



## **THE HON DR BRENDAN NELSON MP** **Minister for Defence**

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### **AUSTRALIA'S NEXT GENERATION AIR WARFARE DESTROYER**

Australia's maritime air warfare capability has reached a significant milestone today with the Government's selection of the Navantia designed F100 as the next generation Air Warfare Destroyer (AWD) for the Royal Australian Navy (RAN).

At a cost of nearly \$8 billion, and subject to successful contract negotiations, Navantia will work with the AWD Alliance (Defence Materiel Organisation, ASC and Raytheon Australia) to deliver three AWDs to the Royal Australian Navy.

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 Australianised F100 AWD Design is 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. The Royal Australian Navy will undergo a quantum leap in its air warfare capability when the F100 enters service.

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 and has successfully been deployed as the flagship of NATO's Maritime Group Standing Reaction Force.

While the selection of the platform is a significant milestone for the AWD Programme, the work undertaken to date has demonstrated the value of the selection of the Aegis Combat System in 2004 as the central element of the AWD's war-fighting capabilities.

This decision ensured the Navy is armed with the world's most capable air warfare system, is interoperable with key coalition partners and can access the updates and technical support offered by the US and other in-service navies.

More than 300 highly-skilled AWD Alliance staff have been working on the development of two designs for Government consideration since 2005.

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The selection of the F100 follows two years of detailed research and simulation to determine the best ship to meet the needs of the Australian Defence Force through to the middle of this century.

The F100 has been developed with modern accommodation requirements in mind and has a crew of around 200. It also provides the Navy with a growth path to accommodate tomorrow's naval warfare technologies.

In selecting the F100, the Government has ensured the Navy will take delivery of an Aegis equipped AWD before any potential maritime air warfare capability gap eventuates.

The F100 is an existing design that is in service with the Spanish Navy. This substantially reduces the cost and schedule risks traditionally associated with a project of this size and complexity.

The Government would like to thank ASC and Raytheon Australia for their achievements as members of the AWD Alliance. ASC and Raytheon Australia have worked closely with the DMO to deliver the two costed capability options to government and will continue to play a critical role in delivering the capability to the Navy. Raytheon Australia has been confirmed as the mission systems integrator for the Air Warfare Destroyer. Raytheon Australia will be contracted to complete the design, development and procurement of the Australianised Combat System.

The Government would also like to thank both Navantia and Gibbs & Cox (designer of the Evolved Option) for their efforts in developing two very capable designs for consideration. Gibbs & Cox and the members of the Alliance's Evolved design team should take great pride in what they have achieved over the past two years.

In 2003, the Government developed, endorsed and implemented the recommendations of the Kinnaird Defence Procurement Review. The AWD Programme has demonstrated the value of these reforms by delivering to Government robust capability, cost, schedule and risk data for government consideration at Second Pass.

The AWD Alliance has been assisted by a number of Australian and international organisations including the RAN, the Defence Science and Technology Organisation, BMT Australia (formerly British Maritime Technology) and First Marine International.

The project will shortly move into the Build Phase which will give Australian Industry the opportunity to become involved in the most complex Defence acquisition ever undertaken in Australia. Work conducted by the AWD Alliance was able to determine little difference in the level of Australian Industry involvement between the two options.

The Government's decision to build the AWDs in Australia will ensure significant levels of Australian Industry involvement in both construction and through life support.

Australian Industry will deliver products and services for around 55 per cent of the \$6.6 billion AWD Programme over the next 15 years which will be followed by high value through life support contracts into the middle of the century.

While Adelaide based ASC will conduct the final assembly of the AWDs, around 70 per cent of the ship modules will be built at other shipbuilding sites around Australia, potentially including sites in Western Australia, Queensland, New South Wales, Victoria and Tasmania.

The AWD Programme will eventually employ around 3,000 Australians in a variety of engineering and related fields working for a range of companies and suppliers throughout Australia.

The Government recognises the important work of the AWD Programme's Probitity Advisors, Sir Laurence Street and the Australian Government Solicitor, in ensuring the AWD Programme is conducted in a fair and equitable manner.

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