

News Release

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Premier Mike Rann

Minister for Economic Development
Minister for Social Inclusion
Minister for the Arts
Minister for Sustainability and Climate Change

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SA MAKES BID FOR \$1 BILLION DEFENCE CONTRACT

The Rann Government has stepped up its bid to have the \$1 billion-plus defence contract - to deliver the next fleet of 1300 light-armoured vehicles to the Australian Army - located in South Australia.

Premier Mike Rann says that securing the **Land 121 Phase 4** contract would create hundreds of jobs – and add to the \$44 billion worth of current and future defence contracts already secured for South Australia.

“The State Government has offered all three short-listed bidders the use of a multi-million dollar purpose-built vehicle manufacturing facility that it will build at Edinburgh Parks in the northern suburbs.

“In the same way that we built the Techport Australia shipbuilding facility at Osborne that helped our State secure the \$8 billion Air Warfare Destroyer contract, the State Government believes that building strategic infrastructure will give our State a competitive advantage to win more projects.

“So I am delighted to announce today that one of the short-listed companies, US firm Force Protection, is announcing that it has selected South Australia as its base for manufacturing and support operations, should it win the Land 121 contract.”

The US-based Chairman and CEO of Force Protection, Michael Moody, has flown into Adelaide today to be part of this significant announcement.

Force Protection last month won the UK’s Ministry of Defence contract to supply its ‘Ocelot’ Light Protected Patrol Vehicle to the British forces.

“The others short-listed companies under the project’s in-country build option, SA-based General Dynamics Land Systems - Australia and Victorian-based Thales Australia, have been offered the same deal by Defence SA.

Mr Rann says Force Protection is the first bidder to announce it would build the light-armoured vehicles here in South Australia.

“The project provides a significant opportunity to extend South Australia’s involvement in military vehicle fabrication and support.

“As well as hundreds of new direct jobs, this will have significant economic flow-on benefits for local vehicle component companies too.

“South Australia already has a strong automotive manufacturing sector, including existing significant military vehicle prototyping, fabrication, assembly and through-life support operations.

“Key military vehicle prime companies – BAE Systems Australia, MTU Detroit Diesel and General Dynamics Land Systems – Australia – all have major establishments in South Australia.

“These companies are well supported by an established base of small to medium businesses with significant fabrication, production and maintenance capabilities.

“Most of them are already concentrated in the Edinburgh defence and automotive precincts.

“We now intend to work with Force Protection over the coming months to undertake further investigation and initial facility design activities as well as examine a range of delivery options.

“The state-of-the-art multi-million dollar manufacturing facility at Edinburgh Parks would be designed first and foremost to meet the successful company’s specific requirements.

“Its flexible design however would ensure capacity for common-use and expansion to cater for additional activity beyond Land 121 Phase 4 production - particularly the project’s through-life-support and future military vehicle replacement projects.

“In other words, this proposed manufacturing facility would remain a State strategic asset beyond this single project.

“I am told the Federal Government will make its next suite of key decisions in relation to Land 121 Phase 4 contract toward the end of next year and depending on the outcomes, construction of the South Australian facility would begin in around 2013.

We welcome Force Protection’s commitment to Adelaide – we wish them well in the next phases of the project and look forward to developing a successful long-term partnership with the company,” Mr Rann said.

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