

Question on notice no. 2

Portfolio question number: 2

2022-23 Budget estimates

Foreign Affairs, Defence and Trade Committee, Defence Portfolio

Senator the Hon. Kim Carr: asked the Department of Defence on 1 April 2022—

(1. With respect to the delivery of the Land 400 Phase 2 program by Rheinmetall Defence Australia, please advise:

- a. The total value of the contracts awarded to Australian industry. Provide a breakdown by state and territory..
- b. The number of contracts awarded to Australian businesses, broken down by state and territory.
- c. The number of people employed by Rheinmetall to deliver this project, broken down by state and territory (FTE and headcount) .
- d. The number and value of export contracts awarded to Australian companies, broken down by state and territory.
- e. Have any changes been made to Rheinmetall's AIC Plan since its creation in 2018.

2. Please provide a list of all Australian companies that have been contracted by Rheinmetall Defence Australia for delivery of Land 400 Phase 2, broken down by state and territory.

Answer —

Answer attached

SENATE ESTIMATES QUESTION

(Question No. 2)

Senator Kim Carr asked the Department of Defence the following question, upon notice, on 7 April 2022:

1. With respect to the delivery of the Land 400 Phase 2 program by Rheinmetall Defence Australia, please advise:
 - a. The total value of the contracts awarded to Australian industry. Provide a breakdown by state and territory.
 - b. The number of contracts awarded to Australian businesses, broken down by state and territory.
 - c. The number of people employed by Rheinmetall to deliver this project, broken down by state and territory (FTE and headcount).
 - d. The number and value of export contracts awarded to Australian companies, broken down by state and territory.
 - e. Have any changes been made to Rheinmetall's AIC Plan since its creation in 2018.
2. Please provide a list of all Australian companies that have been contracted by Rheinmetall Defence Australia for delivery of Land 400 Phase 2, broken down by state and territory.

Senator Carr – The Department of Defence provides the following answer to the Senator's questions:

Defence advises that as at 31 December 2021, Rheinmetall Defence Australia had awarded purchase orders and contracts to 44 Australian businesses, totalling \$211.8 million. The breakdown by state and territory is as follows:

Purchase Orders and Contracts Awarded by Rheinmetall Defence Australia as at 31 December 2021		
State/Territory	Quantity	Value
ACT	2	\$4,160,111.11
NSW	14	\$82,461,259.46
QLD	9	\$18,489,132.80
SA	2	\$11,563,112.82
VIC	17	\$90,549,399.09
Purchase Orders and Contracts with a value of less than \$200,000	unknown	\$4,575,172.23
Total	44 (excluding those <\$200K)	\$211,798,187.51

The list of all contracts awarded by Rheinmetall Defence Australia is commercially sensitive information held by Rheinmetall. However, the following Australian businesses have been

publically announced by Rheinmetall Defence Australia as having signed supplier contracts in support of the delivery of LAND 400 Phase 2.

- Supacat Pty Ltd, located in Port Melbourne, VIC
- Cablex Pty Ltd, located in East Bentleigh, VIC
- Eylex Pty Ltd, located in Castle Hill, NSW
- Tectonica Australia Pty Ltd, located in West Melbourne, VIC
- ABI Coating Specialists Pty Ltd, located in Stapylton, QLD
- Precision Metal Group Australia Pty Ltd, located in Wetherill Park, NSW
- MoTeC Pty Ltd, located in Croydon South, VIC
- Frontline Manufacturing Pty Ltd, located in Meadowbrook, QLD
- Rocklea Pressed Metal Pty Ltd, located in Acacia Ridge, QLD
- Thomas Global Systems Australia Pty Ltd, located in Sydney Olympic Park, NSW

As at 31 January 2022, Rheinmetall Defence Australia has 380 Australian employees in support of LAND 400 Phase 2. There are 309 in Queensland, 43 in Victoria, eight in South Australia, and 20 temporarily in Europe.

As at the end of March 2022, under Defence's Global Supply Chain program arrangement with Rheinmetall has awarded 120 contracts to 24 Small to Medium Enterprises across Australia valued at \$55.1 million. In addition, Rheinmetall Defence Australia has been awarded around \$100 million of export orders to Europe and the US, and are currently evaluating companies for these programs.

There has been no change to Rheinmetall's Australian Industry Capability Plan since its creation in 2018.