

QUESTION ON NOTICE

No. 1756

asked on Thursday, 15 November 2018

DR C ROWAN ASKED THE MINISTER FOR STATE DEVELOPMENT, MANUFACTURING, INFRASTRUCTURE AND PLANNING (HON C DICK)—

QUESTION:

Will the Minister advise (a) if the Queensland Government has purchased any land within the Redbank Motorway Estate on behalf of Rheinmetall and (b) if so (i) how much did it cost taxpayers and (ii) what return on investment is the State Government expecting for their investment?

ANSWER:

In response to the Member's question:

The Queensland Government is working with Rheinmetall Defence Australia (RDA) to establish their Military Vehicle Centre of Excellence (MILVEHCOE) in Queensland. An agreement was reached with RDA to relocate their Australian and New Zealand headquarters to South East Queensland, pending their success in the LAND 400 Phase 2 tender. The agreement provides for the construction of a \$170 million facility at Redbank.

The Queensland Government is using its extensive experience in the delivery of large infrastructure projects to oversee the construction of the MILVEHCOE on Rheinmetall's behalf.

Returns to taxpayers in Queensland will be significant. The MILVEHCOE construction will support an average of 300 jobs over two years. Rheinmetall Defence Australia estimates MILVEHCOE will support 450 highly-skilled jobs for Queenslanders in the first 10 years and contribute \$1 billion to the Queensland economy over the life of the project.

The MILVEHCOE site is located close to a number of large defence industry suppliers, heavy vehicle manufacturers and SMEs who may draw on this facility for future work. The attraction of RDA to Queensland has already delivered considerable supply chain benefits. For example, two firms – Haulmark Trailers Australia in Rocklea and Holmwood Highgate in Loganholme – have been contracted to help RDA deliver more heavy vehicles and equipment for the \$1.4 billion LAND 121 Phase 5B contract, recently awarded by the Commonwealth.

The MILVEHCOE facility at Redbank will provide the base for RDA to deliver the Land 400 Phase 3 contract, should they be successful in their tender to replace the Australian Defence Force's armoured personnel carrier fleet.

MILVEHCOE will not only provide a base from which RDA can deliver major Australian defence contracts but RDA has announced that MILVEHCOE will have a strong export focus, which will deliver further benefits to the Queensland economy.

The Palaszczuk Government is committed to developing our manufacturing sector, including through the pursuit of opportunities in our defence industries.

The number of Queenslanders employed in our manufacturing sector rose by almost 10 per cent over the last year. Projects like the Land 400 Phase 2 help us build on that success.