

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.12)

Senator the Hon Kim Carr asked the Department of Defence, upon notice, on 18 October 2021:

Senator the Hon Kim Carr: What the remuneration arrangements for members of the taskforce?

Mead: I'll take that on notice.

The Department of Defence has provided the following answer to the Honourable Senator's question:

Refer to Question 37.

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COMMITTEE INQUIRY QUESTION

(Question No.1)

Senator the Hon Kim Carr asked the Department of Defence, upon notice, on 15 October 2021:

Senator the Hon Kim Carr: Your intention that the training program (for submariners) would be done on shore, including, access to infrastructure. UNSW providing provision here, and the ANU, whereabouts, what other institutions provide training facilities at the undergraduate level, or at the graduate level, and if you could specify which?

Noonan: I'd have to take that on notice Senator.

The Department of Defence has provided the following answer to the Senator's question:

The optimal path to nuclear propulsion will be considered by the Nuclear-Powered Submarine Task Force including provision of training programs.

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COMMITTEE INQUIRY QUESTION

(Question No.2)

Senator the Hon Kim Carr asked the Department of Defence, upon notice, on 15 October 2021:

Senator the Hon Kim Carr: Is it your intention that the training program would infact be done on shore, including, access to infrastructure.

Noonan: I don't have a clear plan at this stage Senator, part of it will be informed by the In determining how many people I need to train... Carr: Can I ask you to take that on notice? Because that's a critical issue for the safety and regulatory framework that's required for this program.

Noonan: I'll take it on notice Senator, but I'll have difficulty with producing a holistic answer by the end of the month for the national qualifications and training required I'm looking at it through the lens of Navy people who will need to work on these submarines. The work that Mead's workforce is doing is looking at the national skilling and they're working very closely and ANSTO and ARPANSA at the moment.

The Department of Defence has provided the following answer to the Senator's question:

The optimal path to nuclear propulsion will be considered by the Nuclear-Powered Submarine Task Force including training and education requirements.

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COMMITTEE INQUIRY QUESTION

(Question No.3)

Senator Kimberley Kitching asked the Department of Defence, upon notice, on 15 October 2021:

Senator Kimberley Kitching: 2:19pm: Will the commanders have to have quite rigorous training, are they going to have to have a PHD in nuclear physics or where is the level of training that will be required? Just by having a look at United States appropriations committee evidence over many years is that you can see obviously, there has to be a high level of qualifications on nuclear submarines in key roles, engineering, command, do we have these people and how are we going to get them?

Noonan: I'll take these on notice.

The Department of Defence has provided the following answer to the Senator's question:

The optimal path to nuclear propulsion will be considered by the Nuclear-Powered Submarine Task Force, including qualification requirements of commanding officers and engineers.

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COMMITTEE INQUIRY QUESTION

(Question No.6)

Senator Kimberley Kitching asked the Department of Defence, upon notice, on 15 October 2021:

Senator Kimberley Kitching: Will they (commanders) be doing the nuclear training in the US or UK? Or will we set up our own training here in Australia.

Noonan: I'll take this on notice.

The Department of Defence has provided the following answer to the Senator's question:

The optimal path to nuclear propulsion will be considered by the Nuclear-Powered Submarine Task Force, including qualification requirements of commanding officers.

COMMITTEE INQUIRY QUESTION

(Question No. 7)

Senator Kimberley Kitching asked the Department of Defence, upon notice, on 15 October 2021:

Senator Kimberley Kitching: Are you able to table the parts of the agreement on where certain points trigger payments? Can you table that?

Sammut: We've gone through a Freedom of Information exercise with that with Senator Patrick. I believe that the costs within them were redacted, I'll take that on notice, but it will be subject to commercial sensitivities which we've gone through before with many parts of this contract.

Senator Kitching – The Department of Defence has provided the following answer to the Senator's question:

As previously advised to the Committee, the break payment provisions in the Strategic Partnering Agreement were negotiated by the Commonwealth with Naval Group under conditions of confidentiality and are commercially sensitive. These conditions continue to apply after termination. For that reason, it would be inappropriate to publicly disclose the amount of the break payment and the specific circumstances in which an amount would become payable under the Strategic Partnering Agreement.

As clarified more recently, the break payment regime only applied following the exit of Preliminary Design Review, which was planned to be conducted in 2023. There were also a number of points thereafter where a break payment applied.

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COMMITTEE INQUIRY QUESTION

(Question No. 8)

Senator Kimberley Kitching asked the Department of Defence, upon notice, on 15 October 2021:

Senator Kimberley Kitching: Could I ask, there were media reports where it were under \$250 million Euro cost? When the design phase was agreed to, and the contract cancelled, was it \$250 million Euro? Were they accurate leaks? Is it about \$250 million? If you're satisfied that it is not confidential could you take it on notice? If you could confirm a \$250 million payment. If you're satisfied that it is not confidential information, could you take it on notice at that point. I'm happy to have the figures attached, I did take your point Mr Sammut. If you could confirm if it isn't breaking any commercial sensitivity about a 250 million Euro payment.

Mr Sammut: Yes I will take your question on notice. Just to confirm, this is academic because there isn't a break payment, we have not reached the first break payment point in the contract. We have not reached a point in the contract where a break payment becomes payable.

Senator Rex Patrick: I understand your concern in relation to sensitivity, but you'll be aware that your contract specifically states that if a house of Parliament requests this information it can be provided. So it overrides the confidentiality provisions. I'm not suggesting you make that public but you might be able to make it available to the committee with a request for In Confidence which I'm sure the Committee will agree to.

Sammut: I think I'll need to take it on notice in consultation with, and with the approval of the Minister, Senator.

The Department of Defence has provided the following answer to the Senator's question:

As previously advised to the Committee, the break payment provisions in the Strategic Partnering Agreement were negotiated by the Commonwealth with Naval Group under conditions of confidentiality and are commercially sensitive. These conditions continue to apply after termination. For that reason, it would be inappropriate to publicly disclose the amount of the break payment and the specific circumstances in which an amount would become payable under the Strategic Partnering Agreement.

As clarified more recently, the break payment regime only applied following the exit of Preliminary Design Review, which was planned to be conducted in 2023. There were also a number of points thereafter where a break payment applied.

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COMMITTEE INQUIRY QUESTION

(Question No.9)

Senator Rex Patrick asked the Department of Defence, upon notice, on 15 October 2021:

Senator Rex Patrick: How was Naval Group formally advised of the decision?

Fraser: They were advised in writing 0900 on the 16th of September, their time, I'll take that and confirm but I believe that was the case.

The Department of Defence has provided the following answer to the Senator's question:

In accordance with the Strategic Partnering Agreement, the termination notice was delivered to Naval Group's head office in Paris at 9:00am (CEST), 16 September 2021 (5:00pm AEST).

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COMMITTEE INQUIRY QUESTION

(Question No. 10)

Senator the Hon. Kim Carr asked the Department of Defence, upon notice, on 18 October 2021:

Senator Kim Carr: 3:40pm: How many people do we have in the taskforce? Can we have a membership list?

Mead: As of this morning we have 89 people in the taskforce. I'll take that on notice.

The Department of Defence has provided the following answer to the Honourable Senator's question:

Refer to Question No.37.

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COMMITTEE INQUIRY QUESTION

(Question No. 11)

Senator the Hon Kim Carr asked the Department of Defence, upon notice, on 15 October 2021:

Senator Kim Carr: 3:44pm: Sense of an organisational plan for the taskforce?

Mead: Defence lawyers have organisational charts along with the lists of names and people. I'll take that on notice. It's probably best that was notify their positions as opposed to their ranks.

The Department of Defence has provided the following answer to the Honourable Senator's question:

Please refer to Question No.37.