

# AUSTRALIAN FLIGHT TEST SERVICES



**The Firm**

**To:** 'Hurley, David LTGEN'; Dr Stephen Gumley, CEO DMO  
<stephen.gumley@defence.gov.au>  
**Cc:** The Firm Distribution List  
**Subject:** NEW AIR COMBAT CAPABILITY AND COMMUNICATIONS

**COMMERCIAL-IN-CONFIDENCE**

**Our Reference:** 606/01/05 Pt1 (75)

Dear LtGen David Hurley and Dr Stephen Gumley,

We sincerely hope the Department will show us the courtesy of responding to the below E-mail, in keeping with the Defence Service Charter. Moreover, we are hopeful that you, along with the experts on your capability staff, will be prepared to engage us in discussions on the air combat capability options available under the force mix option entitled "The Evolved F-111".

This option was developed by members of the Defence Industry and provided to the Air 6000 Project Office in response to their Force Mix Option Market Survey 'Request for Proposals' run in the latter part of 2001. (See attached Letter of Transmittal.) Following the Project Office's expressed interest in this option at a meeting in Adelaide in early 2002 and stated intention to recommend "The Evolved F-111 Option" for inclusion in Stage 3 of Air 6000, more detailed information and data were provided in the form of Unsolicited Proposals from Industry (UPIs). These UPIs were submitted to the Undersecretary of Defence Materiel (USDM) in accordance with the procedures in the Capability Systems Life Cycle Management Guide/Manual applicable at the time. Additional copies were provided to applicable stakeholders, including Industry Division of the DMO. These UPIs were also provided to the then newly formed UPI Desk within DMO Industry Division following Minister Peter Reith's policy statement on Unsolicited Proposals from Industry at the Defence/Industry Conference the previous year in June 2001.

As predicted and derived from the studies undertaken in the development of these Proposals, the 'Evolved F-111 Option' (aka: 'Enabling Cost Effective Acquisition of the F/A-22A Capability') offers unparalleled innovative benefits for Defence, the Australian Defence Industry and Australians as a whole, including -

1. A far superior air combat capability and associated force structure than any other option presently available or considered; made up of the Raptor's air dominance and first day strike capabilities embodied in 50 platforms, complemented by the long range strike, reconnaissance/surveillance, battlefield airborne interdiction and close air support capabilities of 36 Evolved F-111s.
2. Opportunity to purchase fifty (50) F/A-22A Raptor aircraft systems plus five (5) attrition aircraft, at a later date, for somewhat less than \$A10bn or; looking at this another way, more than \$A3.5bn less than the median budget (\$A13.5bn) provisions in the DCP for the NACC/AIR 6000 Project.
3. Ability to acquire this capability prior to 2010, thus avoiding any capability gap by filling it with an air dominance strike fighter capability and negating the need for doing expensive modifications to the F/A-18s which, if undertaken, would see F/A-18 availability fall to an all time low.
4. Total avoidance of the risks arising from dependence on a single product and general monopoly supplier situation that arises from a single aircraft type replacement strategy. (I refer you to the experiences that operators of the Chinook CH-47 helicopter are currently having with the resupply of such items as main transmission gear boxes.)

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5. Negates the need to spend upwards of an additional \$A10bn more to transition a lesser air strike capability onto the F/A-18s and keep them flying till 2015 than if the more capable air strike capability of the F-111 were realised, retained and progressively developed through to 2020+. Such development can be done in Australia by Australian Industry. This, in turn, provides additional benefits in relation to Industry capability development and the economy (ie. balance of trade, etc.) which would be further enhanced by remaining in the JSF Program for the longer term options it could present while helping retire JSF program risks using assets unique to Australia. **Note:** We would be happy to provide you with the basis and results of this analysis for you to have our work independently checked. FYI, the figures on which this analysis is based come from the Department's statutory financials, Defence Annual Reports, and Departmental submissions to the Parliament. Like all these things, the actual analysis is a relatively simple, straight forward present value model used for comparing the cash flow profiles of projects over a given time line (in this case 2004 to 2015) on a TVM basis. In essence, this is the type of analysis that Dr Stephen Gumley alluded to when he pondered the question of the value of accrual accounting in Defence in his recent address entitled, 'Poacher turned gamekeeper'.)

These and the other top ten reasons/benefits/advantages for considering the "Evolved F-111 Option" may be found on the Air Power Australia web site ([www.ausairpower.net](http://www.ausairpower.net)) on the Frequently Asked Questions page with further details contained in the relevant sections of the web site and on-line journal.

An executed copy of this E-Letter is attached and we look forward, with great interest, to your response and the opportunity to discuss, in detail, what has been proposed from Industry in keeping with Defence's entreaties to Industry "... to come up with innovative, cost effective solutions for Australia's defence capability needs".

Yours sincerely,

Peter Goon  
Australian Flight Test Services

21 July 2005

Email: [pag@afts.com.au](mailto:pag@afts.com.au)  
WebSite: <http://www.afts.com.au>  
Telephone: +61 8 8283 2389 or 2388      Mobile: 041 980 6476  
Facsimile: +61 8 8283 2377      A/Hrs: +61 8 8362 1585 (Phone/FAX)  
Address: Australian Flight Test Services  
Hangar 51, Anderson Drive,  
PARAFIELD AIRPORT SA 5106, AUSTRALIA

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## Attachments:



DTC\_EvolvedF-111  
\_CovLtr\_03.pdf...



01\_75\_E-Letter\_Lt  
Gen Hurely\_21...



## Previous E-mail Trail:

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-----Original Message-----

**From:** The.Firm [[SMTP:the.firm@internode.on.net](mailto:SMTP:the.firm@internode.on.net)]  
**Sent:** Monday, July 18, 2005 1:28 PM  
**To:** 'Hurley, David LTGEN'  
**Cc:** 'The Firm Distribution List'  
**Subject:** RE: unclassified: NEW AIR COMBAT CAPABILITY

Dear LtGen David Hurley,

We apologise if our comments, as you state, offend both your personal and professional integrity. This was certainly not our intent. Rather, your inclusion on the Distribution List was to keep your office informed on what many in the community are saying about what are considered issues of vital national interest.

As per your request, your E-mail address has been deleted from The Firm Distribution List.

However, I must say I am surprised by your reaction and that you would take so personally and adversely comments which, I put to you, are supported by the empirical evidence. If you disagree with this proposition, then maybe you would be kind enough to comment on and respond to the following.

The advice on which the comments in our previous E-mail are based include the following –

1. In Defence Annual Report 2003-04, the Australian people were told that-  
*“To ensure the maintenance of strike capability, the Government announced that retirement of the F111 was dependent on the successful introduction into service of airborne early warning and control and A330 tanker aircraft, completion of the F/A18 upgrade, and the introduction of improved weapons and long-range stand-off weapons for P3 Orion and F/A18 Hornet aircraft.”*
2. In the submission to the JSCFADT entitled “RAAF Air Combat Capability” on 04 June 2004, the then Chief of Air Force stated that -

### **F-111 Retirement Requirements**

36. The Government has announced that the F-111 will not be retired unless a number of prerequisites are met. These include:

- a. Introduction into service of AEW&C;
- b. Introduction into service of the new Air to Air Refuelling aircraft;
- c. Completion of the Hornet Upgrade Program systems component, particularly the electronic warfare self protection and Link 16 datalink component;
- d. Integration of an all weather day and night GPS guided bombing capability onto the F/A-18;
- e. Integration of follow on standoff weapon onto F/A-18; and
- f. Integration of follow on standoff weapon onto AP-3C.



3. During the Senate Estimates Hearings earlier this year, the then Chief of the Defence Force re-iterated the above advice, stating that the Government would have options in relation to the retention of the F-111 capability.
4. That at the RAAF Conference in March this year, the then Chief of Air Force, now Chief of the Defence Force, re-iterated the above advice.

However, the advice received from concerned professional colleagues in Defence and Industry is that-

1. A directive has been issued that will see the F-111Gs withdrawn and retired from service by December 2006.
2. One of the six operational F-111Gs has already been retired from service with another to be retired in the next month or so.
3. The now eight (8) F-111Gs that have been grounded are stored on the tarmac ramp outside Building 410 at RAAF Base Amberley, out in the weather, without published storage and inhibiting servicing for long term external storage carried out on them.
4. This has been the case for seven (7) of these airframes since circa 2002 even though the original logistics plan for these aircraft had them stored in hangars with inhibiting storage servicing applied.
5. The F-111G software support facility acquired from SM-ALC to support the F-111G digital avionics when the F-111G's were purchased and integrated into the F-111 WSSSF was literally 'thrown into the dumpster' earlier this year.
6. The holdings of the whole of life spares and tooling that were purchased to enable the F-111 capability to be operated through to 2020 are now the subject of review and disposal action based upon a planned withdrawal date of 2010.

How does one reconcile this latter advice with the former other than to conclude what was stated in our previous E-mail?

I genuinely hope you will take the time to both consider and respond to this communication, particularly since all previous attempts to discuss with the Department what are vital issues of national importance have gone unanswered.

Yours sincerely,

Peter Goon  
The Firm Consultancy Group  
Email: [the.firm@internode.on.net](mailto:the.firm@internode.on.net)  
Mobile: 041 980 6476

# AUSTRALIAN FLIGHT TEST SERVICES



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-----Original Message-----

**From:** Hurley, David LTGEN [[SMTP:David.Hurley@defence.gov.au](mailto:SMTP:David.Hurley@defence.gov.au)]  
**Sent:** Monday, July 18, 2005 11:01 AM  
**To:** [the.firm@internode.on.net](mailto:the.firm@internode.on.net); David Johnston, Senator;  
[david.fawcett.mp@aph.gov.au](mailto:david.fawcett.mp@aph.gov.au); [Dennis.Jensen.MP@aph.gov.au](mailto:Dennis.Jensen.MP@aph.gov.au)  
**Subject:** sec: unclassified: NEW AIR COMBAT CAPABILITY

To the operators of "The Firm":

Please delete me from your distribution list. Your comments offend both my personal and professional integrity.

\*\*\*\*\*

-----Original Message-----

**From:** The.Firm [<mailto:the.firm@internode.on.net>]  
**Sent:** Monday, 18 July 2005 11:04  
**To:** 'David Johnston, Senator'; 'David Fawcett, MP  
<[david.fawcett.mp@aph.gov.au](mailto:david.fawcett.mp@aph.gov.au)>'; 'Dr Dennis Jensen, MP  
[[Dennis.Jensen.MP@aph.gov.au](mailto:Dennis.Jensen.MP@aph.gov.au)]'  
**Cc:** 'The Firm Distribution List'  
**Subject:** NEW AIR COMBAT CAPABILITY

Dear David, David and Dennis,

We have it on very good authority from a multiplicity of sources that despite what the Government, the Parliament and the Australian people have been told by senior departmental officials, the aim of these officials is to ensure that the plans they have recommended to Government are the only option. To support this approach, we are advised from within Defence and Industry that the Department is diligently working to kill off the F-111 capability and ensuring that the Government has no other options available to it other than what ACM Houston has recommended to the NSC and Cabinet.

Yours sincerely,

Peter Goon  
Email: [paq@afts.com.au](mailto:paq@afts.com.au)  
Mobile: +61 (0) 41 980 6476