

MEDIA RELEASE



The Hon. Fran Bailey, MP
Parliamentary Secretary to the Minister for Defence

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EUROCOPTER SIGNS \$1.3 BILLION CONTRACT FOR ARMY'S ARMED RECONNAISSANCE HELICOPTERS

On behalf of Defence Minister Robert Hill, the Parliamentary Secretary, The Hon Fran Bailey MP today announced the signing of a \$1.3 billion contract with Eurocopter International Pacific for 22 'Tiger' Armed Reconnaissance Helicopters under Project Air 87.

"The 'Tiger' will transform Army's ability to conduct tactical reconnaissance by day or night and provide a vital capability to escort and protect the Black Hawk helicopters as they transport troops and supplies," Ms Bailey said.

"The 'Tiger' also gives Army the ability to move very quickly from a peacekeeping situation to a war-fighting situation. The acquisition of the Armed Reconnaissance Helicopters was given high priority in the Government's Defence White Paper released last December.

"The project will create up to 180 jobs in Brisbane, including 150 during the assembly phase from mid 2002 to mid 2008 and another 30 jobs from the production line. This will give Australia a new level of industry capability for the maintenance and support of leading edge technology.

"As part of the Australian industry involvement initiative, Eurocopter will also establish a production line to produce EC120 civilian helicopters in Australia. The production line will produce between 30-50 helicopters per year for the Australian, New Zealand and Asian markets and have an annual turnover of about \$50 million.

"Some of the components produced in Australia will be exported, giving Australia entry to the worldwide supply chain for Eurocopter.

"Air 87 has been a lead project in the reform of Defence's acquisition processes. The reforms are designed to reduce the cost of tendering and accelerate the introduction of new equipment into service.

"In the past, it has typically taken two and a half years to get a major project from tendering to contract signature. Project Air 87 was finalised within 12 months," Ms Bailey said.

The first of the 'Tigers' is scheduled to enter service by the end of 2004.

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