



MEDIA RELEASE

THE HON DR BRENDAN NELSON

Minister for Defence

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KEY STEPS TOWARDS DESIGNING AUSTRALIA'S NEXT GENERATION OF DESTROYERS

The opening of the new Air Warfare Destroyer Systems Centre in Adelaide today is a milestone in the delivery of Australia's three Air Warfare Destroyers.

This centre will house Defence and industry participants who will work together on the \$4.5-6 billion Air Warfare Destroyer Program and bring the successful design to life.

This is a unique arrangement in which the Air Warfare Destroyer Alliance - the Defence Materiel Organisation (DMO), ASC AWD Shipbuilder Pty Ltd (the shipbuilder) and Raytheon Australia Pty Ltd (the combat system systems engineer) - will work with two competing ship designers in the one building.

I commend all participants for their professionalism and co-operation, symbolised today by the signing of the Alliance Board Charter which outlines how all parties will work together, while maintaining healthy competition between the two designers.

Both the existing design (based on the Navantia F100 in service with the Spanish Navy) and evolved design by Gibbs & Cox, Inc. (based on the Arleigh Burke Class destroyer in service with the US Navy and seen for the first time today), will be developed by the AWD Alliance for consideration by Government in the second half of 2007. This competitive arrangement will ensure the Government gets the information it needs to pick the best design to ensure the ADF gets the best possible capability.

The decision to build these ships in Australia helps our economy, by providing new, "smart" jobs in an industry that is strategically important for Australia.

This AWD Systems Centre alone will create up to 200 new high-skill jobs in South Australia. These highly skilled positions range from naval architects and engineers to project managers with skills in warship design and systems integration. The Centre also will generate specialised design work for contractors around Australia.

The shipbuilding itself then will create more than 1,000 direct jobs in South Australia as part of the build contract and around 1,000 additional jobs at other shipyards throughout Australia (subcontracted for up to 70% of the module construction work).

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Once they are in service, our Air Warfare Destroyers will provide our Navy with a significant new capability able to:

- Escort our fleet, (including new amphibious ships that will be capable of transporting an entire combined arms battle group, their equipment and supplies).
- Provide both air and surface defence to Australian troops close to shore.
- Track and engage targets at ranges in excess of 150 kms using the Aegis combat system and long range missiles.
- And potentially provide an element of sea-based ballistic missile defence for deployed forces, subject to the growth path chosen.

Our Air Warfare Destroyers will be uniquely suited to a range of maritime operations, ranging from high intensity conflict to border protection. In the words of Vice Admiral Russ Shalders, they will provide “a protective bubble for whatever area they are working in”.

Combined with the Joint Strike Fighter, Airborne Early Warning and Control aircraft and Collins Class submarines, the AWDs will act as a critical link in a networked Australian Defence Force.

These ships will serve Australia for 30 to 40 years, over which time nations in the Asia Pacific region will have access to some of the most advanced military hardware available. While we can't precisely anticipate future threats to our security, the Government is determined that we be prepared and that our Navy has the best possible capability with which to protect our people, interests and values.

The \$4.5-6 billion Air Warfare Destroyer Program again emphasises the importance of delivering a strong economy and the importance of this Government's commitment to a 3% real annual increase in Defence funding through to 2015-16.

Today's developments showcase the importance of taking a long term approach to Defence planning and maintaining a strong economy; the dividend of recent reforms to Defence procurement; and the benefits of having a strong Australian Defence industry.

I will follow with interest the work conducted at this Centre and the progress toward the delivery of our Air Warfare Destroyers.

Images of the two competing Designs for the Air Warfare Destroyer Program can be found at: <http://www.defence.gov.au/media/download>

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