

History of ADI/Thales, the Defence Portfolios and Military Vehicle Contracts October 2015

1996 Then Opposition Leader John Howard visits Bendigo and promises not to privatise ADI.(Now Thales) “No, No and No. We have no plans to privatise ADI” *Bendigo Advertiser* February 16, 1996.

1996 John Howard elected Prime Minister on March 2, 1996. Bruce Reid re-elected Federal Member for Bendigo.

1997 Initial decision with Australian Defence Force choosing ADI’s Bushmaster APC as preferred option over the ASVS Taipan vehicle to proceed to the next stage.

1997 (February 27) Liberal Minister for Defence Ian McLachlan announces the Howard Government’s decision to fully privatise ADI.

1998 Howard Government re-elected. Labor wins the Federal Election for Bendigo citing the ADI privatisation betrayal and the Bushmaster contract among the main local issues.

1998 John Moore sworn in as Federal Minister for Defence after Ian McLachlan retires.

1999 Production contract signed with ADI for 370 Bushmasters to be delivered by 2002.

1999 The first Bushmasters to be used on operations were the two prototype test vehicles (affectionately known as B1 and B2) deployed to East Timor.

2001 Peter Reith replaces John Moore as Defence Minister and receives a Defence (DMO) recommendation to cancel the Bushmaster contract.

2001 Labor makes the Bushmaster contract & the Calder Highway reconstruction the main issues in the 2001 Federal Election campaign in Bendigo.

2001 Howard Government wins 2001 election and Senator Robert Hill replaces Reith as Defence Minister. Bendigo stays with Labor.

2002 (March 21) Bendigo Labor MP Steve Gibbons leads a deputation to Defence Minister Senator Hill to argue the case for retaining the Bushmaster contract for ADI.

2002 (June 26) Defence Minister Hill announces the Government will honour a revised Bushmaster contract with ADI with a reduced number of vehicles. (From 370 to 299).

2003 (August) First production Bushmasters roll of the assembly line at ADI Bendigo.

2004 (Federal Election) The Howard Government re-elected. Bendigo stays with Labor.

2006 Thales Australia acquires 100% of ADI and assumes full control of its operations.

2006 Dr Brendan Nelson replaces Senator Robert Hill as Minister for Defence. Senator Hill and Dr Nelson increase the number of Bushmasters for the ADF to a total of around 730 vehicles. Bushmasters deployed in East Timor, Iraq and Afghanistan.

2006 Land 121 Phase 3 Defence vehicle replacement program specified purchases of a range of light and medium to heavy trucks including a number of armour protected vehicles in these categories. 20 vehicles were initially assessed with a view to short-list the light to medium category down to 3 vehicles for intensive testing and trials. Thales' Bushmaster Utility, then called Copperhead, was excluded from the initial 20 vehicle assessment process.

2006 The Netherlands Defence Force place an initial order for 25 Bushmaster APCs. The NDV subsequently increase Bushmaster orders to a total of 86 Vehicles.

2007 Rudd Government elected with potential export markets for Thales vehicles a dominant issue in the Bendigo campaign. Joel Fitzgibbon sworn in as Minister for Defence. Bendigo stays with Labor.

2008 On assuming office in 2007 and identifying several non-related problems with the Land 121 Phase 3 processes, the new Labor Government overhauled the entire tender arrangements resulting in the Bushmaster single cab vehicle finally being considered in the new initial assessments. The DMO subsequently short-listed the Bushmaster Utility along with vehicles from Mercedes Benz and MAN.

2008 Land 121 Phase 4 provides the ADF with up to 1,300 Protected Mobility Vehicles - Light (PMV-L), to replace part of the current Land Rover fleet. Thales develops the Hawkei prototype for this category.

2008 Defence Minister Fitzgibbon announces Australia will participate in the US Joint Light Tactical Vehicle program as a potential vehicle for purchase for Australia's PMV-L and commits around \$40 million to the US program. The Minister's statement also provides an opportunity for Australia's defence manufacturing sector to participate in the PMV-L program.

2008 (March) The British Defence Force take delivery of 24 Bushmaster APC's

2009 (April 23) Bendigo Federal MP Steve Gibbons requests and receives a private briefing on Land 121 Phase 4 and the PMV-L program from senior DMO personnel. Officials state that they don't believe Thales is capable of producing a Light Protected Mobility Vehicle.

2009 Thales provides prototype Bushmaster Utilities to the Department of Defence in July for a vigorous test and evaluation process under Land 121 Phase 3. Defence cite December 2010 for a recommendation to Government on which vehicle should proceed to the contract negotiation phase.

2009 Senator John Faulkner replaces Joel Fitzgibbon as Minister for Defence. Labor also announces a separate Ministry for Defence Materiel to administer defence procurements. Greg Combet sworn in as the new Minister.

2010 (May 26) Minister for Defence Materiel Greg Combet announces funding for three (3) Australian manufactured PMV-L Vehicles to compete against the US JLTV. Thales, Force Protection and General Dynamics each received up to \$9 million to develop prototypes. Thales' Hawkei is the only Australian designed and manufactured prototype in the competition.

2010 The Gillard Government narrowly re-elected. Bendigo stays with Labor.

2010 Stephen Smith replaces Senator John Faulkner as Minister for Defence. Jason Clare replaces Greg Combet as minister for Defence Materiel.

2010 Defence change the timing for the recommendation to Government on the Land 121 Phase 3 light to medium armoured truck program to March/April 2011.

2010 The US Wikileaks scandal reveals pressure from US Diplomats for Australia to abandon its Defence Manufacturing sector and purchase products exclusively from the US.

2011 (Feb 24) Thales delivers two Hawkei prototypes to Defence for an intensive test and appraisal process. A recommendation to government on the preferred Australian PMV-L to compete with the US JLTV vehicle is anticipated in late 2012 or early 2013.

2011 (April 19) Approx 300 people rally in Bendigo in support of Australian defence manufacturing and Thales vehicle contracts.

2011 (May 12) Defence Minister Stephen Smith announces an additional order for 101 Bushmaster APC's for the Australian Army.

2011 (Dec 12) Defence Minister Stephen Smith announced that the Thales bid for the contract to manufacture Bushmaster single cab utilities was overlooked in favour of the German MAN vehicle. However the Thales Hawkei PMV-L prototype had out performed all of the other vehicles competing for the contract and had won the Land 121 Phase 4 bid with the successful down select process. Prototype development continued with the contract scheduled for signing in 2015.

2012 (June 4) Thales receives another \$38 million for Hawkei Prototype development under the Defence Materiel Organisation first pass approval process.

2012 (July 2) Thales wins around \$205 million for an additional 214 Bushmaster Armoured Protected Mobility vehicles.

2015 (October 5) Prime Minister Turnbull & Defence Minister Payne announce the successful signing of the contract for the ADF to purchase 1100 Hawkei PMV-L vehicles.