

**Qantas  
Defence  
wins its  
autonomy**  
Page 3



**More  
Seasprite  
pictures,**  
Pages 2, 8

Issue 282

October 20, 2003

## **LOG JAM BREAKS Sub decision clears way for ASC sale and ship plan**

**A**DELAIDE – As the revised Defence Capability Plan nears, the log jam is breaking, clearing the way for some overdue progress in Defence. Last week Defence Minister Senator Robert Hill handed a plum to his local constituency when he announced the Australian Submarine Corporation has won the contract worth up to \$3.5 billion over 25 years to refit the *Collins* submarines.

The decision, in itself not particularly controversial, clears the way for the sale of the ASC and clears the way for the rationalisation of the shipbuilding and repair industry.

Hill milked the announcement locally for all it was worth. He said it "locked in the high tech end of our industrial base for 25 years".

"When you link it with DSTO, which is based in South Australia, and the very sophisticated air force assets we have at the SA airbase and the maritime surveillance aircraft, it ensures that South Australia plays a leading role in defence and defence industry for the future," he told a radio interviewer.

Hill also said ASC's workforce may be increased as the *Collins* boats move into up grades.

"We're planning to install a new



*Clympus digital picture*

*Defence Minister Robert Hill "provisionally" accepts the first Seasprite in a Nowra hangar.*

## **Software key to Seasprite release**

**N**OWRA – Two big software builds are required before the Royal Australian Navy's 11 Seasprites can be fully operational with the Anzac frigates, Captain Mark Campbell, project director, said on Saturday. One team, led by CSC in Australia and another by Northrop Grumman in the US are working to complete builds 2B and 2A respectively.

Northrop Grumman is mainly integrating communications and links aboard the 16m long, 6.4-tonne helicopters, while CSC is integrating weapons and systems.

The choppers won't enter full service until December next year. They are already three and a half years late.

Kaman Helicopters, of the US, is the prime contractor for delivery and support of the machines, which Defence Minister Robert Hill described as the most advanced, shipborne system in the world. Hill accepted provisional delivery of five of the fleet of 11, which will be used for training and limited fleet use.

Despite the delays, Hill said the project, although seriously late, is still within the Australian \$1.06 billion budget, if not Kaman's.

It was all a neat exercise in spin. Hill and Navy chief Vice-Admiral Chris Ritchie implied it was worth the wait to get the best helicopters of their type in

**Seasprite, to Page 2**

**Subs, to Page 2**

## Subs, from P1

combat system in the submarines,” he said. “We’re going to move to a new state of the art torpedo which will require further installation work and then ultimately a new set of sonar senses as well.

“It puts the submarine corporation in a very good position to at least be part of a solution in terms of our next big naval ship building contract which will be for air warfare destroyers and if that works out it will lead to job in creases.

“The submarine corporation has unique assets in terms of its highly skilled labour force. If you – in some ways people say submarines are more like an aircraft than a ship and the technologies that come with that are rare and very valuable.

“The ship that comes closest to that is the air warfare destroyer. It has extraordinarily complex combat systems and radar systems and the like and so you start seeing these assets being networked.

“The submarines, the air warfare destroyers, maritime surveillance assets and two of the three are already headquartered in South Australia.

Asked about the sale of the ASC, Hill replied: “We can sell it. We wanted to give the purchaser greater confidence in what they’re getting and the long-term contract for support of the submarines is clearly part of that package.

“We still have some outstanding issues with Kockums on intellectual property. But it’s another step towards being able to privatise the facility. That in turn will even further

strengthen it because the likely purchaser will be a consortium of companies.”

On the practical side, each refit will be conducted on a 12-month cycle. The initial duration of the agreement is for 15 years, with the option to extend it for a further 10 years. Each refit of a submarine costs about \$80 million.

The six Collins Class submarines will be refitted every seven years over their 28-year lives.

Most of the estimated \$3.5 billion will be spent in Adelaide. The rest will be spent on other submarine maintenance activities, including mid-cycle dockings and other contractor work, some in WA where the submarines are homeported.

HMAS Waller will be the first submarine to be refitted, starting late next year.

## Seasprites, from P1

in the world. Hill said if you seek “cutting edge” technology, you must accept difficulties and delay.

What he skated over was that wiser buyers usually contract for the best available and then seek blue-sky improvements in up grades – expensive lessons that JORN and the Collins submarines must have brought home. And at the same time, the Anzac ships have been operating for three years without organic helicopters.

The Seasprites are designed to give the six Anzac-class frigates an over-the-horizon operational view and carry torpedos and Norwegian Penguin missiles. They will have only a limited anti-submarine warfare capability, compared with the Sikorsky Seahawks on the FFGs..

A Seahawk modification is also seriously delayed, the Navy admitted. Tenix Defence Industries is fitting a forward-looking infrared (FLIR) sensor and also sensitive equipment to detect hostile radars and other electronic signals. The work has been in progress for some years.

When Hill was questioned about



what was happening, he looked blank, flipped the question to Ritchie and all looked relieved when acting DMO chief Rear Admiral Kevin Scarce interjected: “December ’05”. The date seemed more to be plucked out of the air in a painfully comic, airside pass-the-parcel than a firm estimate. — John Stackhouse

Kick the tyres (above), Hill and crew; Penguin missile (below) and nose-on, insect-like view.



Olympus digital images

**S**YDNEY – Rumours have been buzzing that Qantas plans to spin off Qantas Defence as a separate entity. This didn't happen, when CEO Geoff Dixon announced a sweeping re-organisation of the airline last week. But it cleared the way for Defence and other, subsidiary Qantas businesses to be sold off, if required.

Qantas has some solid Defence contracts, including engine and airframe maintenance and operating the VIP fleet (which is something no one wants to talk about since a towing accident clipped the rudder of the PM's BBJ).

In interviews, Dixon said the airline needs to focus on its core airline business and separate the non-airline activities.

## Qantas Defence gets 'autonomy'

Dixon named four core businesses

- Qantas Airlines (the main international and domestic operations)
- QantasLink, the regional carrier (which incidentally took a blow in the week when contractor Horizon went into administration)
- Australian Airlines (the international, low-cost leisure carrier)
- A proposed domestic, low-cost carrier to challenge Virgin, which could be a revived Impulse
- There are also two flying services businesses: engineering, technical ops and maintenance and airports and catering.
- And four associated businesses: freight, Qantas Holidays, Qantas

Defence Services and Qantas Consulting.

Each of the non-core enterprises will get "an increase in autonomy", Dixon said, "[which] will be coupled with strong performance targets. . .

"Each business will have its own profit and loss statement and balance sheet and be fully accountable for its performance and contribution to the Qantas Group."

The move has implications such as Qantas Maintenance looking to outsource internationally much of its work – a move that may be forced by the ageing of engineering staff (in part because of Qantas cut backs in apprentices).

## Missile danger? 'No way' – maker

**S**EATTLE – As Boeing considers converting 747-400s to carry 7E7 components, the company has launched a program to convert passenger aircraft to freighters. The conversions will also clear the way for new entrants in the business of converting 747s into aerial tankers.

The US Air Force is considered likely to propose a 747 tanker fleet as the mainstay of future operations, with the 767 tankers being limited to the 100 it now seeks to lease.

"This is an excellent opportunity for operators with modern air planes that may be underutilised because of the travel downturn we've seen during the past two years," said Mike Cave, senior VP Boeing Commercial Aviation Services.

"There has been tremendous customer interest in Boeing offering a 747-400 passenger to freighter modification, and with a Boeing upgrade," Cave said.

Freighter conversions comprise about two thirds of the world's cargo fleet. The future large freighters such as the 747-400 will see the fleet equally divided between production and converted freighters.

The 747-400 Special Freighter is expected to be certified and enter service in late 2005. The first customers should launch late this year.

Boeing and TAECO in Xiamen, China, will convert the program's first three aircraft, with Boeing providing detailed engineering design work and oversight, and TAECO providing touch labour.

The freighter conversion will get a side cargo door and layout identical to the 747-400 production freighter, with 30 pallets on the main deck and comparable volume. The longer upper deck of the Special Freighter will have seating for 19.

Also included is a strengthened main-deck door, full main-deck lining, provisions for a new cargo handling system and flight systems.

The 747-400 Special freighter will have an estimated capacity of 113 tonnes, structural payload at a design range of 4,100 nautical miles (7,600km) and a 394,625kg MTOW.

- Bedek Aviation in Israel offers a -400SF conversion which is now being quoted – including the cost of a used 747-400 – at US\$56 million apiece.

## Cathay flies to Beijing

**H**ONG KONG – Cathay Pacific Airways has received approval to resume flights to Beijing after a 13-year absence from the mainland.

Cathay said it hoped to operate three round trips from Hong Kong to Beijing a week before the end of this year. It is awaiting slots at Beijing airport.

Dragonair operates seven round trips a day to China's capital.

Dragonair, in which Cathay owns 17.79 per cent and China National Aviation Corp holds 43 per cent, is the only Hong Kong carrier flying to mainland China. When Cathay bought into Dragonair around 1990 it transferred its rights to that carrier because Hong Kong's one carrier, one route policy applied to local airlines.

The China and Hong Kong governments are still in talks on possible Cathay flights to the mainland Chinese cities of Xiamen and Shanghai.

**CUXHAVEN** – A Global Hawk landed at Nordholz air base in Germany on Wednesday after a 20-hour, 53-minute flight across the Atlantic from Edwards Air Force Base, Calif. It will be in a ground surveillance demonstration for the German Ministry of Defence (MoD), which plans to produce a Global Hawk-derived sensor platform called Euro Hawk.

The three-week program will test an ELINT sensor produced by the European defence giant EADS, which Northrop Grumman fitted to the flight vehicle in the US.

Germany wants to test the feasibility of using UAVs to perform high-altitude, long-endurance (HALE) wide-area surveillance.

The test program will also ex-

## Global H flies in for German elint tests

plure how Global Hawk can operate in the dense European air traffic control environment as it climbs to and descends from its 65,000ft operating ceiling.

Proposed by Northrop Grumman and EADS, Euro Hawk will be based on the RQ-4B model Global Hawk. The German MoD is using conventional manned platforms to perform ELINT missions.

Ahead of its deployment to Nordholz, the ELINT-equipped Global Hawk performed several successful test flights in the US.

During an early test program, Global Hawk flew across the Atlantic on a naval exercise but returned to a US base. Later it was to

fly the Pacific to Edinburgh, SA, and then see action in Afghanistan and Iraq.

In the US, USAF is testing Global Hawk with direct links to a J-STARS surveillance aircraft. The concept is for the J-STARS operator to task the UAV to check out a suspected target and provide more data than the aircraft's sensors can yield.

Global Hawk is getting bigger wings with a payload increased from 2400 pounds to 3000, Northrop Grumman points out this is getting close to the 4000 pounds of the U2 manned aircraft.

It will still have a 30-hour flight duration.

## Virgin cleared for sea flights

**BRISBANE** – Virgin Blue has been given a 90-minute ETOPS clearance for direct routing over land and for sea crossings. The CASA approval is for flights of up to two hours, single-engine flight time from the nearest airport.

Virgin says the ETOPS exemption applies to all its fleet of 35 Boeing 737 aircraft, which have an average age of less than two years.

ETOPS clears the way for Virgin to fly to New Zealand and the Pacific islands under its Pacific Blue, its New Zealand subsidiary.

## Iraq wide boy rounds up SAMs

**DOHUK** – An Iraqi civilian with an eye to the main chance rounded up 188 SA-7 surface-to-air missiles. The civilian came to the coalition forces and wanted \$250 a missile.

“He claimed to be able to get his hands on anywhere between 1,000 and 2,000 rockets,” a US commander said. “Everybody thought he was joking until the missiles started coming in.”

The field troops got trapped into book work. They had to record the serial number of each missile it could be loaded on to trucks.

## Changi shakes off SARS

**SINGAPORE** – The number of passengers passing through Singapore's main Changi airport was up 75 per cent in the third quarter from the second, as the region recovers from the SARS outbreak.

Singapore Airport Terminal Services predicts a surge in passengers during the year-end holidays.

The Singapore Airlines associate reports traffic is up more than 75 per cent in the last month and is rapidly approaching levels before the flu-like disease was first discovered in South east Asia.



## HeadsUp Newsletter

is published by . . .

Aviation Marketing Services (Aust) Pty Ltd, 4 Willow Close, Killara NSW 2071

Fax: +61-2- 9418-1189, E: editor@headsup.com.au

## Boeing line takes to air

EVERETT – Boeing has taken a leaf out of the Airbus book with its decision to bring all the components of its new 7E7 to final assembly from suppliers by air. Substantial components are expected to be assembled in Italy and Japan, while some smaller parts will come from Australia.

Airbus has been moving sections of its aircraft from around Europe to Toulouse and Hamburg since its inception, using specially built conveyances such as its lumbering Beluga transport.

Boeing projects savings of 20 to 40 per cent, compared with traditional shipping, truck and rail, with delivery times of as little as one



Airbus images

Aeroflot's first A319 takes off on its delivery to Russia, dwarfed by the Beluga freighter, which Airbus uses to transport components. Now Boeing is getting into the act.

day, in stead of up to 30 days.

The savings will allow the initial 7E7 investment in the air transportation as sets to be recouped in the first few years of production, said Mike Bair, senior

vice president of the 7E7 program.

Boeing will rely on at least three modified 747-400s to move the 7E7 components. It has not determined details such as whether the 747s will be modified.

## How China built rocket program

BEIJING – China's rocket program, which climaxed last week with the launch of manned, orbital space flight, has origins that go back to 1955. Chinese-born, US rocket expert Tsien Hsue-sen, co-founder of NASA's Jet Propulsion Laboratory, left the US for China, after accusations of communist sympathies.

- 1956-58: Soviet Union provides intermediate-range ballistic missile to China for study.
- 1960: China launches its first rocket despite end of Soviet aid.
- 1968: Research center established to prepare for manned space flight, but the program was cancelled.
- 1970: China became the fifth country to launch a satellite into space.
- 1992: Manned program launched under code-name Project 921.
- 1995: Russia agrees to assist China, trains Chinese astronauts.
- Nov. 20, 1999: Successful flight of unmanned Shenzhou 1. Three unmanned flights follow.
- Oct. 15, 2003: Shenzhou 5 launches into orbit with air force Lieutenant Colonel Yang Liwei, 38. China becomes, third nation to put a man in space, after the former Soviet Union and the US.

## Sonar whale hazard eased

WASHINGTON – The US Navy has agreed to use a new long-range, low-frequency sonar only in an area along the eastern seaboard of Asia, under a court-ordered agreement with an environmentalist group seeking to protect sea mammals.

The Natural Resources Defense Council (NRDC) said the navy will limit use of the new sonar system to specific areas along the eastern seaboard of Asia (around North Korea and China).

The navy agreed not to use the sonar off Hawaii, where it had been permitted to test and train with the system, and it also agreed to certain seasonal and coastal exclusions.



*HeadsUp is free. Invite your colleagues to e-mail us to go on the distribution lists.*

*You are also free to circulate HeadsUp on your local area networks.*

*Please acknowledge HeadsUp, if you are quoting any material, which otherwise you are free to do.*

## Bell pushes EagleEye as FireScout soars

**SYDNEY** – Bell Helicopter is expected shortly to complete a full-scale model of its Eagle Eye, tilt-rotor UAV. The company needs to fly a demonstrator to validate its seven-eighths scale model.

Bell wants more visibility for the design which apparently has not been faring well in recent competitions. It failed to be selected as part of a bid for an Army UAV when the more visible, Northrop Grumman Fire Scout helicopter was selected.

The US Coast Guard Deepwater program has nominated EagleEye and the US Marines initially selected it. But the Marines' selection is back in the melting pot.

Bell has faced repeated criticism

for projections of Eagle Eye performance based on the scale flying prototype. The company has been stretched by the delays and reviews of the Marines' Osprey program and other developments.

It was not known how many copies of the new demonstrator will be built under the new plans.

Meanwhile, a Northrop Grumman team has been visiting Australia to brief on the Fire Scout, based on a light, commercial helicopter.

Northrop says the Navy is ordering a batch of three-bladed RQ-8A Fire Scouts, with some of the advanced, RQ-8B four-bladed rotor

versions coming along later.

The Army selection is for a team led by Boeing and Science Applications International Corporation. Northrop Grumman will supply seven RQ-8Bs for the project and its Electronic Systems arm will carry out the aerial systems integration, installing the reconnaissance and target-acquisition systems.

Fire Scout has so far made more than 75 test flights. The concept is to operate three of the aerial vehicles in a flight at brigade level in the army, with a single ground station.

## Richmond gets \$35m uplift

**CANBERRA** – The government has committed \$35 million to retain operational capability at RAAF Base Richmond. The money will go

into office and working accommodation, industrial facilities for aircraft maintenance, personnel support and the upgrade of engineering services.

Construction is due to start by middle of next year and be completed by December 2006.

The Parliamentary Secretary to the Minister for Defence, Fran Bailey, announcing the approval of the Public Works committee, said the aim is to ensure that RAAF Base Richmond "delivers the necessary operational capability for Defence".

This is a standard  
HeadsUp ad



Visit the HeadsUp  
Web site

*HeadsUp exists to report on the Defence and Aerospace scene and convey active information to our readers. We believe in an informed community for national security.*

*This is our message to our advertisers: Use our columns to tell your story and the reach of our medium to link our readers through to [your Web pages](#).*

*There is a place for glossy pictures and splashy headlines. But you don't sell fighters like a car or warships like cans of beans.*

*We all have a story to tell. And HeadsUp has readers who want to know.*

**John Stackhouse, Killara  
September 2003**

## ***NATO ready force fills its ranks***

**AMSTERDAM** – NATO is to form an integrated force of ships, fighters and 9000 troops to meet security threats wherever they blow up.

NATO commander, US Marines General James Jones, said the birth of the NATO Response Force (NRF) was “one of the most important changes” in the organisation since its founding Washington Treaty was signed 54 years ago.

“The NRF will give the alliance the military capability to do what it could not before: insert military forces into a deteriorating situation earlier in a crisis, with more speed, at greater ranges and with more sustainability than ever before.”

Jones handed the new force’s

flag to its commander, General Jack Devereil, during a ceremony at the 19-nation alliance’s northern headquarters in Brunssum, the Netherlands.

The NRF – lethal, agile and ready to be deployed to hotspots within five days – is to become fully operational by October 2006. Eventually, it is planned to have a multinational force of 20,000.

Jones said some countries with cumbersome and time-consuming parliamentary procedures for authorising military action abroad, such as Germany, Hungary, the Netherlands and Turkey, had agreed to consider making exceptions for the NRF.

The “prototype” force paraded last week is not yet ready for high-intensity combat. However, it could be deployed for non-combat rescue and humanitarian crises, or as a deterrent show of force.

Of the 14 nations in the start-up force, Spain will make the biggest contribution with 2,200 troops as well as ships and aircraft. France will be next with 1,700 personnel. Spain will command the maritime component and Turkey the land forces.

The US will provide only 300 troops. Jones said US units are tied up in Iraq. It will, however, contribute key technology now and more troops later.

## **BAES briefs on Air 9000**

**ADELAIDE** – BAE Systems Australia has completed a three-week program of supplier conferences to brief small to medium enterprises in Australia’s military air support industry base as more than 150 SMEs formally registered as potential suppliers in the Air 9000 project.

The Air 9000 program aims to rationalise the Australian Defence Force’s military helicopter fleet, reducing the number of helicopter types and simplifying their lifetime support.

BAES is leading the team offering the AgustaWestland EH101 as the new troop-lift helicopter and eventual retirement of the Army’s

Sikorsky Blackhawks.

BAES’s Patrick Stringer sees Australian participation focusing on technologies such as software development and electronics.

“The know-how and intellectual property is created in Australia and remains ours to exploit internationally,” he said.

The supplier conference process sought to match SMEs with the industry initiatives offered to the federal government in the AgustaWestland AIR 9000 bid.

“Our conferences were aimed specifically at small and regional business and we have 150 potential new entrants into the global aerospace economy,” Stringer said.

“This is in line with the industry outcomes sought by government under AIR 9000.”

## **Typhoon grounded for big display**

**MADRID** – The Eurofighter Typhoon has been grounded after the discovery of a landing gear software problem.

Spain, a partner in Eurofighter, had planned to fly the fighter as one of the centrepieces of its national day parade.

Spain recently took delivery of the first of 87 Typhoons.

The grounding came as Singapore recently included Typhoon in its three-type short list, alongside Rafale and the F-15.

The first production version of the Eurofighter has experienced a number of glitches, including problems launching its weapons.



This is your banner ad. Nothing fancy. But click on the hyperlink and you can go anywhere in the wide, wide world.

[Let's go flying!](#)

## Pictorial round-up

### Choppers make the news

*As Australia's Air 9000 project nears decision, Sikorsky has released the first pictures of its advanced UH-60M Black Hawk, a likely candidate.*



### 5hr 30m on single engine

SEATTLE – The Boeing 777-300ER now on flight test, has completed the longest engine-out demonstration flight ever in support of ETOPS certification. It flew more than five hours with one of its two engines shut down during the 13-hour Seattle to Taipei test flight. The crew shut down one of the two General Electric GE90-115B engines for 330 minutes, flying on the other engine. ETOPS allows airlines to fly twin-engine aircraft on routes that at some point take those planes more than 60 minutes flying time from the nearest airport.



Boeing media images

USN Pax River



Clydepix digital images

### H-1 upgrade completes tests

*PATUXENT RIVER – You can't keep a grand old helicopter down. A new generation of rebuilt H-1s will come as the latest models, the Bell AH-1Z Super Cobra and the UH-1Y Super Huey complete their H-1 Upgrade tests.*

*Soon they will enter the operational evaluation phase, the last milestone before a full-rate production decision next year. The other UH-1Y and two AH-1Z test aircraft at Pax River are completing the final mods and are all expected to be flying by the end of the year.*

*The H-1 Upgrade test team has achieved more than 1,300 flight test hours with five aircraft (three AH-1Z and two UH-1Y test aircraft). The test aircraft have flown 220 knots, manoeuvred from -0.4 to +3.5 Gs and been to 10,000 feet.*



*The RAN's new Kaman Seasprite went through its paces at Nowra, flown by the RAN's test crew from the US*