



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

Federation Chamber

BILLS

Appropriation Bill (No. 1) 2018-2019

Consideration in Detail

SPEECH

Wednesday, 20 June 2018

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Wednesday, 20 June 2018	Source House
Page 143	Proof Yes
Questioner	Responder
Speaker O'Brien, Ted, MP	Question No.

Mr TED O'BRIEN (Fairfax) (16:31): I'm delighted to be here in this chamber today because, at long last, after the Rudd-Gillard-Rudd era, we have a government that is providing leadership in the area of defence and we have a minister who is providing the leadership that we require in defence industry in this country. Of course, we all know that under the government's leadership we have a Defence white paper, a Defence Industry Capability Plan and a Defence Export Strategy. These three pillars, if you like, have established a very clear framework under which we now have, under the lead of the minister, the greatest and largest recapitalisation program in the history of the Australian Defence Force.

This is an enormous set of activities not just for our Defence Force but, of course, for the Australian economy—and thus the importance of this portfolio. Those pillars of the framework all lead to a strategic objective, which is to ensure we have the capability, the posture and the resilience to meet our defence needs as a nation moving into the future.

In order to deliver on that objective, I've had the privilege, together with my Team Queensland LNP colleagues, of coming to understand the Land 400 project in great detail, because Team Queensland put its shoulder to the wheel in support of a bid that would see the manufacturing of 211 combat reconnaissance vehicles in Queensland. That was a \$5.2 billion project, and that will see this new fleet of CRVs roll out.

Deputy Speaker Buchholz, as you know, my background is in the commercial sphere, and where I see this Land 400 project delivering on the government strategy is in a few areas. Firstly, Rheinmetall, who are the government's preferred tenderers, plan to create a military vehicle centre of excellence that will look to design and manufacture combat vehicles well into the future. The company is also establishing a national R&D program, establishing links with CSIRO as well as universities to ensure that the best and brightest put their shoulders to the wheel to create new intellectual property. With intellectual property we've also seen, as part of the proposition of that company to become the preferred tenderer for Land 400 phase 2, the idea of transferring intellectual property from Germany to Australia, of seeing that intellectual property domiciled in Australia. We also see a pipeline of export worth \$60 billion. That's just for that priming business. It doesn't account for the hundreds of small and medium businesses—not just throughout Queensland, it must be said, but right throughout Australia—who are going to be part of their supply chain.

This is an opportunity not just for the larger players—they are using Australian steel, Bisalloy—but also for small and medium businesses who have never played in the defence space. For me, the Land 400 phase 2 project is a case study that brings to life the strategy of this government, a strategy that says we need to have a sovereign capability, that we need to ensure that our businesses are owning the intellectual property, that we are investing in that moving forward and that the Australian defence industry will build its own capability to service the needs of our nation.

My question to the minister today is: with that in mind, will the minister inform the chamber of the benefits of the Land 400 project to Australian industry, and will he provide some insight into how that is a case study and example of the government's approach to defence industry?