



SUBJECT :
 AUSTRALIA,
 Visit by Foreign
 Minister, Feb 81.

MINISTRY OF DEFENCE
 MAIN BUILDING WHITEHALL LONDON SW1
 Telephone 01-~~93X X02X~~ 218 2111/3

MO 14/5

14th May 1984

Dear John,

HELICOPTERS FOR RAN FRIGATES: SUPPORT FOR WESTLANDS

The competition for frigates for the Royal Australian Navy (RAN) frigates has been narrowed down to one between the Sikorsky Sea Hawk and Westlands Lynx 3. The RAN, in general, prefer the larger Sea Hawk; but the Lynx 3 has considerable advantages - not least in cost. The final decision is likely to be taken in the next month or two, on political as much as military grounds.

In these circumstances the High Commissioner in Canberra has recommended that Mr Hayden's visit to London provides an excellent opportunity to give the Westlands case timely support. I attach a short brief, in case the Prime Minister has the time and/or opportunity to raise the matter in her talks with Mr Hayden.

yours ever

W Anderton
 (W ANDERTON) (MISS)

A J Coles Esq

HELICOPTERS FOR RAN FFG FRIGATES

POINTS TO MAKE

1. We attach great importance to Westlands securing the RAN contract for helicopters to be based on their guided missile frigates. We believe that the Lynx 3 helicopter will meet the RAN requirement at a cost substantially less than the Sikorsky Sea Hawk. The close military and industrial co-operation created by such a purchase will be of long term benefit to both our countries.

2. During his visit to Australia last year Minister(DP) proposed that there should be more collaboration between our two countries. We endorse that statement and are giving full consideration to the Westlands proposals for Australian collaboration on their helicopter projects.

3. We welcome the proposed visit by Defence Minister Mr Scholes and believe that this will provide a useful forum in which to discuss the various suggestions for defence and industrial co-operation currently under consideration.

ESSENTIAL FACTS

1. The competition for this requirement has been narrowed down to the Westlands Lynx 3 and the Sikorsky Sea Hawk. The Lynx is the cheaper option but the Sea Hawk more fully meets the Australian operational specification.

2. Both companies have recently responded to a supplementary tender requesting additional information and costings for an initial procurement of 8-12 aircraft. (The value is approximately £50 million). This is seen as just the first tranche of a much larger RAN requirement. The project is now going through the final committee stages and a decision is expected in July this year; the successful contractor will be well placed, in terms of continuity of supplies and logistical support, to compete for the later helicopter requirements of the RAAF and Australian Army.

3. At the request of Westlands, MOD has agreed to provide support in the following areas:

- a. Evaluation trials at A & AEE to substantiate the results of the Westlands development programme.
- b. Availability of MOD ranges for weapon trials.
- c. Advanced crew training, including operation off RN ships, after delivery of the aircraft but prior to their departure to Australia.
- d. Oversight of manufacture by MOD Quality Assurance Directorates.

- e. Assistance in the logistic support, under the UKLSA arrangement, of the aircraft in so far as the aircraft retains commonality with helicopters in UK service.
 - f. A & AEE assistance in certification of the aircraft.
4. There has recently been some concern expressed by the RAN on the effectiveness of the Gem 60 engine and Engine Usage Monitoring System (EUMS) and reassurance has been sought from MOD. A reply will be sent to Australia this week, stating confidence in the engine and EUMS system. Certification is expected in advance of the RAN requirement.
5. On the industrial side Westlands proposals for setting up an Australian Helicopter Industry (AHI) have fallen through and they have now put forward a new set of proposals concentrating on 3 areas:
- a. An Australian interest in one of their 3 major projects, Lynx, W30 or EH101.
 - b. Westlands to represent the Australian Aircraft Corporation (AAC) in the UK in marketing the A20 basic trainer for the RAF AST 412.
 - c. Joint UK/Australian collaboration on procurement of support helicopters for the RAF and RAAF. (The timescale and requirements of the RAAF are similar to those in AST 404).
6. This would provide long term employment opportunities in Australia and also aid the development of their indigenous

defence industries. MOD and DTI approval would need to be given to these proposals and this is currently being considered. Minister(DP) will be writing on this to Mr Scholes, Minister for Defence, shortly and will also meet Mr Scholes during his proposed visit to the UK next month. Secretary of State for Industry is also expected to write to Senator Button of the Ministry for Industry and Trade.

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See file

10 DOWNING STREET

From the Private Secretary

14 May 1984

HELICOPTERS FOR AUSTRALIAN
FRIGATES

Thank you for your letter of
14 May. I am afraid that an
opportunity did not arise for the
Prime Minister to discuss this
question with Mr. Hayden.

Miss Wendy Anderton,
Ministry of Defence.

COMMERCIAL: IN CONFIDENCE

550