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LAND 400 Phase 3 – Infantry Fighting Vehicle (Acquisition)

Public Australian Industry Capability (AIC) Plan

Company Details

Hanwha Defense Australia Pty Ltd

Level 5, 550 Bourke Street Melbourne Victoria 3000 <https://www.hanwha-defence.com.au/>

Company Overview

Hanwha Defence Australia (HDA) is a subsidiary of Hanwha Aerospace, a division of the vast Republic of Korea Fortune 500 conglomerate Hanwha Corporation. Hanwha Corporation has been operating in Australia since 2005 in areas including mining equipment, logistics and sustainable energy.

Headquartered in Melbourne, HDA was established in 2019 with an initial focus on Land Systems.

All HDA vehicles will be manufactured in the Greater Geelong region of Victoria at the Hanwha - Armoured Vehicle Centre of Excellence (H-ACE).

Executive Summary

Defence Project Number: LAND 400 Phase 3

Contract Number: CASG/AVD/Con7189/7

HDA has entered into an Acquisition Contract with the Commonwealth of Australia to supply Infantry Fighting Vehicles (IFV), also known as the Redback AS21, for the Australian Defence Force (ADF). The contracted scope includes design and development, manufacturing, integration, assembly and testing of 129 IFV, including project management and provision of supporting infrastructure.

The contract price is \$3,780m AUD (GST inclusive) as at Effective Date with a Prescribed Australian Contract Expenditure (ACE) Percentage of 57.5%. This ACE percentage represents both the work packages undertaken by HDA as well as those subcontracted to Australian industry.

The duration of the Acquisition Contract is six years, with a forecast completion date of March 2029.

The Sovereign Industrial Capability Priority (SICP) which applies to LAND 400 Phase 3 is Land Combat & Protected Vehicles and Technology Upgrades (LC&PV). As specified in the contract documentation, this SICP seeks to enhance sovereign industrial capability in the design, development and manufacture of the IFV, including the integration of Government Furnished Equipment (GFE) systems and equipment, and the ability to upgrade the IFV to meet the challenges of the day.

Subcontracted Work

As at Effective Date, the total forecast value of subcontracted work by HDA for LAND 400 Phase 3 is approximately \$2.5b (GST inclusive) with an estimated ACE Percentage in excess of 39.0%. This ACE Percentage represents the component of work subcontracted by HDA to

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Australian industry. This work includes the manufacture of hull and turret structures, C4i systems, training systems and selected components.

The table below summarises major work packages expected to be delivered by Australian Subcontractors:

Major Australian Work Packages		
Company Name	Location	Scope
APC Technology	991 Port Road, Cheltenham SA 5014	ASGVA Displays, Large Briefing Screens (c4i)
Corvus Technology Solutions	25 Gatwick Road, Bayswater North, VIC 3153	In-Arm Suspension Units (ISU): Component Production, Assembly and Testing
Electro Optic Systems (EOS)	18 Wormald Street, Symonston ACT 2609	Remote Weapon Stations
Elphinstone	2 Ormsby Street, Burnie, TAS 7320	Hull Structure Production
Thomas Global Systems (TGS)	11 Murray Rose Avenue, Sydney Olympic Park NSW 2127	Cross Domain System (CDS) and Infantry Fighting Vehicle Trainer (IFV-T)

In addition to the Australian Subcontractors listed in the table above, the following companies are an Indigenous Enterprise, a Small to Medium Enterprise (SME), and/or a signatory to the Veterans’ employment commitment. These companies have been shortlisted by HDA to potentially deliver work under the LAND 400 Phase 3 project:

Indigenous, SME, and/or Veterans’ employment signatory			
Company Name	Location	Scope	Additional Information
Advanced Navigation	Sydney, NSW 2000	Inertial Navigation System (INS)	SME
APC Technology	Cheltenham, SA 5014	ASGVA Displays, Large Briefing Screens (c4i)	SME and Veterans’ signatory
AVI	Myaree, WA 6154	Wifi Router	SME and Veterans’ Signatory
Axalta Coating Systems	Marsden Park, NSW 2765	Vehicle Painting (APAS): Supply and Technical Support	SME
CBG Systems	Hobart, TAS 7009	Multispectral Camouflage System	SME and Veterans’ Signatory

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Corvus Technology Solutions	Bayswater North, VIC 3153	In-Arm Suspension Units (ISU): Component Production, Assembly and Testing	SME and Veterans' Signatory
Electro Optic Systems	Symonston, ACT 2609	Remote Weapon Stations	Veterans' Signatory
Elphinstone	Burnie, TAS 7320	Hull Structure Production	SME
HiFraser	Warriewood, NSW 2102	AFSS: Component Manufacture, Assembly and Testing	SME
MMC Learning and Development	Burwood, NSW 2134	Virtual Maintenance Trainer, Technology Enabled Learning	SME and Veterans' Signatory
Thomas Global Systems	Sydney Olympic Park, NSW 2127	CDS and IFV-T Simulator: Component Production, Assembly and Integration Support	SME

HDA will promote and explore opportunities to include SMEs in the supply chain where possible. By utilising domestic suppliers and sourcing local materials, this will lead to downstream job creation and will strengthen Australia's domestic manufacturing base.

Creation, Enhancement and Maintenance of Australian Industry Capabilities

HDA seeks to identify industrial candidates with the capability and interest to supply to Defence and adjacent sectors such as mining, to enable cross-pollination and to leverage transferability of specialist equipment, capabilities and skills.

HDA commits to the following activities regarding the creation, enhancement and maintenance of Australian Industry Capabilities (AIC):

- Tracked combat vehicle assembly and testing capability establishment
- Localisation of In-Arm Suspension Unit (ISU) to Australia
- Sovereign development of simulation capabilities and technology-enabled learning
- Delivery of in-country complex systems integration, general fabrication, support and maintenance for the Redback AS21 vehicle
- Design and development of electronic systems
- Production of specialist textiles for signature management

Hanwha - Armoured Vehicle Centre of Excellence

As part of HDA's commitment to the creation, enhancement and maintenance of AIC, HDA has constructed the Hanwha - Armoured Vehicle Centre of Excellence (H-ACE) in the Greater

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Geelong region. Construction of the H-ACE design, build and commissioning phases are significant for two main reasons:

- This expenditure drives economic activity among industries other than Defence
- The facility will provide enduring benefits to the Greater Geelong community and to the Defence industry nationally through its capabilities and workforce requirements, enabling continuity in ACE for decades to come

The Stage 1 H-ACE build was completed on 21 May 2024. Stage 1 consists of the appropriate facility requirements needed to service the LAND 8116 Phase 1 Project. Stage 2 will consist of specific facility requirements for the LAND 400 Phase 3 Project due for completion in 2025.

Future Work Opportunities

The source of supply is to be determined for the following goods and services:

Work Packages	
Cable Harnesses	Casting and Forging
Electronic Boxes	General Machining and Fabrication Items
Pipes and Tubes	Production Line Consumables
Textiles	Rubber Parts

HDA will test the market for the work packages identified above through the Market Engagement process detailed below. HDA also intends to provide Australian industry with an opportunity to present the best Australian-developed solution with support where possible from the broader Hanwha Group to facilitate international demand for Australian industry solutions. This will enable potential future export opportunities.

Market Engagement for LAND 400 Phase 3 Acquisition Contract

HDA will conduct continuous market scanning throughout the LAND 400 Phase 3 Acquisition Contract through formal and informal engagement with industry. As part of HDA's AIC commitments, industry briefings will be hosted to ensure Australian industry are aware of any new, current or potential opportunities to deliver work as part of this Contract or as part of any other HDA contracts.

Market solicitation activities for the LAND 400 Phase 3 Acquisition Project will continue to be presented on HDA's Australian Industry Portal (AIP). With tender market testing now complete, the next major series of work packages are anticipated to be released between Q1 2025 and Q2 2025.

Potential suppliers can sign up to the AIP at: <http://hanwha.benchon.com/>

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