1

Introduction

Background

- 1.1 From 14 April to 3 May 2012, a delegation from the Parliament of Australia visited the United Kingdom, Spain, Germany and the United States of America.
- 1.2 The delegation consisted of members of two Parliamentary Committees as follows:
 - The Defence Sub-Committee of the Joint Standing Committee on Foreign Affairs Defence and Trade as part of its *Review of the Defence Annual Report* 2010-2011.
 - The Foreign Affairs, Defence and Trade References Committee of the Senate Standing Committee on Foreign Affairs, Defence and Trade as part of its inquiry into *Procurement procedures for Defence capital projects* referred by the Senate on 9 February 2011.
- 1.3 The delegation proposal was submitted to the Prime Minister by the Presiding Officers as an additional Parliamentary Delegation for 2012 on 13 October 2011. The Prime Minister approved this on 13 January 2012.
- 1.4 This report summarises the activities and observations of the delegation.

Aims and objectives of the delegation

1.5 The key aim of the delegation was to visit countries that design, build and maintain/sustain submarine fleets, deal with large scale Defence

procurement issues, and to visit the project office of the Joint Strike Fighter (JSF) and Lockheed Martin.

1.6 The delegation found that first-hand inspections and briefings by suppliers and US government officials greatly assisted them to better understand the dynamics of supply chains and their implications for Australia's ongoing Defence capability. Additionally, in the context of the current debate on future capability, members of the delegation benefited greatly from gaining an appreciation of the US procurement experience as it continues its own Defence program in the face of increasing budgetary restrictions and continuing volatility in international security.

Acknowledgements

- 1.7 The delegation greatly appreciated the efforts of those people who contributed to the planning and smooth operation and overall success of the delegation trip.
- 1.8 The delegation thanks the staff of the International and Community Relations Office (ICRO), in particular, the Visit Coordinators, Ms Fiona Way and Mr Raymond Knight, for their support with the many administrative arrangements involved with the delegation.
- 1.9 The delegation is also grateful to the many organisations and individuals who were generous with their hospitality, insights and knowledge. While there were many people involved the delegation makes particular note of the contributions from the following:

United Kingdom

- Mr Archie Bethel, CEO, Babcock Marine and Technology Division
- Mr Ken Grove, Director Strategic Development, Babcock Pty Ltd, Australia
- Rear Admiral Steve Lloyd, Ministry of Defence, Chief Strategic Systems Executive
- Mr Andy Maltby, Operations Director Submarines
- Captain Paul Methven, Ministry of Defence, Superintendent Submarines
- Commander Henry Nord-Thomson, RAN, Assistant Naval Advisor, Australian High Commission

 Mr Nick Paxman, Counsellor Defence Materiel, Defence Materiel Organisation, Australian High Commission

Spain

- Mr Manuel Filgueira Ameneiros Navantia Managing Director -Cartagena Shipyard
- Mr. Francisco Barón Bastarreche Navantia Commercial Director
- Vice Admiral José A. Ruesta Botella Deputy Chief of Navy
- Rear Admiral Manuel Garat Caramé Commander Naval Action Group 1)
- Chief Petty Officer James Dew RAN, Defence Attaché Assistant Southern Europe, Australian Embassy Madrid
- Admiral General D. Manuel Rebollo García Chief of Navy
- Rear Admiral Antonio Sánchez Godínez Deputy Director of Engineering Services
- Captain, Paul K. Mandziy, CSC, Defence Attaché Southern Europe, Australian Embassy Madrid
- Ms Zórica McCarthy, Australian Ambassador to Spain
- Major-General Juan Manuel Garcia Montaño Deputy Director General de Armamento y Material
- Mr Luis Guerra Peña Vice President, Airbus Military Head of A330 MRTT RAAF Program)
- Colonel Juan Nardiz Prado Director of Foreign Support Unit)
- Mr Antonio Rodríguez-Barberán Airbus Military, Senior Vice President (Commercial)
- Mr Luis Cacho Quesada CEO Navantia¹
- Colonel D. Valeriano Díaz Vega Director NH90 Program
- Vice Admiral Francisco José Cortés Uria Ferrol Base Commander
- Mr. Esteban Garcia Vilasánchez Navantia Managing Director Ferrol Shipyard

¹ Mr Quesada is no longer CEO of Navantia.

Germany

- Mr Hans Christoph Atzpodien, Chief Executive Officer (CEO) and Chairman of the Board for ThyssenKrupp Marine Systems (TKMS)
- Mr Andreas Burmester, Chairman of the Board of Management, Howaldtswerke-Deutsche Werft (HDW) GmbH
- Mr Jim Duncan, TKMS representative in Australia
- Jan-Olof Johansson, TKMS Area Representative for Asia Pacific, and
- Mr Manfred Klein, Senior Vice-President of HDW,
- Group Captain Warrick Paddon, Defence Adviser, Berlin.

United States of America

- Mr Christopher C Ames, Director, Business Development, General Atomics Aeronautical Systems.
- HE Mr Kim Beazley, Ambassador to the United States of America
- Mr Santi Bulnes, Vice President F-35 Vehicle Systems, Lockheed Martin Aeronautics Company
- Mr Tom Burbage, Executive Vice President, Aeronautics, Lockheed Martin Aeronautics Company
- Mr Orlando Caravalho, Executive Vice President and General Manager, F-35 Program, Lockheed Martin Aeronautics Company
- Congressman Joe Courtney (Democrat, Connecticut)
- Mr Chris De Cure, Consul General Los Angeles
- Mr Frank Dougherty, Vice President F-35 Production, Lockheed Martin Aeronautics Company
- Mr T Bradley Duffin, Director, Facilities, Raytheon Company Integrated Defense Systems
- Mr Steve Enewold, Vice President, Broad Area Maritime Surveillance Unmanned Systems, Northrop Grumann
- Mr Daniel Fankhauser, Counsellor Defence Materiel, Australian Embassy Washington

- Group Captain Ian Farnsworth, Australian National Deputy, Joint Strike Fighter Program Office
- Mr Graeme Fay, Deputy Consul-General, Los Angeles
- Mr Paul Francis Managing Director Acquisition and Sourcing Management, Government Accountability Office
- Mr Bill Grant, Supportable Low Observables, Lockheed Martin Aeronautics Company
- Dr J Michael Gilmore Director of Operational Test & Evaluation
- Mr Vince Harrell, Embassy Driver, Australian Embassy Washington
- Mr David L Hartman, Director Business Development, Integrated Air and Missile Defence, Raytheon Company Integrated Defense Systems
- Hon Mr Frank Kendall Acting Under Secretary of Defense for Acquisition, Technology & Logistics
- Mr Keith Knotts, F-35 Business Development Australia, Lockheed Martin Aeronautics Company
- Mr Bob Kovac Managing Director, Directorate of Defense Trade Controls, Department of State
- Mr Walt Kreitler, Director, Business Development, BAMS UAS, Northrop Grumann
- Mr Brett B Lambert Deputy Assistant Secretary of Defense, Manufacturing and Industrial Base Policy
- Vice Admiral William E Landay III, Director, Defense Security Cooperation Agency
- Mr Christian Leimkuhler, Senior Manager, Integrated Air and Missile Defence, Raytheon Company Integrated Defense Systems
- Mr Isaac Levido, Congressional Liaison Officer, Australian Embassy Washington
- Mr Gary Liberson, Strategic Studies Group ADP Operations Analysis, Lockheed Martin Aeronautics Company
- Mr Brett Little, Procurement Officer, Defence Materiel Organisation, Australian Embassy Washington
- Mr Denny Littrell, F-35 Virtual Simulation Tech Lead, Lockheed Martin Aeronautics Company

- Mr James Madar, Senior Analyst Acquisition and Sourcing Management, Government Accountability Office
- Mr Mike McCormack, Manager, Production Operations (Tour Guide) BAMS UAS, Northrop Grumann
- Mr J D McFarlan, Vice President F-35 Flight Test, Lockheed Martin Aeronautics Company
- Major General Tim McOwan, Head Australian Defence Staff (Washington) and Defence Attaché
- Ms Diana Moldafsky Assistant Director Acquisition and Sourcing Management, Government Accountability Office
- Mr Nigel Morris, Minister Counsellor, Defence Materiel, Australian Embassy Washington
- Mr Jeff Morris, Vice President F-35 Prime Mission Systems: Software, Lockheed Martin Aeronautics Company
- Ms Andrea Nicandri, Manager, Visits and Protocol, Australian Embassy Washington
- Mr Alan Norman, F-35 Chief Test Pilot, ,Lockheed Martin Aeronautics Company
- Air Vice Marshal Kym Osley, Program Manager, New Air Combat Capability
- Ms Dana Pierce, F-35 Program Manager Australia, Lockheed Martin Aeronautics Company
- Mr John Porter, Deputy Director, International Strategic Development, General Atomics Aeronautical Systems.
- Mr J J Quinn, Vice President, Business Development Unmanned Systems, Northrop Grumann
- Mr Hank Reed, Director, Business Development, F-35 Program, Northrop Grumann
- Mr Judson Rose Director Policy, Defense Technology Security Administration, Department of Defense
- Mr Sam Rose, Vice President of Integrated Supply Chain, Raytheon Company Integrated Defense Systems
- Mr John Schueler, Supportable Low Observables, Lockheed Martin Aeronautics Company

- Mr Brett Schupan, Counsellor, Defence Strategic Policy, Australian Embassy Washington
- Air Marshal (Retd) Geoff D Shepherd, Aviation Development Australia Limited
- Dr Mike Skaff, Chief Engineer, Pilot Vehicle Interface, Lockheed Martin Aeronautics Company
- Congressman Adam Smith (Democrat, Washington)
- Mr Jim Stratford, Manager, Communications, Aerospace Systems, Northrop Grumann
- Major-General John F Thompson, USAF, Deputy Program Executive Officer, Joint Strike Fighter Program
- Mr Alfred G Volkman, Director, International Cooperation Office of the Under Secretary of Defense for Acquisition, Technology and Logistics
- Ms Christine Walby, Representative, Business Development BAMS UAS, Northrop Grumann
- Mr Keith Webster, Deputy Assistant Secretary of the Army for Defense Exports and Cooperation
- Mr Jack Weaver, Manager, F-35 Production Operations,
- Mr Kevin Wolf, Assistant Secretary of Commerce for Export Administration, Department of Commerce