



THE HON. GREG COMBET AM MP
Minister for Defence Materiel and Science

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Improved maintenance regime for armoured fighting vehicles

Greg Combet, Minister for Defence Materiel and Science, announced today the preferred tenderer to sustain the Australian Army's most important armoured fighting vehicles.

"General Dynamics Land Systems Australia (GDLSA) has been named the preferred tenderer in an announcement that could pave the way for the creation of 42 highly skilled maintenance jobs in the northern suburbs of Adelaide, Melbourne, Brisbane and Darwin," Mr Combet said

"GDLSA has proposed a five year deal for the sustainment of armoured fighting vehicles with real savings to Australian taxpayers and greater efficiencies for the Australian Army. The value of the contract is likely to be in excess of \$100m over the five year period.

"What GDLSA has proposed is a performance based deal with greater incentives for improved efficiencies and performance.

"Under this proposal GDLSA could be rewarded for good performance with an extension to the life of the contract," Mr Combet said.

The Australian Army has a fleet of more than 300 Abrams Tanks, M88A2 HERCULES and Australian Light Armoured Vehicles

"This proposal means that some of the Army's most important armoured fighting vehicles will spend less time in the shop and more time with our troops," Mr Combet said.

"Working together, the Defence Materiel Organisation (DMO) and GDLSA will strive to deliver both efficiencies and real cost savings in the way that these vehicles are sustained. This is in line with the Government's Defence Strategic Reform Program.

"The GDLSA proposal again demonstrates the competitive ability of our local defence industry," Mr Combet said.

The Department of Defence's acquisition and sustainment arm, the DMO will commence negotiations with GDLSA shortly, with a view to having a contract in place by October 2010.

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