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The control room for the new Woolworths' integrated security system.

ADVANCED SECURITY SYSTEM

In just fourteen months, ADI has completed the installation and set to work of one of Australia's most advanced integrated security systems in Woolworths' new corporate headquarters located in north-west Sydney.

Working under subcontract to construction company John Holland, ADI's task called for the installation of a fully integrated security system consisting of surveillance, access control, asset tracking, intercom and RF Duress systems – all integrated to a single operator control console.

The system includes over 200 CCTV, more than 20 digital video recorders; some 200 security controlled doors (including roller doors and revolving doors) and fast entry turnstiles; over 100 radio frequency tracking sensors to locate assets; almost 60 intercom connected 'panic' alarms near key doorways and in the car park; infra-red beam detectors guarding key ground floor windows and iris scanners controlling access to sensitive areas.

'Integrating so many differing sensors in a site as vast as the Woolworths complex makes

this security system one of the largest and most sophisticated in the country,' said Max Noble, project manager, from the Perth office of ADI's Electronic Systems business group.

'At its heart is a software application supplied by Thales that provides multiple workstation access to all information within the system. In terms of integration, command and control functionality and video data streams, it ranks up there with the complexity of a military system,' he said.

The hundreds of sensors are connected by fibre optic cable back to a control room where the operators monitor a bank of eight large video screens capable of displaying multiple, live video images, enabling them to keep a 'watching eye' on security in and around the building at any time.

'The experience gained through this contract will be invaluable as ADI seeks to grow its security business and increase revenue from commercial activities,' said managing director, Lucio Di Bartolomeo, following a tour of the premises. ▲



LOOKING AHEAD

With ADI Managing Director
Lucio Di Bartolomeo

December is a time for reflection and anticipation. We can recall the happenings of 2005 good and bad and at the same time look forward with enthusiasm to the New Year.

In our business at ADI, I suspect that many will share my view that 2005 has been a year of change, one in which we faced up to the challenges confronting the company and took the decisions to ensure our long-term survival both in the defence and commercial arenas.

Our successful Setting New Standards program, which formally concludes at the end of December, showed the way. While Setting New Standards has been the impetus for change over the last 18 months, we all know that change needs to be continuous for businesses to remain viable and ahead of the game. The positive attitude I encounter from our people as I visit our operations, gives me confidence for our future.

As a result, we can face 2006 with confidence and enthusiasm.

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2005 had many highlights. Bushmaster, our highly versatile infantry mobility vehicle, has proved itself in Iraq as being demonstrably superior to equipment deployed by our allies. It is therefore not surprising that there is now strong international interest in this unique vehicle and good prospects for international sales.

Similarly, ADI's FireKing, the bushfire fighting vehicle based on Bushmaster, has been accepted with great enthusiasm by ForestrySA, its first commercial customer. Delivery of all 15 vehicles has been completed in recent weeks, giving ForestrySA the most advanced forest firefighting fleet in the world.

I have also been impressed by the efficient way ADI delivered on its commitments to Australian Aerospace, the prime contractor for the Australian Army's Tiger armed reconnaissance helicopter program, during the year. The advanced personalised helmet mounted sight display for Tiger pilots, for example, made its debut at the Avalon Air Show this year.

Production of these helmets and a full avionics suite including multi function displays followed a technology transfer from our joint owner Thales and represents a new technology for Australia. This technology presents an excellent export opportunity for ADI.

I am pleased to note that considerable progress has been achieved on the FFG upgrade program. HMAS SYDNEY's sea trials are progressing well, with impressive results for the ADI developed ADACS combat system in tests against surface, air and underwater threats.

The Defence Materiel Organisation has said it understands the issues that caused delays to the FFG upgrade program. With the continuing proactive support of the entire project team, the Project Authority and the ship's company, our target for completion of HMAS SYDNEY by the end of April 2006 remains on track. Our project team is now looking forward to starting HMAS MELBOURNE's upgrade. I'm sure that the lessons learned from this project will be of value as we bid for the amphibious ships contract.

ADI's performance in the Land – Ordnance business continues to underpin our strength in financial, operational and service criteria. Current joint initiatives with our customer in our SAMS, EO and Mulwala agreements are designed to advance our outcome offerings for our customer, while further securing our position in this domain into the future.

Commercial security opportunities are a particular focus for our company. ADI has successfully completed the installation and set to work of one of Australia's most advanced integrated security systems in Woolworths' new corporate headquarters located in north-west Sydney.

On balance, ADI ends the year a far stronger, more competitive and skilled organisation that we were last January. We enter 2006 with the people, the skills and the structures necessary for success.

I thank every single one of you for your contribution over the past 12 months and wish you and your families all the best for the festive season.



Artist's impression showing part of the proposed redevelopment of the Mulwala facility.

Mulwala Update

ADI has announced details of the private finance proposal the company has submitted to the Department of Defence for the \$200m plus redevelopment of the Mulwala military propellants and explosives facility.

Operated by ADI, but owned by the Commonwealth Government, Mulwala facility manufactures propellants and high explosives, which are incorporated into the range of munitions and explosive ordnance produced at ADI's Benalla facility.

In September 2001, the Prime Minister signed a commitment on behalf of the Commonwealth Government to the long-term domestic production of propellant and high explosives at Mulwala.

The Prime Minister also committed the Government to invest up to \$220m to upgrade the propellants production facility in addition to a further \$63 million for environmental works.

The private finance proposal encompasses the replacement of the propellants manufacturing plant, which was originally built in 1943. Associated utilities, control and information systems, communications and security and administration facilities will also be replaced. The proposal also includes an operation and maintenance program for a 20 year period.

Bovis Lend Lease, a global project management design and construction services company with offices in 38 countries, has already been selected as preferred tenderer, with US based ATK Thiokol, a world leading producer of weapons grade propellant and

energetics, as its technology partner.

Process designs and technologies provided by ATK and its sister company ATK Ammunitions and Energetics, will be incorporated in the redeveloped Mulwala facility.

The Department of Defence has been evaluating the cost of ADI's private financing proposal against the alternative budget funded approach and is expected to make a recommendation to Government shortly.

ADI managing director, Lucio Di Bartolomeo said the redeveloped Mulwala propellants production facility would be a world-class capability that contributed to national self-reliance in military propellants and explosives. Significantly, the new plant would also deliver substantial workplace safety and environmental benefits.

Subject to Commonwealth Government approval, construction work will commence in 2006, with the redevelopment program extending over four years.

'The redevelopment will ensure that ADI will continue to provide significant job opportunities in the local area for many years to come,' Lucio added. ▲

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SUCCESSFUL SEA TRIALS FOR HMAS SYDNEY



The upgraded HMAS SYDNEY at sea undergoing trials.

October and November have seen significant progress in ADI's FFG Upgrade Project with HMAS SYDNEY's successful sea trials program and preparations beginning for HMAS MELBOURNE's upgrade.

SYDNEY began her sea trials program in October, after ADI completed hull repairs ahead of schedule at its Garden Island facility.

The first two months of the program have seen the ship's ADI developed ADACS combat system tested against surface, air and underwater threats with impressive results.

Throughout the trials, ADI technicians and engineers have been embarked to check for and eliminate electromagnetic interference between the frigate's new electronic systems,

test the new combat system and monitor the performance of new diesel generators.

Thales Underwater Systems engineers have also embarked to prove the effectiveness of the ship's new sonar and other underwater warfare systems.

FFG Upgrade project director, Harley Tacey, said the initial results have been very encouraging.

'Testing the most sophisticated warship upgrade ever undertaken in Australia is no simple task.

'Despite the potential for complications, the program has gone to schedule, with some trials being completed quicker than expected.

'With the continuing proactive support of the entire project team, the Project Authority and

HMAS SYDNEY's ship's company, our target for completion of ship trials and hand back of HMAS SYDNEY by end April 2006 remains on track,' Harley said.

Harley said HMAS SYDNEY's captain and ship's company are not only pleased to be back at sea, but are impressed by their ship's new capabilities.

He said the project team is now looking forward to starting MELBOURNE's upgrade.

MELBOURNE commenced her 'upgrade availability period' in November, during which ADI staff work with the ship's captain and crew and the Defence Materiel Organisation to prepare for the upgrade. ▲

ADI SHOWCASES AMPHIBIOUS SHIPS

Amphibious ship model on display at the Land Warfare Conference.



Models of both contending designs for the Royal Australian Navy's amphibious ships project were proudly displayed to hundreds of people at the ADI and Thales stand at the 2005 Land Warfare Conference.

Spanish shipbuilder, Navantia and France's Armaris Group provided museum quality scale models for the ADI display.

ADI is a contender as prime contractor for the project, which involves the construction and support of two landing ship – helicopter/dock or 'LHD' amphibious ships.

The LHDs will be capable of embarking around 1,000 troops with their vehicles and equipment, deploying them ashore for combat and humanitarian missions via helicopters and landing craft, and supporting them with medical, command and logistics facilities.

'The visitors and conference delegates were very interested in the capabilities of each design and in talking with us about how ADI could build them – we received positive feedback,' said Ali Baghaei, Vice President Thales Naval Australia and Director of Naval, ADI. ▲

'NETWORKED FIREPOWER' ROAD SHOW

CAESAR®, the 155mm self-propelled artillery system from Giat Industries of France was a major attraction at ADI's stand at the Land Warfare Conference and at subsequent demonstrations at key military installations along Australia's eastern seaboard.

The CAESAR® system, combined with the Thales ATLAS artillery command and control system and ADI's VMF tactical data link, formed the basis of an artillery networked firepower system which was demonstrated operating 'live' at defence sites in Brisbane, Sydney, Canberra, Puckapunyal and Melbourne.

The objective of the road show was to enable a wide cross-section of Defence personnel to see for themselves why the system and support technologies are so relevant to Army's LAND 17 project. ADI has teamed with Giat Industries for access to the CAESAR® system as a core element of the networked firepower system to be offered for the Army's LAND 17 project.

After the Land Warfare Conference, the ADI road show team immediately set off on a 2,500 km, 10 day program demonstrating networked artillery technology to about 700 members of the Defence community at the five different locations.

'The idea originated at our Land 17 integrated project team meeting in May and developed from there,' said Neville Humphry, defence product sales manager at ADI's Land-Engineering and Vehicles business group and Land 17 project director.

'After a round of briefings to Defence, we could see the need to demonstrate 'live' the leading technology of CAESAR® and ATLAS operating as a complete artillery system.

'Quick work from our Electronic Systems group enabled integration of ADI's VMF (variable messaging format) data link into the system. This has added an important dimension, further enhancing the capability of the system to network with other battlespace systems,' he said.

The road show and support team comprised of almost 20 people and brought together two



CAESAR® in Canberra, during its east coast road show. Inset above shows CAESAR® on the Pacific Highway.

of ADI's business groups – Land - Engineering & Vehicles and Electronic Systems – together with Thales Land and Joint Systems Division and French defence companies Giat Industries and Sofema.

The complete system of CAESAR®, the ATLAS and VMF command and control systems and the radio communications were driven from site to site demonstrating the ease of deployability and simplicity of bringing the system into action. The ease of driving the 155mm CAESAR® gun between sites is a major shift in technology. CAESAR® was registered as a normal 6 x 6 vehicle. The deployability of CAESAR® has been designed by Giat to be easy and simple and results from a long period of interaction with artillery users.

'The Army was very supportive of the program. The enthusiasm and encouragement from the

wide cross-section of Defence staff we met was extremely rewarding. They obviously appreciated the effort of the ADI team to bring the technology to Australia, take it to their workplace and demonstrate it operating live over radio, using maps of each local area.

'Demonstration of the fully integrated system in operation left no doubt of the ability of ADI and its partners to deliver an integrated artillery system for LAND 17,' Neville said.

ADI managing director Lucio Di Bartolomeo was also full of praise for an initiative he described as setting a new standard in customer engagement.

The Australian Army's LAND 17 project is valued at \$750m with an anticipated request for tender during 2006 and an in-service date of 2010. ▲

RECORD YEAR FOR TEST RANGE

The ADI test range at St Marys has celebrated its last year in operation by producing a record turnover.

The Commonwealth owned land on which the range is located will form part of the commercial major redevelopment of the vast St Marys site once occupied by ADI and its predecessors. That land release is one of the largest redevelopments in Sydney's outer western suburbs for many years.

The range, which closes at the end of this

year, was used to test refurbished radomes from F111 and Orion aircraft operated by the Royal Australian Air Force.

'Over the past 12 months our turnover from this business has more than doubled. It is one of the very few in the world able to carry out this type of activity and the only one in Australia,' said Michael Brookhouse, through life support manager, Electronic Systems.

ADI staff currently working at the range will be redeployed. ▲

BOARD APPOINTMENT

Peter Francis, who in September concluded his full-time executive role with ADI as its chief operating officer, has been appointed to the ADI Board.

Peter was at the forefront of the Transfield-Thales joint venture acquisition of ADI from the Commonwealth Government in late 1999 and was appointed chief financial officer and executive director by the new shareholders. He became chief operating officer in 2004.

Prior to joining ADI, Peter was chief executive,

defence and technologies with Transfield Holdings and previously held a number of senior executive positions with the company's construction, maintenance and services activities.

ADI managing director Lucio Di Bartolomeo said Peter had played a significant role in the development and growth of ADI since its privatisation and with his extensive commercial experience, was well credentialed to serve on the ADI Board. ▲



Peter Francis.

NEW CONTRACTS

TELEMATICS TRACKS BMWs

Owners of BMW motor vehicles will now be able to keep continuous track of their motor vehicles, regardless of who is driving, following an agreement with the ADI owned, Thales Telematics.

The Telematics tracking product is being offered as an optional extra on all new vehicles purchased from BMW dealerships throughout Australia.

Utilising GPS and the mobile phone network, the system offers a high level of security to BMW owners.

'Installation of this system means that if a car is stolen it can be quickly tracked or if an owner believes the vehicle has been used without authorisation, then its recent movements can be traced and recorded,' said Steve Corna, general manager, Thales Telematics

The Telematics system, which was developed by ADI's joint owner Thales, is widely used in Europe for fleet management as well as security purposes.

Daimler Chrysler already offers the system on their high value vehicles. In Australia discussions are in progress with Ford and Honda.

Meanwhile, the Thales Telematics name and logo has made its debut here in V8 motor sport on the bumper of a Holden Commodore that has been driven in the V8 development series. ▲

Optical Refurbishment

Our company's ability to repair and refurbish SOPHIE thermal cameras has been substantially enhanced following the installation of a test bench at ADI's Garden Island Optronics test and repair facility.

The Australian Defence Force has procured approximately 200 SOPHIEs under the NINOX project. SOPHIE is in-service with the Australian Defence Force, federal government and state security agencies, including police.

SOPHIE is able to provide the customer with a true 24 hour surveillance capability.

'The test bench has been installed by the Commonwealth and gives ADI far greater capability to support NINOX equipment. This should lead to more repair and maintenance work in this area for the company,' said Michael Brookhouse, through life support manager with ADI's Electronic Systems business group. ▲



Refurbishing SOPHIE thermal cameras at ADI's Optronics test and repair facility.

ADI ON DISPLAY



The capacity of ADI and Thales to provide Australia's defence needs was ably demonstrated on an impressive stand at the recent Land Warfare Conference at the Gold Coast Convention and Exhibition Centre.

In conjunction with teaming partners, we showcased a comprehensive suite of systems for the Hardened and Networked Army and the Seamless Joint Force.

On the vehicles front, our Bushmaster armoured combat support vehicle (ACSV) concept demonstrator attracted a lot of attention. This variant has the same level of protection as the Australian Defence Force's (ADF) Bushmaster infantry mobility vehicles and mobility equal to that of the Australian light armoured vehicles (ASLAV). The ACSV can carry five tonnes cross-country while pulling a 15 tonne trailer. Also on display were a 6x6 Pinzgauer light vehicle from Automotive Technik Limited (ATL) and a large Medium Tactical Vehicle Replacement (MTVR)

truck from Oshkosh Truck Corporation, ADI's teaming partners for the ADF's Land 121 vehicle acquisition project.

Weaponry in ADI's exhibit ranged from mobile artillery to the latest in rifles. In centre stage was the self-propelled CAESAR® artillery weapon and ATLAS artillery command and control system being offered by ADI / Thales for the Army's Land 17 artillery replacement project.

State-of-the-art machine guns, grenade launchers, the new generation AuSteyr rifle being developed by ADI, rifle interface control sights and the advanced 'Swarm' remote control weapons station from Thales, were also exhibited.

The Australian Transformation and Innovation Centre, in which ADI and Thales can collaborate with Defence customers in simulating realistic operational environments, further demonstrated ADI's electronics and network centric warfare capability as did ADI's variable messaging format

protocols (VMF). These have been developed to improve and enhance all levels of communication between the various branches of the ADF.

Thales Training and Simulation displayed its leading edge turret trainer for the Army's ASLAV light armoured vehicles. This system simulates the functions of the ASLAV's gun turret.

Unmanned aerial vehicles (UAVs) were on display, including the system that Thales has been contracted to supply to the UK Ministry of Defence. Based on UAVs developed by Elbit Systems of Israel, these will provide British forces with continuous around the clock surveillance of sensitive areas without the need to deploy troops. ADI has proposed a similar solution for Australia's unmanned aerial surveillance requirements.

A micro UAV that can be fitted with a small grenade size warhead and then remotely controlled against specific targets, further demonstrated ADI's capability in the UAV arena.

Other display highlights included models of



both contending designs for the Royal Australian Navy's amphibious ships contract plus a model of the Army's new Watercraft

'Our joint stand with Thales was one of the most comprehensive displays of defence capability ever staged by the company. We had

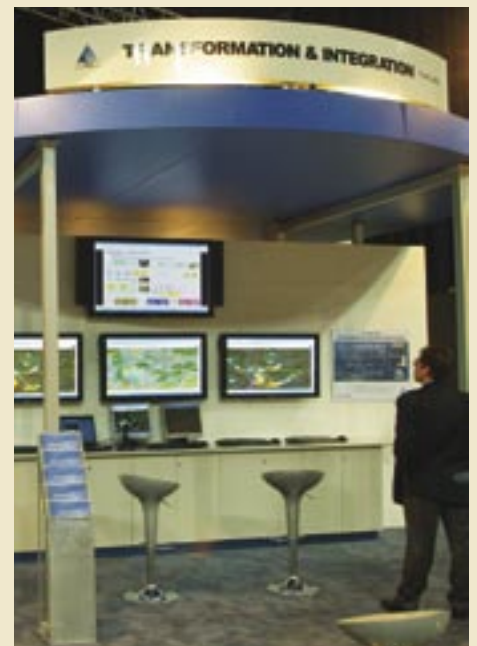
the largest stand by far at a very high profile conference and it attracted plenty of attention from key defence procurement decision makers and their staff, said ADI's Australian Army account manager, Mike Lovell. ▲



NEW BATTLELAB CAPABILITY

ADI and Thales Australia used the Land Warfare Conference as a platform to launch the Australian Transformation and Innovation Centre (ATIC), a facility to initiate, explore and demonstrate new and exciting customer solutions. At this forum, ADI introduced synthetic environment and analysis technology developed by Thales Land and Joint at Colombes, France.

The ATIC is a battlelab where ADI and Thales can simulate and experiment with new capabilities operating within realistic environments. It is also for engaging customers and collaborating with industry partners in concept development and experimentation, operational analysis, systems engineering and technology integration.



The Transformation and Innovation Centre display at the Land Warfare Conference.

Jointly established by ADI, Thales Training and Simulation, Thales Underwater Systems and Thales Air Traffic Management, ATIC will be capable of remote deployment from its base at ADI's Garden Island facility in Sydney. It will form the latest node within Thales' global capability for distributed simulation.

'ATIC will be a critical tool enabling ADI and Thales companies to deliver new system capabilities across the board to our many customers in defence, government and the commercial environment,' said John Rogers, ADI's director technical and engineering. ▲

FAST RESPONSE RECOGNISED

ADI has demonstrated its ability to quickly and efficiently upgrade and refurbish Australian Army's multi band inter/intra team radios (MBITR).

These radios provide secure communication between various Defence elements operating in the field, particularly special forces.

As reported in the last issue of Pursuit, ADI was awarded the upgrade and repair contract as a result of the company's Thales connections. Initially the company refurbished and modified around 20 sets a month.

In October, however, Defence intimated that as a result of operational requirements, it required a batch of approximately 135 radios within two weeks. Each radio had to be taken apart, components repaired or replaced, reassembled then tested and pressure tested.

'Under normal conditions we would have one person at our Garden Island test and repair facility dedicated to this activity, however, we

were able to provide another three technicians from other areas of the company. Working long days and over weekends, they managed to complete a total of 181 radios, over 30% more than expected, which were delivered to a very satisfied customer,' said Michael Brookhouse, manager, through life support with Electronic Systems business group.

Michael added that with Australian defence personnel operating in Iraq and Afghanistan, the numbers of this type of radio in service had tripled over the past year. Batches of radios could now be expected for maintenance prior to and following an overseas assignment.

'We ably demonstrated that ADI has what it takes to meet the requirements of the Australian Defence Force and can effectively cope with a sudden surge of activity,' Michael said.

ADI's munitions manufacturing facility at Benalla, working in cooperation with its



Australian soldiers in Iraq. Photo courtesy Australian Government Department of Defence.

Explosive Ordnance Services, also demonstrated a remarkable 'can do' attitude when a batch of imported ammunition was reconfigured and turned around in just over a day, ready for on forwarding to our forces in the Middle East.

The ordnance in question was .50 calibre explosive tipped rounds. Within 26 hours of Defence notification, the rounds were prepared, linked, packed and receipted for shipment.

The fast response was appreciated by senior personnel within the Defence Materiel Organisation. Commodore Lav, Director General Guided Weapons Explosive Ordnance and Wayne Hayward, Director Non Explosive Ordnance, both forwarded letters of commendation to ADI. ▲

AMOURED COMBAT SUPPORT VEHICLE

ADI has proposed to Defence a variant of its battle proven Bushmaster infantry mobility vehicle (IMV) that can support both it and the Army ASLAV light armoured vehicles in the field.

The new design provides the same cross-country mobility and levels of protection as the infantry mobility vehicle and has the power and speed to keep up with it during operations.

The armoured combat support vehicle (ACSV) can carry up to five tonnes of equipment and stores and pull a 15 tonne trailer cross-country.

'The ACSV will extend the operational capability of both the Bushmaster and ASLAV fleets and provide greater flexibility to the Army and the Air Force. We see it as a natural addition to the Bushmaster vehicle range and will be submitting a proposal to Defence shortly,' said Mike Lovell, ADI's Australian Army account manager.

The latest Bushmaster variant made its debut at the recent Land Warfare conference on the Gold Coast (see centre spread story). ▲

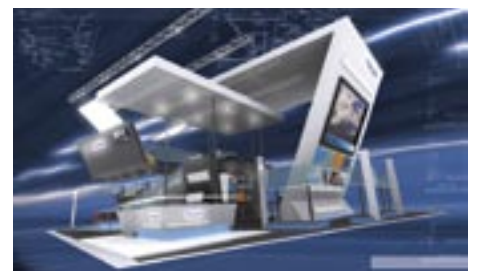


The Bushmaster armoured combat support vehicle on display at the Land Warfare Conference.

Pacific 2006 Preview

ADI, in combination with Thales, will have a commanding presence at Pacific 2006, the international maritime exposition being staged at Darling Harbour, Sydney, early next year.

The event coincides with the International Maritime Conference and the Royal Australian Navy Sea Power Conference and attracts visitors from around the globe.



Artist's impression of ADI's stand for the Pacific 2006 exhibition.

There will be an emphasis on electronic displays including demonstrations of the ADACS combat system developed by ADI for the upgrade of the guided missile frigates (FFGs), the Vasco-II software package, which is used for planning and navigating mine sweeping missions and the variable message format (VMF) being adapted by ADI to manage water space in support of amphibious operations.

A Thales MU lightweight torpedo system similar to those being fitted as an additional armament on Australia's surface fleet will also form part of a comprehensive display of naval capability. ▲

FIRST ANZAC REFIT

ADI's Naval Business Group has successfully completed the first major refit of a Royal Australian Navy ANZAC Class frigate on Australia's eastern seaboard.

Applying skills developed over many years conducting refits on the Navy's guided missile frigates (FFGs), ADI has completed work on HMAS STUART on budget and ahead of schedule.

The refit was carried out at ADI's Garden Island facility and included extensive electrical and mechanical maintenance tasks as well as hull and upper deck preservation work.

When the project's scope was increased by the customer to include replacement of 207 underwater valves, ADI's engineers and tradesmen responded by developing new installation, testing and certification processes that will guide future ANZAC refits.

ADI's Director of Naval and Vice President of Thales Australia, Ali Baghaei, said the project was an excellent team effort.

'To complete a refit of this complexity ahead of schedule is good news, particularly considering the additional work required.

'We have also learned a great deal from this



HMAS STUART undergoing refit at ADI's Garden Island Facility.

project that will prepare ADI for success in future ANZAC refits,' Ali said.

Commissioned in 2002, HMAS STUART was the first ANZAC Class frigate home ported at the Royal

Australian Navy's Fleet Base East in Sydney. Earlier ANZAC Class ships were all home ported at Fleet Base West, south of Fremantle, WA. ▲

FAST TURN AROUND FOR BULK CARRIER

ADI's Naval Group overcame weather delays and demanding shipping schedules to undertake vital maintenance on the bulk carrier River Embley, equal in size to the largest ship ever to enter the Captain Cook graving dock at ADI's Garden Island facility.

At 255 metres long and 93,622 tonnes fully laden displacement, the Australian registered bulk carrier was a tight fit, leaving a workspace of just three metres on either side.

During 18 hours of 'dry time' ADI hydro-blasted the hull, replaced a valve, facilitated a regular Lloyds underwater inspection and undertook a seven hour repair task identified during that inspection.

'We understand the importance of shipping schedules to our commercial marine operators – the slightest delay here can cost them hundreds of thousands of dollars.

'Our capable permanent and sub-contractor workforce kept the River Embley on schedule despite the weather delays and additional repair work required,' said Steve Farrow, manager, production. ▲



The bulk carrier River Embley filling the Captain Cook graving dock.

POSITIVE RESULTS FOR SETTING NEW STANDARDS



Alan Tebb.

ADI's Setting New Standards organisational change and improvement program has had a positive effect on the company, said Alan Tebb, the program's coordinator.

The Setting New Standards program formally concludes at the end of December after 18 months.

'The program has impacted on a lot of employees, particularly senior management. I believe it has led to improved communication including a wider understanding of what the company does well and not so well. We know what we are doing right and where we need to improve to maintain business success', he said.

The program involved many key personnel, particularly in management, to ensure a flow-on of the Setting New Standards message and methodology to all sectors of ADI.

The program's achievements against key objectives will now be assessed through interviews and surveys with key customer and stakeholder groups during the first quarter of 2006.

'Continuous improvement is one of the key planks of Setting New Standards. We plan to maintain the momentum started by Setting New Standards through a Balanced Score Card tool developed specifically for ADI. There will be ongoing monitoring to ensure the company continues to perform against key indicators ranging from customer commitment to skills improvement,' Alan added.

He describes his involvement with the program as a highly challenging and immensely rewarding experience.

'I had the good fortune to meet a lot of interesting people across the company whose paths I would otherwise have never crossed, he said. ▲

PEOPLE & PLACES



ENDEAVOUR REFIT

ADI has completed extensive refit work to HM Bark Endeavour, the replica of Captain Cook's famous ship, with ADI tradespeople using techniques and sometimes the tools used by 18th century shipwrights.

Operated by the Australian Maritime Museum, Endeavour now regularly plies Sydney Harbour and neighbouring waters, following a voyage to the United Kingdom.

Earlier this year Endeavour ran aground in Botany Bay, causing extensive damage to underwater planking and the keel.

'It is not often these days that we work in wood at Garden Island facility, so this particular job was done in close collaboration with Ross Mattson from the Museum and his craftsmen, who are highly skilled in this area,' said Ian Lenihan, ADI's project manager.

'Chris Campbell, a second year apprentice shipwright put in a special effort to learn the

techniques of traditional shipwrights and the knowledge he gained will stand ADI in good stead the next time a timber ship visits the facility,' Ian said.

In addition to repairs to the hull and keel, including the replacement of timbers and sheathing, underwater areas were painted and shafts, valves and a propeller repaired and refurbished.

The ship's topsides were also repaired and painted. Internally, modern gloss paint was stripped away and the interior restored to a traditional period finish.

ADI also assisted museum staff to step the masts, enabling their specialists to refurbish the rigging.

'We had no shortage of volunteers – our tradespeople were very keen to put time in on this famous replica and experience traditional refurbishment techniques, Ian added. ▲

Pictured with the Endeavour Replica are (from front) ADI's Chris Campbell, second year shipwright apprentice; manager production Steve Farrow and Endeavour replica master, Ross Mattson.

STARLIGHT TAKES THE PRIZE



Stuart McKinnon, manager RPLSS, presents the proceeds to Starlight Children's Foundation Australia Corporate Relations Manager, Tiffany Cook.

ADI's Naval Business Group has combined the efforts of its customer, the Royal Australian Navy (RAN) and suppliers to raise more than \$12,500 for the Starlight Children's Foundation Australia.

ADI's Refit Planning Logistics Support Services (RPLSS) group, which manages refits and logistics for the RAN's FFG Class guided missile frigates, conducted similar golf days on Australia's east and west coast.

Participants made donations to participate in the annual event and challenge for several donated prizes.

The funds will be used to purchase an entertainment unit to occupy children during lengthy hospital stays. ▲

ADI SPONSORS LAKE RELAY

A total of 62 ADI employees participated in the 2005 'Lake Relay', around the lake in Melbourne's Albert Park. The annual charity fun run is organised by the Defence Materiel Organisation.

Runners competed either as individuals over 5km or 10km or as part of a three person relay team where each team member ran 5km. Six ADI teams competed in the relay event. Competitors included members of the Australian Defence Force (ADF), government departments and organisations, sporting groups, defence contractors and school children.

For the past four years ADI has been a major sponsor and this year contributed a cheque for \$10,000 on race day. Employees from



The 2005 Lake Relay showing ADI's Barry Sullivan (905) making a good start.

ADI's Bendigo heavy engineering and vehicle manufacturing facility donated a further \$1,000.

More than 1,000 competitors took part in this year's event, in which a team from ADI's Benalla facility was third overall, just a fraction of a second

ahead of a team from our Bendigo facility.

Mark Sibley, business development manager - defence sales and service, Land - Ordnance, represented the company at a gala dinner following the event. ▲

Six tradesmen at ADI's Lithgow light engineering facility have completed modules of the Defence Armourer course covering various types of rifles and machine guns used by the ADF.

The course, which was conducted by Defence personnel from Army Training Command, enables ADI employees to sign off on the inspection and repair of refurbished weapons.

'This is part of our activities to expand skills at ADI's Lithgow facility so that we are able to respond quickly to Defence requirements, said Stephen Peacock, business services manager, Land - Ordnance, Lithgow. ▲

DEFENCE ARMOURER COURSE



Taking part were (from left) WO2 Dion Taylor (instructor), tradesmen Graeme Abbott, Michael Hasler, Heath Andrews, Andrew Ward, Jeremy Shoard, Adam Whichelo, Scoby Bannerman (instructor) and Martin Williams (supervisor of the indoor range at ADI's Lithgow facility).

FULL FIREKING FLEET IN SERVICE

All 15 FireKing bushfire fighting vehicles ordered by ForestrySA are now in service. The last was officially accepted by Brian Farmer, Chief Executive, ForestrySA at a ceremony at ADI's Bendigo facility.

Five of the unique vehicles, which have been developed from ADI's Bushmaster infantry mobility vehicle, were delivered towards the end of 2004 and performed well in forest firefighting operations last summer. The remaining 10 have been progressively delivered during 2005.

'ForestrySA, the launch customer for FireKing, has always been a leader in fire crew safety. FireKing is replacing an aging vehicle, which was deemed to be state-of-the-art in terms of crew protection when those vehicles entered service 20 years ago. Once again ForestrySA is showing the way in terms of forest and bushfire fighting systems,' said David Alexander, ADI's FireKing project manager.

ADI's FireKing has exceptional off-road mobility and a level of crew survivability against searing heat and flame that is unmatched in dedicated firefighting vehicles anywhere in the world. The vehicle has been attracting considerable attention from potential customers in Australia and overseas.

The Department of Defence is currently considering FireKing vehicles for deployment at military installations and airfields, particularly where areas of grassland or bush are a potential fire hazard. ▲



Above and below: ADI's FireKing in action with ForestrySA.



ADI GUN ON KOKODA TRACK

In September 2001, ADI donated a 25lb field gun, previously located outside the gates of ADI's Lithgow facility, to the Kokoda Track Foundation in Papua New Guinea. The Kokoda Track Foundation was established by a group of Australians determined to acknowledge the invaluable assistance given to our diggers along the Kokoda Track during the Pacific War by the people of Papua New Guinea, especially the beloved Fuzzy-Wuzzy Angels.

Today, the field gun is positioned at Owers Corner at the commencement of the Kokoda Track, as a permanent memorial to the bravery and endeavours of the Australian soldiers involved in the battles of the Kokoda Track during World War II. ▲



The 25lb field gun at the start of the Kokoda Track.