



**Senator the Hon Linda Reynolds CSC  
Minister for Defence**

**Statement to the Senate Standing Committee on  
Foreign Affairs, Defence and Trade**

**Monday, 26 October 2020**

***Response to claims raised by Senator Wong in correspondence regarding  
cost of Future Submarine Program***

**Speech**

**339 words = 3 minutes approx. at 110 words per minute**

**###**

Chair

Before we move to questions from the Committee on the Defence portfolio today, I seek to address serious matters raised by Senator Wong in a letter to me dated 14 October 2020. Matters she asked be addressed in these Budget Estimates.

I have responded in writing to Senator Wong.

To assist the Committee, I seek to table a copy of Senator Wong's letter and my subsequent response.

The clear implication in Senator Wong's letter is that Defence Ministers and officials have misled this Committee in relation to the likely cost of the Future Submarine Program.

Senator Wong said in her that the Opposition will be "seeking an explanation of answers previously given to the Senate by the Department of Defence, following evidence provided by the Department of Finance about knowledge of the likely cost of Australia's new fleet of attack submarines."

Senator Wong also asked for a "full explanation for this discrepancy" and for the record to be corrected.

From the outset, I would like to strongly state that Senator Wong's implications are wrong.

It is clear from Senator Wong's letter that there is a fundamental misunderstanding on the Opposition's part of the events of 2015-16, particularly in the lead up to the 2016 Defence White Paper and the April 2016 decision by Government to acquire twelve regionally superior Attack Class submarines to be constructed in South Australia with Naval Group as our international partner.

To assist the Committee, I have asked the Department to develop a factual timeline for the Committee's reference to clarify the serious matters raised by Senator Wong relating to cost, which I seek to table.

Chair, could I also ask that given the seriousness of issues raised in Senator Wong's letter, that the Secretary has the uninterrupted opportunity to publicly respond and for Mr Sammut to briefly speak through key events in the timelines – before we move to questions.

To be very clear, the cost of this program remains \$50 billion in constant 2016 dollars. This project remains on time and on budget.