



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

Federation Chamber

BILLS

Appropriation Bill (No. 1) 2019-2020

Consideration in Detail

SPEECH

Tuesday, 17 September 2019

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner	Responder
Speaker O'Brien, Ted, MP	Question No.

Mr TED O'BRIEN (Fairfax) (17:17): The member for Shortland's contribution, if you could call it that, makes me so relieved that we are going to have a coalition in government. Here we have the opposition complaining about how procurement is done. When they were in government, they didn't know how to procure anything. Firstly, they've don't understand how to run an economy, which probably explains why they've don't understand how to run a defence force, which probably explains—as he's leaving the chamber!—why the Labor Party did nothing in office but cut the defence budget. We have some heads crossing over there, so let me make it clear: in the year of the 2012-13 budget, Labor slashed the defence budget by over 10 per cent in real terms. That causes defence investment to fall by 1.56 per cent of GDP. The last time we had defence spending so low compared to that mob over there was 1938. That's the problem.

But I'm here to actually ask our minister an important question about the Land 400 program. This, of course, is part of a recapitalisation of Australian defence forces of over \$200 billion. That's when you find procurement, by the way: when you actually run the economy and put real money behind our defence forces. The Land 400 program is close to my heart because I'm a Queenslander. We know that the Land 400 phase 2 project was won by a company called Rheinmetall, which has domiciled itself in Queensland. This was a \$5.2 billion procurement spend on 211 combat reconnaissance vehicles—the best in the world.

Again, if you go back to the basics of why we're all here—at least why we should be here—it is to keep our country safe and secure. Our soldiers deserve nothing but the best. Through the LAND 400 program, that is precisely what the priority is. The phase 2 contract was worth \$5.2 billion. That is seeing over 1,400 jobs being created right across Australia. It is seeing not just jobs created, but careers. These careers are not just in the direct build of those combat reconnaissance vehicles but in over 40 Aussie businesses that are providing goods, parts and services to that work. We're talking about Australian steel—steel that is now graded equally with the best coming out of Germany. This is more than jobs; this is careers. There are people in Australia who, without this sort of spend, would not have the careers they will now enjoy connected to the Australian Defence Force.

As part of this project, you see projects being built. We heard a Labor Party member about 10 minutes ago complaining about spend in Ipswich. This \$5.2 billion is being spent primarily through the production of combat reconnaissance vehicles at a site in Ipswich, in Queensland, and yet the Labor Party complain! I tell you what, if I were from Ipswich, I wouldn't be complaining about \$5.2 billion. By the way, what I didn't say was that the Labor Party should also take account of the sustainment, the ongoing through-life support. Ipswich will benefit from that and so too will North Queensland. This is why it's so vitally important that we have these major projects.

When you look at the export pipeline, it's tens of billions of jobs. We have Australians getting onto the pipeline of those works, and we also export intellectual property which is now here in Australia. This is the birth of a new industry. This is jobs. This is small and medium businesses. This is economic prosperity, and it's also ensuring that our country is kept safe and secure and that our soldiers get nothing but the best. The coalition are the only parties that deliver that. That is why I'm happy to stand and ask the minister: what are the opportunities for Australian industry under the LAND 400 program, and how is this government supporting businesses, including small ones, to take advantage of these opportunities?