



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**PROOF**

**Federation Chamber**

**PRIVATE MEMBERS' BUSINESS**

**Defence Industry**

**SPEECH**

**Monday, 11 September 2017**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

<b>Date</b> Monday, 11 September 2017	<b>Source</b> House
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<b>Questioner</b>	<b>Responder</b>
<b>Speaker</b> O'Brien, Ted, MP	<b>Question No.</b>

**Mr TED O'BRIEN** (Fairfax) (18:27): I would like to congratulate the member for McEwen on his speech. While it was clueless and totally missed the point, I give him full points for bravery. Who in their right mind from the Labor Party would stand up to speak to this motion and suggest for a moment that the Labor Party has a strong track record on defence? This is a Labor Party that had the lowest spending on defence since 1938—1.56 per cent of GDP. The coalition's plan is to raise it up to two per cent. And so full credit to the member for McEwen for his bravery. If only his facts matched his bravery then he actually might have good cause to stand in this chamber and try to suggest that the Labor Party actually has a good, demonstrable track record when it comes to defence.

As we all know, the world today is in a situation of increased volatility. The uncertainty that is gripping us both politically and economically is throwing up a set of challenges that have led to the Turnbull coalition government investing in a capital program that is the largest recapitalisation that our Australian Defence Force has ever seen. This government is looking at a spend of \$200 billion—that's with a B—out to the years of 2026-27. Ultimately, we'll see us reaching that benchmark of two per cent of GDP spend in years far earlier than previously planned, going streets ahead of where Labor had left us at 1.56 per cent of GDP. The hallmark of the government's approach is pulling together three pillars that historically have never worked as effectively as they are today under the leadership of the defence minister and the Minister for Defence Industry. Those three pillars are government itself, the Australian Defence Force and industry. The extraordinary thing about this is that the programs that the government is implementing are allowing our industry here domestically not only to supply content but also to develop deep expertise. We have a situation now where Australian industry is building new industries altogether. We have the creation of high-technology manufacturing companies that are not only starting up but also growing. We have an opportunity now, with the government's spending and pulling together of industry, the Australian defence forces and its own spend, to create a set of capabilities that position us beautifully for export.

If you look across the various aspects of the Australian defence forces, one area that grabs my attention is that of the Army and, in particular, the big Land projects: Land 200 and Land 400. As many people in this House might know, the Land 400 job is currently up for tender, and there are two companies in the bidding for that: Rheinmetall and BAE. Here we again have a situation where the Turnbull government is investing. In this case Land 400 phase 2 is \$4 billion to \$5 billion for 225 combat reconnaissance vehicles. These are going to be best in class around the world, built here locally. It gives an opportunity for us not only to use Australian steel and Australian technology, based in Australia with Australian workers, but also to build a capability that can then be used to export products, for us to be a net exporter of defence capability, because we'll have a sovereign industry that we previously have not had. That is why Land 400 phase 2 is so important, with phase 3 being an extra \$15 billion. Together, that project alone, \$20 billion, is the largest in the history of the Australian Army. In the context of potential jobs for Australia, it's larger than Adani. This is an enormous coup. What we have with this government is one that's determined to ensure government money is spent jointly with the Australian Defence Force and Australian industry, and thus I support the motion.