

COMMITTEE INQUIRY QUESTION

(Question No. 19)

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

Senator Rex Patrick: Just in terms of a bespoke design, have you been given any instructions in regards to avoiding a bespoke design? Or is that within scope of your future inquiries?

Vice Admiral Mead: Let me just say that all options are on the table but I'd refer back to the Prime Minister's statement that cost, scale, complexity and delivery timeline are key considerations in identifying the optimal delivery pathway. I'll take that question on notice.

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

The Nuclear Powered Submarine Task Force will undertake a trilateral effort to identify the optimal pathway to deliver at least eight nuclear-powered submarines for Australia with due consideration to factors such as cost, scale, complexity and delivery timeline.

AUKUS enables Australia to leverage expertise from the United States and the United Kingdom, building on decades of experience in their respective nuclear submarine programs.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.32)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

Is the Capability Enhancement Review (CER) still underway?

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

The Capability Enhancement Review has concluded.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.34)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

Is Commodore Brown still involved with CER / submarine capability?

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

Commodore Brown is not a member of the Nuclear-Powered Submarine Task Force.

COMMITTEE INQUIRY QUESTION

(Question No. 36)

Senator Anthony Chisholm asked Department of Defence, upon notice, on 18 October 2021:

On the 13th September, 3 days before the AUKUS announcement, it was revealed that Naval Group Australia board director David Peever had been appointed to conduct a review into the Australian Defence Force's innovation programs.

1. When was Mr Peever appointed to this role?
2. Why was Mr Peever appointed to this role?
3. Was Mr Peever privy to the AUKUS decision?
4. Is there a conflict with Mr Peever being appointed to this role ahead of the AUKUS announcement? How was a potential or perceived conflict of interest managed?
5. Was Mr Peever given this opportunity to mitigate potential backlash from Naval Group Australia as a result of the nuclear submarine decision?

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

1. 19 August 2021.
2. Mr David Peever was appointed to conduct the Independent Review into the Defence Innovation Ecosystem given his broad knowledge of Defence, and experience in leading Defence's First Principles Review.
3. Mr Peever was made aware of the decision when Naval Group was advised on 15 September 2021.
4. No.
5. No.

COMMITTEE INQUIRY QUESTION

(Question No. 38)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

Will the taskforce work with industry to develop IP specific to the nuclear submarines? Will the taskforce ensure Australian industry is educated enough to manage a nuclear submarine – what will this education look like?

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

Over the next 18 months, Australia, the UK, and US, through the AUKUS trilateral effort on conventionally-armed nuclear-powered submarines, will examine the full suite of requirements that underpin the delivery of these submarines. Australia will leverage the technology, capability and design expertise from the UK and US and will also evaluate a variety of considerations, including but not limited to submarine design, construction, safety, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure. Australian industry will be engaged throughout this process.

COMMITTEE INQUIRY QUESTION

(Question No. 27)

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

Senator Kimberley Kitching: Can I ask if Mr Kirkland Donald is a member of that Committee since 2017, because it's on the Government Online Directory, Mr Donald also the chair of Huntington Ingalls, can I take that question on notice? Could I ask what terms in Defence contracts account for real or perceived commercial conflicts of interest, and you could take on notice and have them tabled? So, you might have a conflict of interest form that people fill in, something like that.

Mead: Yes Senator, I'll take it on notice.

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

Mr Donald has been a member of the Submarine Advisory Committee since December 2017.
Mr Donald had declared his interests to Defence.

Consistent with the Commonwealth Procurement Rules, the Department of Defence contracts contain provisions relating to the identification and management of Conflicts of Interest. By entering into a contract with the Department of Defence, a contractor is confirming that no conflict of interest exists or is likely to arise in the performance of the agreement and that no activity will be undertaken that is likely to compromise their ability to perform required contractual obligations fairly and independently. Should a new or emerging Conflict of Interest arise, contractors are obligated to disclose this information to the Department of Defence.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.28)

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

Senator Kitching: Thank you. Mr Turnbull states that, and I quote, he was advised by the government that "The work I had commenced on nuclear options continued" close quote. Did the Submarine Advisory Committee work in conjunction with the capability enhancement review?

Vice Admiral Mead: No, it didn't. So if you're talking about the capability enhancement review that I led, no.

Senator Kitching: No, it didn't. Okay. And was that because you had the capability enhancement review (*) didn't need to work with the Submarine Advisory Committee. Why?

Vice Admiral Mead: I'll take that on notice, Senator Kitching okay, thank you.

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

The Submarine Advisory Committee was not involved with the Defence Capability Enhancement Review.

The Submarine Advisory Committees role with respect to the work of the Nuclear-Powered Submarine Task Force is yet to be determined.

COMMITTEE INQUIRY QUESTION

(Question No. 29)

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

Senator Kitching: Does Defence have, or has Defence been asked to or sought to get an estimate on lost business investment to... What is the estimate on lost business investment?

Mr Fraser: I'll need to provide that information to you in due course. Can I take it on notice Senator?

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

Defence has established the Impacted SME Industry Support Cell (ISSC) to support SMEs who have been genuinely impacted by the cancellation of the Attack class program, prioritising those who were not in contract in the supply chain.

The Government has partnered with ASC to put in place a Sovereign Shipbuilding Talent Pool. The Sovereign Shipbuilding Talent Pool provides a safety net on a 'no-worse-off' basis to Australian-citizen employees of both Naval Group Australia and Lockheed Martin Australia, who are directly affected by the decision to no longer proceed with the Attack class submarine program.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.50)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

As I mentioned this article was from April 30th. Talks were under way before this to pursue the nuclear powered option, yet Minister Dutton was saying in April that we would honour the contract unless Naval Group fails to meet its obligations. Do you consider this to be “upfront, open and honest” as Minister Dutton claimed on Sky?

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

Throughout 2021, the Government, informed by a prudent capability review process, carefully considered the changing strategic environment before finally coming to the view that nuclear-powered submarines were the best option to meet Australia’s strategic and defence capability requirements over the coming decades.

As announced by the Prime Minister on 16 September 2021, the Government’s decision not to continue with the Attack class submarine program was based on changing strategic circumstances. As a result, the contracts with Naval Group and Lockheed Martin Australia have been terminated for convenience and not through default of either party in meeting their contractual obligations.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.51)

Senator Anthony Chisholm asked the Department of Defence upon notice, on 18 October 2021:

On 6 September, Axios reported that “Biden administration was first approached by Australia and the U.K. about AUKUS in February and March, at which point the Australians said they would cancel the diesel submarine deal they'd signed with France in 2016 in favor of gaining nuclear technology and expertise from the U.S. and U.K”.

When did Australia begin the engagement with the UK on what because AUKUS? Who in Defence was engaged in this process?

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

Please refer to question number 56.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.53)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

Can you confirm that Australia indicated we would cancel the diesel submarine contract with Naval Group?

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

The accelerating changes to regional security as outlined in the 2020 Defence Strategic Update will make conventional submarines, even one as good as the Attack would have been, less suited to our operational needs.

Since early 2021 the Government, informed by a capability review process, carefully considered the changing strategic environment before finally coming to the view that nuclear-powered submarines were the best option to meet Australia's strategic and defence capability requirements over the coming decades.

COMMITTEE INQUIRY QUESTION

(Question No. 54)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

Axios also reports Australia “told the Americans in June that they had all but told France that they were pulling the plug, both in writing and in direct conversations between Macron and Australia Prime Minister Scott Morrison”. What correspondence is Defence aware of in June or prior that “all but” indicated the submarine contract would be cancelled?

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

The Prime Minister has said that he made it very clear in the months leading up to this announcement that, in discussions with France, a conventional submarine would no longer enable us to deal with the new strategic environment.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.61)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

The Australian on October 3 reported that “Defence Industry Minister Melissa Price has backed the nation’s local shipbuilders to deliver the new AUKUS fleet of nuclear-powered submarines”. What engagement has Defence Industry Minister Price and Defence had with local shipbuilders about their capacity to deliver nuclear-powered submarines? Can you please table the dates and stakeholders of those engagements?

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

The Minister for Defence Industry, in exercising her portfolio duties, continues to routinely engage across Defence industry.

COMMITTEE INQUIRY QUESTION

(Question No. 91)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

What is the total APS workforce working on the Future Submarine Program?

What is the cost to the Department of these redundancies (due to the cancellation of the contract)?

What work is being completed to retain these people in the sector leading into the ramp up?

Prior to redundancy (voluntary/non-voluntary) have employees been offered an alternative career pathway within the defence department?

If yes, how many employees have accepted redeployment?

Has the Department investigated redeploying the Shipbuilding workforce to other defence projects to minimise redundancy and future training costs?

Could you say how many people in Osborne work in the submarine industry?

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

The total APS workforce is 93. There are no planned APS redundancies.

Steps are underway to provide this workforce with continuing opportunities to work within the submarine enterprise, including in the Collins class submarine program and the Nuclear-Powered Submarine Task Force, taking into account individual skills, experience, specialisation and preferences. A number will continue to support closure of the Attack class submarine program, including transitioning out of the contractual arrangements with Naval Group and Lockheed Martin Australia.

COMMITTEE INQUIRY QUESTION

(Question No. 94)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

The 2017 Naval Ship Building Plan states “From 2022, workforce demand in South Australia will increase rapidly to meet the start of the future frigate and future submarine projects. Demand for construction workers will reach a peak of around 5,200 in 2026”. Please confirm:

- a. When the current peak of construction workers is expected, and what the peak number is estimated to be?
- b. If the timing of the peak, and/or the estimated peak construction workforce has changed since the 2017 Plan, what are the reasons for the change in Estimates?
- c. When was the estimated peak working and timing last re-evaluated? Who did the revised estimate?

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

The Prime Minister’s 16 September 2021 announcement of the AUKUS trilateral partnership resulted in a series of changes for the Naval Shipbuilding Enterprise. The implications for future workforce demand are currently being assessed by the Department of Defence.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.80)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

The announcement on 16 September mentioned the “intention” to build these submarines in Adelaide. Where is this intention noted in the official AUKUS agreement material signed by the three countries? Q. Will all these submarines be built in Adelaide?

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

On 16 September 2021, in announcing that Australia would be partnering with the UK and US to deliver at least eight nuclear-powered submarines to the Royal Australian Navy, the Prime Minister made clear his intent that the submarines will be constructed at Osborne in South Australia.

Over the next 18 months, Australia, the UK, and US, through the AUKUS trilateral effort on conventionally-armed nuclear-powered submarines, will examine the full suite of requirements that underpin the delivery of these submarines in order to determine the optimal pathway for Australia.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.81)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

Delays in the Future Submarines project were in-part created as the Barracuda submarine was being redesigned for diesel-electric rather than the original nuclear-powered model. Will the 18-month consultation be considering UK-US hybrids for example? What contingencies does Defence have in place to prevent delays caused by bespoke designs?

Does the risk of delays caused by hybrid or bespoke design mean Australia is more likely to acquire an 'off-the-shelf' submarine such as a UK Astute Class, or a US Virginia Class?

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

The Nuclear Powered Submarine Task Force will undertake a trilateral effort to identify the optimal pathway to deliver at least eight nuclear-powered submarines for Australia.

AUKUS enables Australia to leverage expertise from the United States and the United Kingdom, building on decades of experience in their respective nuclear submarine programs. The expertise the US and UK has in the design, build, operation, sustainment and disposal of nuclear-powered submarines will inform the development of the optimal pathway.

COMMITTEE INQUIRY QUESTION

(Question No.83)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

Dennis Richardson, former secretary of the defence department told Greg Sheridan that the “decision to acquire nuclear-powered submarines is seminal. It will be essential, however, that the government does not allow domestic political considerations to compromise what will be a national enterprise. In terms of both cost and schedule, it would make sense for the first one or two boats to be substantially built overseas.”

Is locally manufacturing submarines a priority for the Government?

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

Yes, Australian industry participation in submarine and ship building is a priority for the Government.

COMMITTEE INQUIRY QUESTION

(Question No.89)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

We know of Defence's "prudent contingencies" from last estimates. Is Defence still considering additional prudent contingencies to the nuclear-powered submarines? NAVY
Specifically, are Defence considering underwater drones or unmanned capabilities? What about additional diesel-electric subs?

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

Yes, the Department is still considering additional prudent contingencies to the nuclear-powered submarines.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.103)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

Has Defence started to evaluate what other shipbuilding programs that can be brought forward?

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

Refer to Question No. 66.

COMMITTEE INQUIRY QUESTION

(Question No.105)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

What is the general lifespan of a nuclear-powered submarine like the Astute or Virginia classes?

How does that compare to a diesel-electric like Collins or the Barracuda?

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

The general lifespan of a nuclear powered submarine is based on the integrity of major components, propulsion, the pressure hull and associated systems. The schedule life of type for most western nuclear submarines is in the order of 25-35 years.

The lifespan for conventional powered submarines is also based on the integrity of major components. The schedule life of type for conventional submarines varies, but for most larger types is in the order of 25-30 years. The Collins class life-of-type extension program will update key equipment on the submarine, including diesel generators, power management systems and the main motor, which will extend each of their lives for an additional 10 years.

For both nuclear and conventional submarines, life of type can be extended for periods determined by detailed survey and analysis of major systems and associated upgrades to assure the integrity and capability of the boat.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.122)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

Please provide a profile by year (financial, if possible) of jobs at Osborne from 2013-14 to 2020-21.

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

Refer to question number 97.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No. 125)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

To what extent will these businesses be prioritised for other Defence work?

Is any section of Defence being given responsibility for compensation, support or alternative work for such businesses?

[if yes], is that part of or working with CDIC?

[if yes to being in or with CDIC], given the Government has announced it is replacing the CDIC by the end of 2021 with a yet to be announced replacement, how much confidence that this give industry?

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

The Australian Industry Capability (AIC) Division, within the Department of Defence, has established the Impacted SME Industry Support Cell (ISSC) to support SMEs who have been genuinely impacted by the cancellation of the Attack class program.

The ISSC comprises AIC Division and CDIC officials with a broad range of skills and experience to provide support to SMEs and Government.

The launch of the new organisation, that will replace the CDIC, will not impact the level of support provided by the ISSC to genuinely impacted SMEs.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.127)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

How will local skills and know-how be delivered through the biggest acquisition in Australia's history - what skills will be required from Australian defence industry and workforce and what will the Australian industry component be the nuclear-powered submarines.

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

Please refer to Question No. 39.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.129)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

Which ‘bases’ are likely to house submarines, both our future nuclear fleet and interim leased submarines?

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

Over the next 18 months the trilateral effort between Australia, the UK, and the US will examine the full range of options that will enable the delivery of a nuclear-powered submarine capability to Australia at the earliest achievable date. As part of this body of work, infrastructure requirements to support nuclear-powered submarines will be considered.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.130)

Senator Anthony Chisholm asked the Department of Defence, upon notice, on 18 October 2021:

Historically these submarine specific bases have provided sustainment and other supports to our fleet. Will this same sustainment be possible on both leased submarines and Australia's future nuclear fleet?

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

The Australian, UK, and US trilateral effort over the next 18 months will examine the full suite of requirements that underpin nuclear stewardship, with a specific focus on safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure to determine the optimal pathway to achieve a nuclear-powered submarine capability. This will include sustainment and other support arrangements.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.132)

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

Senator Patrick: No, so I will just repeat it for you, Mr Sammut. So there is - Aiden put some numbers on the table in terms of actual contractors that were either contracted by say Naval Group, Lockheed Martin or directly by defence or others. Do you have the numbers - the total number of SMEs that were in contract?

Mr Sammut: I don't have the total number of SMEs. I can say that there were 18 approved subcontracts with Naval Group and Lockheed Martin Australia. They of course - other subcontracts that we don't have full visibility of in the course of their work. I will - I will take your question on notice to determine whether we can get a better breakdown for you of that, Senator.

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

When the announcement to not proceed with the Attack class submarine program was made on 16 September 2021, the Department of Defence had two major contracts in place: the Submarine Design Contract with Naval Group; and the Design, Build and Integration Contract with Lockheed Martin Australia. The total value of these head contracts was approximately \$2.26 billion. Within these head contracts, Naval Group and Lockheed Martin Australia had entered into 18 approved subcontracts related to critical and main equipment for the Attack class submarines and the submarine construction yard. In addition to these approved subcontracts, Naval Group and Lockheed Martin Australia had also entered into a large number of other subcontracts related to submarine equipment design services, submarine construction yard equipment, research and development tasks and other miscellaneous services. The costs of all subcontracts executed by Naval Group and Lockheed Martin Australia is captured within the total value of the head contracts.

COMMITTEE INQUIRY QUESTION

(Question No. 133)

Senator the Honourable Kim Carr asked the Department of Defence, upon notice, on 21 October 2021:

1. When did the Department of Defence first become concerned that there were major problems with the Attack-class submarine project?
 - i. Were your concerns about the performance of Naval? If yes, what were the major issues?
 - ii. Were there technical and design concerns?
2. How did the Department of Defence raise these issues with the contractor?
 - i. Over the years of the projects, what were the major disputes?
 - ii. Were these issues followed up with the contractor in Australia or were they raised in France with Naval head office?
 - iii. How did the Australian Government and Naval resolve major disputes?

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

As announced by the Prime Minister on 16 September 2021, the Government's decision not to continue with the Attack class submarine program was based on changing strategic circumstances. As a result, the contracts with Naval Group and Lockheed Martin Australia have been terminated for convenience and not for any default of either party in meeting their contractual obligations.

The Department of Defence worked collaboratively with all levels of Naval Group throughout the life of the Attack class submarine program.

COMMITTEE INQUIRY QUESTION

(Question No.135)

Senator the Hon Kim Carr asked the Department of Defence, upon notice, on 22 October 2021:

3. Noting that the French Government is a 62.49 per cent stakeholder in Naval, what role did French Government representatives (as distinct from Naval company staff) have in issues relating to the delivery of the project and fulfilment of the contract?
- i. Were these contacts government to government only?
 - ii. Which agencies represented Australia in these discussions?
 - iii. On how many occasions, and when and by what means, did Australia's (various) Prime Ministers raise issues directly with the French President?
 - iv. On how many occasions, and when and by what means, did Australia's (various) Ministers for Defence, and other Defence portfolio Ministers, raise issues directly with their French counterparts?
 - v. On how many occasions, and when and by what means, did Australia's Minister for Foreign Affairs raise issues directly with their French counterpart?

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

3 and 3i) Contracts for the Future Submarine Program were with Naval Group and Lockheed Martin Australia and not with the French Government. The Australian Government has a separate treaty-level framework agreement with the French Government related to the Attack class submarine program (*Framework Agreement between the Government of Australia and the Government of the French Republic concerning Cooperation on the Future Submarine Program*), which entered into force on 05 May 2017. The Agreement defined the principles, framework and initial means of support and cooperation between the Australian and French Governments to help Australia achieve a sovereign operational and sustainment submarine capability.

3ii) The Future Submarine Steering Committee – co-chaired by General Manager Submarines at the Department of Defence for Australia and the Director of the International Directorate at Direction générale de l'armement (DGA) for France – was formed to oversee implementation of the Framework Agreement. Representatives from other relevant government departments and state agencies were invited to attend meetings upon the mutual consent of the co-chairs.

3iii) This is a matter for the Department of the Prime Minister and Cabinet.

3iv) The incumbent Minister for Defence and the Minister for Defence Industry held a series of meetings with the French Minister for the Armed Forces since commencement of the Future Submarine Program in 2016. These included three meetings in 2016, three meetings in 2017, four meetings in 2018, three meetings in 2019, five meetings in 2020 and six meetings in 2021 (including the 2+2 meeting held on 30 August 2021). Each of these meetings provided an opportunity to discuss progress of the program as part of broader discussion on matters of mutual defence interest.

3v) This is a matter for the Department of Foreign Affairs and Trade.

COMMITTEE INQUIRY QUESTION

(Question No. 136)

Senator the Honourable Kim Carr asked the Department of Defence, upon notice, on 21 October 2021:

1. France's Foreign Minister, Jean-Yves Le Drian, was reported by the Australian Newspaper (on 1 October 2021) as claiming that on the same day the cancellation of the Naval contract was announced, he received a letter from 'the Australian ministry of defence that said everything is OK, let's continue'.

- i. Is the French Foreign Minister's interpretation of the content and timing of that correspondence from Australia correct?
- ii. If not, did the Department of Defence, or another representative of the Australian Government, write to the French Government or Naval Group on or about the date of the AUKUS announcement. If yes, what was the purpose of that letter?

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

On 15 September 2021, the Department of Defence advised Naval Group by letter that formal exit of a contracted system review had been achieved in early September 2021. Naval Group had been working with the Department to exit this review since January 2021. The letter reflected the Department's commitment to proper program execution, and was not part of the Government's broader considerations regarding our evolving strategic circumstances.

Naval Group had been aware since late 2020 that a decision to commence the next phase of work would be subject to further Government consideration. Accordingly, the correspondence sent to Naval Group regarding the exit of the review did not refer to, authorise or imply commencement of the next phase of work.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No. 137)

Senator the Hon Kim Carr asked the Department of Defence, upon notice, on 22 October 2021:

When did Department of Defence begin briefing the Defence Minister on major doubts about future 'strategic' value of the Naval submarines?

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

Discussions between the Department of Defence and Defence Minister in relation to Australia's changing strategic environment commenced in 2020. In February 2021 Vice Admiral Mead was asked to conduct a Defence Enhanced Capability Review.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No. 138)

Senator the Hon Kim Carr asked the Department of Defence, upon notice, on 22 October 2021:

When did Department of Defence begin briefing the Prime Minister and the Department of Prime Minister and Cabinet on major doubts about future 'strategic' value of the Naval submarines?

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

Please refer to the answer provided to Question No.137.

COMMITTEE INQUIRY QUESTION

(Question No. 139)

Senator the Hon Kim Carr asked the Department of Defence, upon notice, on 22 October 2021:

When did the Minister for Defence begin briefing Cabinet's Sub Committee on National Security (SCONS) on major doubts about future 'strategic' value of the Naval submarines?

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

The Department of Defence is unable to disclose information about the operation and business of Cabinet. This includes when we provided advice to Cabinet and the details of the content provided. It is a longstanding practice not to disclose information about the operation and business of Cabinet – including when a matter went to Cabinet, who attended, what form of submission was provided and the sequence of Cabinet and other meetings – as to do so could potentially reveal the deliberations of the Cabinet, which are confidential.

COMMITTEE INQUIRY QUESTION

(Question No.140)

Senator the Hon Kim Carr asked the Department of Defence, upon notice, on 22 October 2021:

When did the Australian Government first brief (informally or formally) the US Department of Defence, and the UK Department of Defence, about its concerns about the future ‘strategic’ value of the Naval submarines.

- i. Who made that early contact?
- ii. Were those contacts with the US and with the UK before you briefed the Australian Minister for Defence
- iii. Were those contacts with the US and with the UK before you briefed the Australian Cabinet or SCONS.

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

- i. The Australian Department of Defence commenced discussions with the US Navy and UK Navy between November 2020 and February 2021. Discussions focused on future submarine options in the context of the deteriorating strategic environment.
- ii. No.
- iii. The Department of Defence is unable to disclose information about the operation and business of Cabinet. This includes when we provided advice to Cabinet and the details of the content provided. It is a longstanding practice not to disclose information about the operation and business of Cabinet – including when a matter went to Cabinet, who attended, what form of submission was provided, and the sequence of Cabinet and other meetings – as to do so could potentially reveal the deliberations of the Cabinet, which are confidential.

COMMITTEE INQUIRY QUESTION

(Question No. 141)

Senator the Hon Kim Carr asked the Department of Defence, upon notice, on 22 October 2021:

By whom and when was the idea of nuclear-powered submarines for the Australian fleet first raised with the US and UK Governments?

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

The Australian Department of Defence commenced discussions with the US Navy and UK Navy between November 2020 and February 2021. Discussions focused on future submarine options in the context of the deteriorating strategic environment.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.144)

Senator the Hon Kim Carr asked the Department of Defence, upon notice, on 22 October 2021:

In evidence before the Senate Economics References Committee inquiry into Australia's sovereign naval shipbuilding capability, Department of Defence officials confirmed that the Nuclear Submarine Task Force had begun working.

- i. What are the Terms of Reference for the Task Force.

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

Refer to to Question No. 40.

COMMITTEE INQUIRY QUESTION

(Question No. 145)

Senator the Hon Kim Carr asked the Department of Defence, upon notice, on 22 October 2021:

In developing its work program and advice to government, has the Task Force received guidance from the Government on the issue of local content? If yes, what is that guidance?

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

The Department of Defence is guided by the Government's commitment to maximising local industry involvement in the construction of a nuclear-powered submarine capability for Australia.

COMMITTEE INQUIRY QUESTION

(Question No.146)

Senator the Hon Kim Carr asked the Department of Defence, upon notice, on 22 October 2021:

Will staff from US and UK government agencies join the Task force.

- i. Must all people advising the Task Force and the Australian Government be Australian citizens, with high level security clearances?

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

The Nuclear-Powered Submarine Task Force is a multi-agency Australian task force that will work closely with the UK and the US over the next 18 months to identify the optimal pathway to deliver at least eight nuclear-powered submarines for Australia.

The Task Force will comply with the Protective Security Policy Framework for all protective security aspects.

COMMITTEE INQUIRY QUESTION

(Question No. 147)

Senator the Honourable Kim Carr asked the Department of Defence, upon notice, on 21 October 2021:

Is the Department of Defence leading negotiations on extracting Australia from its contracts with Naval?

- i. If No, who is leading the process.

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

Yes.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.148)

Senator the Hon Kim Carr asked the Department of Defence, upon notice, on 21 October 2021:

What is the Plan to cover Australia's submarine needs during the period before the first newly built nuclear-powered submarine is operational?

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

The Government is making significant investments in a range of defence capabilities to address security challenges for Australia in the coming decades. This includes extending the life of all six of our Collins class submarines.

The work of the Nuclear-Powered Submarine Task Force over the next 18 months, along with US and UK partners, will focus on delivery of an optimal pathway to a nuclear-powered submarine capability for Australia.