with a direct interest in work with Saab. Saab Australia also hosted a trade delegation to Sweden, UK and Singapore in September 2017 in support of Australian companies gaining access to Saab's Global Supply Chain. As part of these activities, companies were encouraged to register their interest for projects on the *Saab Australia Industry Portal* (<http://saab.com/au/industryportal>). Once registered, and if assessed as suitable, companies are classified as either a Saab Technology Partner or a Saab Approved Supplier. These companies are then considered for work during future work opportunities.

5. POINT OF CONTACT

The point of contact for Australian industry for opportunities specific to the WAMA Contract is:

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