

The vehicle industry

FOR THOSE THAT remember, Australia once manufactured its own cars, but owing to several competing factors, including high production costs, a small domestic market, global competition and uncertainty over government support, iconic brands, such as Ford, Toyota and Holden all eventually ceased local production. Australia lost a key industry as a result.

This issue is relevant today for Australia's defence industry; an obvious case is the Army's fleet of Australian-made land vehicles. Australia's ambition to establish itself as a key player in the global defence industry is underscored by the involvement of these major defence contractors. But it also hinges on viability. So how do we avoid what happened to car manufacturing a decade ago to the Army's locally-made vehicle fleet?

Firstly, this is not the Army's problem to solve. This issue goes to the very heart of defence industry policy at the highest levels of government. One priority should be to encourage Australia's domestic defence manufacturing sector to become more 'export-competitive'. Not only will it generate long-term options for the continuous production of locally-made vehicles, but also reinforce the policy imperatives around increasing self-reliance, up-skilling our workforce and increasing capacity in an area in which Australian policymakers seek to become a 'Top 10' defence exporter globally.

Thales Australia, for example, has a long-standing presence in the Australian defence sector, particularly through its production of the Bushmaster and Hawkei vehicles. It has



Ian Langford

The Langford Files

ABOUT THE AUTHOR

seen success in international markets, with Bushmaster being exported to countries like the Netherlands and the UK. Rheinmetall, through its production of the Boxer combat reconnaissance vehicle and investment in the Military Vehicle Centre of Excellence in Queensland, is another key player. Like Thales, Rheinmetall can team with the Government to build and export beyond the domestic market.

Hanwha Defense Australia represents the growing interest of South

Korean defence companies in establishing a foothold in the Australian market, bringing immense scale to Australia's on-shore capacity to mobilise its industrial base. Finally, there's Supacat, whose strength lies in its agility and ability to customise vehicles to meet specific operational requirements and offer dual-purpose modular vehicle platforms suited to regional operations as well as humanitarian assistance and disaster relief missions.

The capacity of Thales, Rheinmetall, Supacat and Hanwha to build a sustainable military vehicle export market from Australia is considerable, yet it is not without challenges. Co-operation with the Australian Government will be crucial in ensuring that the vehicles produced are globally competitive. We must avoid a repeat of what happened to Ford, Toyota and Holden a decade ago. **DTR**