

**Senate Estimates  
Opening Remarks  
SECRETARY**

- Thank you chair, I would like to make an opening statement.
- On 16 September 2021, the Prime Minister, the US President and the UK Prime Minister announced an enhanced trilateral security partnership between Australia, the UK and the US—AUKUS.
- AUKUS will build on our longstanding and ongoing bilateral ties with the UK and the US.
- AUKUS will enable us to better collaborate on defence science, research and education, technology, and industrial bases, enhancing our joint capabilities and interoperability.
  - Initial efforts to focus on cyber capabilities, artificial intelligence, quantum technologies, and additional undersea capabilities.
- I reinforce that Australia remains as committed as ever to our valued partnerships in the region;
  - AUKUS complements our other key networks – ASEAN, the Five Eyes, ANZUS, the Quad, the Five Power Defence Arrangements, and our deep and close ties with our Pacific family.
- The first major initiative under AUKUS is to support Australia’s acquisition of nuclear-powered submarines.

- The UK and the US will support Australia to identify the optimal pathway to deliver nuclear-powered submarines, leveraging the decades of experience they have gained through their respective submarine programs.
- This option was not available to Australia in 2016 and only began to emerge as a possibility for us last year.
- Nuclear-powered submarines maintain superior characteristics of stealth, speed, manoeuvrability, survivability, and almost limitless endurance, when compared to conventional submarines.
  - Through the nuclear-powered submarine program, we will deliver, in this region, an absolutely superior boat.
- This important step towards the acquisition of nuclear-powered submarines was based on analysis by the Department of Defence.
- Following a request from the Prime Minister's Office, the Department initiated a preliminary examination of the feasibility of Australia acquiring nuclear-powered submarines in March 2020.
- After this initial consideration, in May 2020, the Prime Minister, in consultation with the Defence Minister, requested Defence establish a small dedicated team to assess this feasibility in further detail.

- This team produced a study that was submitted to the Prime Minister and Defence Minister's offices in December 2020.
- In February 2021, the then-Minister for Defence directed Defence to conduct a capability enhancement review, to take into consideration the option of acquiring nuclear-powered submarines.
  - VADM Mead was appointed to lead the review.
- Over this period there was consultation with UK and US experts, and at the political level, on what cooperation on nuclear-powered submarines could entail.
- On 12 June, the three leaders met at the G7 where it was agreed that officials should determine a way ahead for trilateral cooperation on nuclear-powered submarines.
- During August 2021, trilateral discussions at senior officials levels were held to determine the 18-month process for identifying the optimal pathway for Australia to acquire nuclear-powered submarines.
- The announcement on 16 September 2021 reflected the national decision each country had made to support AUKUS, and the first program to be delivered through it.

- The Nuclear-Powered Submarine Taskforce is now up and running.
  - Its job is to work with the UK and the US to determine the optimal pathway for Australia to acquire nuclear-powered submarines.
- Defence recognises that this will be a major body of work over the next 18 months.
- We will examine the full suite of requirements that underpin nuclear stewardship: safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, and workforce.
- We will extend the life and upgrade of all six of our Collins class submarines.
  - Through these upgrades, the Collins Class will remain at the forefront of conventionally powered submarine capability and are vital to the transition to the nuclear powered submarine.
- We are investing in advanced long-range strike capabilities including Tomahawk Cruise Missiles, Long Range Anti-Ship Missiles and Joint Air to Surface Standoff Missiles.

- We are also enhancing our capabilities in offensive cyber, hypersonic systems, autonomous systems and space capabilities.
- The decision to embark upon a program to deliver nuclear-powered submarines has obviously been balanced by a decision to not continue with the Attack class submarine program.
- The public discussion around the Attack class submarine has been largely inaccurate.
  - This was a large and complex program that of course came with its own set of unique challenges and risks.
- The total estimated cost of the program was \$88 billion in out-turned dollars – this is the same estimate that we took to Government in 2016, adjusted for foreign exchange rate variations; there was no cost blow out.
- The actual Attack class submarine contracts in place at the time of the announcement accommodated the design phase.
  - The construction contracts had not been let.
- These contracts have now been terminated for convenience.
  - They have been terminated because our requirements have changed, not because of poor performance by either Naval Group or Lockheed Martin Australia.

- As the Prime Minister noted, we were confident that the Attack class submarine would have been the best diesel-electric submarine in the world.
- The Government has stated that it is committed to finding a role for every skilled shipbuilding worker impacted by the announcement to acquire nuclear-powered submarines.
- The Department is supporting our affected personnel and is working closely with ASC, to manage and implement the new Sovereign Shipbuilding Talent Pool.