



Australian Government
Department of Defence

Ref: BM16226163

Mrs Lucy Wicks MP
Chair
Joint Committee of Public Accounts and Audit
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Mrs Wicks

I write to correct evidence that I gave at the JCPAA hearing on 20 May 2019.

I stated that:

If I could just be clear, the contracted dates are entry dates for reviews throughout the submarine design contract and throughout the design mobilisation contract before it. [Hansard, page 10]

I wish to correct my evidence with the following information:

Milestone dates for some specific reviews are listed as exit dates within the Submarine Design Contract; however, all contracted dates for reviews are formulated with the expectation that, upon entry to a review, satisfactory achievement against exit criteria will be made to enable work to continue under governance arrangements for the Attack Class Submarine Program. For this reason, Defence delayed entry to System Requirements Review on the grounds that satisfactory achievement against exit criteria would not have been possible had the review proceeded on the contracted date. The contract is also structured such that suitable incentives remain available to ensure the corrective actions, which invariably arise during scheduled reviews in such programs, are appropriately addressed.

I also stated that:

We had actually reached a negotiated agreement which, as the ANAO reported concluded, met government's objectives for the program. [Hansard, page 23]

I wish to correct my evidence with the following information:

The Auditor-General concluded that Defence, through the Strategic Partnering Agreement, has established a strategic partnership framework that addresses the Government's objectives for the Future Submarine Program.

I apologise for any misunderstanding that may have arisen.

Yours sincerely



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