



THE HON DR BRENDAN NELSON MP
Minister for Defence

Thursday, 4 October, 2007

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AIR WARFARE DESTROYERS
– THE FOUNDATION LAID

I am pleased to announce the signing of the final contracts to build three Air Warfare Destroyers (AWDs) for the Royal Australian Navy. At a total cost of approximately \$8 billion, this is the largest naval shipbuilding project ever undertaken in Australia.

The signing follows two years of hard work by the AWD team in the design selection phase of the project that resulted in the Australian Government choosing the Spanish Navantia F-100 warship as the platform for Australia's next generation HOBART Class AWDs.

The first of these Air Warfare Destroyers will be delivered in late 2014, followed by the second and third ships in early-2016 and mid-2017 respectively.

The project will provide enormous opportunities for Australia's shipbuilding, electronics and engineering industries, creating 1,500 shipbuilding jobs in South Australia. Another 1,500 jobs will be created throughout Australia.

The Aegis equipped F100 as our next generation Air Warfare Destroyer will provide the Navy with one of the world's most capable warships.

The Australianised F100 will be capable across the full spectrum of joint maritime operations, from area air defence and escort duties, right through to peacetime national tasking and diplomatic missions.

Since entering service with the Spanish Navy, F100s, among their many other tasks, have worked alongside the United States Navy (USN) as the first foreign Aegis equipped ship to be fully integrated into a USN Carrier Strike Group.

The principal contract signed today was the three-way Alliance Based Target Incentive Agreement between the Defence Materiel Organisation, ASC AWD Shipbuilder Pty Ltd and Raytheon Australia Pty Ltd.

This contract does not include the Commonwealth contract for the Aegis Combat System, which is a separate agreement between the Australian and United States Governments.

The other contract signed today was the Platform System Design contract between the Commonwealth and Navantia S.A.

Australian Industry will play a pivotal role in the success of the AWD project by providing specialised skills and equipment to the AWD Alliance. Australian Industry is expected to deliver products and services for around 55 per cent of the AWD Program over the next 15 years. This will be followed by high value through life support contracts into the middle of the century.

Teams from the Air Warfare Destroyer Alliance will be touring Australia in late October-early November to promote project opportunities to Australian industry.

The Australia-wide tour will see two teams from the Alliance visiting Canberra and Cairns (22 October), Newcastle and Wollongong (23 October), Sydney and Launceston (24 October), Brisbane (25 October), Melbourne (26 October), Adelaide (30 October) and Perth (2 November). More details will be announced shortly on the AWD Alliance website at www.ausawd.com.

Companies interested in becoming involved in the AWD Program can register on the AWD Alliance Supplier Registration Portal also on the AWD Alliance website.

For a free subscription to Defence Direct, the Minister for Defence's monthly e-newsletter, please follow this link:

<http://www.minister.defence.gov.au/defencedirect/spt/subscribe.html>

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