

COMMITTEE INQUIRY QUESTION

(Question No. 39)

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

Will the Defence be enforcing an AIC requirement in the nuclear-powered submarines? (If, yes, will the Taskforce oversee this responsibility?)

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 in order to determine the optimal pathway for Australia.

The Government is committed to maximising Australian industry involvement in the build of Australia's nuclear-powered submarine capability.

COMMITTEE INQUIRY QUESTION

(Question No. 40)

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

What are the terms of reference, goals or mandate of the Taskforce?

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

The multi-agency Nuclear-Powered Submarine Taskforce will work closely with the United Kingdom and United States over the next 18 months to identify the optimal pathway to deliver at least eight nuclear-powered submarines for Australia.

The trilateral effort will also 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.

COMMITTEE INQUIRY QUESTION

(Question No. 40)

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

What stakeholder engagement will the taskforce undertake over this 18-month examination of nuclear submarines to ensure there is adequate Australian industry involvement and capability included in the nuclear submarine program?

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, both directly and via relevant industry bodies.

COMMITTEE INQUIRY QUESTION

(Question No. 42)

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

The Naval Shipbuilding Expert Advisory Committee is still in existence. Can you please confirm all members and their capacities, and can you table their remuneration? Where does the NSEAP sit (in Defence? PM&C? etc.)

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

Yes. The members of the Naval Shipbuilding Expert Advisory Panel are:

- VADM William Hilarides USN (ret.) as the Panel Chair,
- Mr Ron Finlay,
- RADM Thomas Eccles USN (ret.),
- Mr Howard Fireman,
- Ms Gloria Valdez and
- Mr Murray Easton.

The NSEAP were appointed by Prime Minister Morrison on 16 February 2021 for a three year term. They provide expert advice on the Naval Shipbuilding Enterprise directly to the Naval Shipbuilding Enterprise Governance Committee of Cabinet. The Department of Defence provides administrative support to the Naval Shipbuilding Expert Advisory Panel in their role as advisors to the Government.

The Department's total contract provision for the Panel members' collective engagement is up to a maximum of \$5,450,747.21 (inclusive of GST) over the three years in the Australian dollar equivalent. This amount includes a combined contract value for remuneration to a maximum of \$4,747,624.92 (inclusive of GST) in the Australian dollar equivalent. The total contract provision also includes reimbursable out-of-pocket expenses over the life of the contract.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.43)

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

Is Don Winter still a special advisor to the Prime Minister? Is he still being paid \$6,000 a day, as reported by The Guardian? Will he be involved in the 18-month consultation for nuclear-powered submarines?

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

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

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.44)

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

Can you confirm the Submarine Advisory Committee was created in 2017?

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

Yes.

COMMITTEE INQUIRY QUESTION

(Question No.45)

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

Malcolm Turnbull told the National Press Club he instigated a 2018 review “to formally reconsider the potential for nuclear powered submarines in Australia”. Is this Committee the one Mr Turnbull refers to?

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

Refer to Question No. 15.

COMMITTEE INQUIRY QUESTION

(Question No. 46)

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

Mr Kirkland Donald is a member of that Committee since 2017. Is Mr Donald is also the chair of Huntington Ingalls who build the US Virginia Class submarines?

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

Refer to Question No. 27.

COMMITTEE INQUIRY QUESTION

(Question No. 47)

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

Without suggesting any impropriety, what terms in Defence contracts account for real or perceived commercial conflicts of interest for advisors? Can you table them?

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

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 obliged to disclose this information to the Department of Defence.

COMMITTEE INQUIRY QUESTION

(Question No.48)

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

Mr Turnbull states he “was advised by the Government that the work I had commenced on nuclear options continued”. Did the SAC work in conjunction with the Capability Enhancement Review?

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

The Capability Enhancement Review was conducted independently from the Submarine Advisory Committee work.

COMMITTEE INQUIRY QUESTION

(Question No. 49)

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

According to an article in “Defence Connect” on April 30th this year “Minister Dutton said the government would honour the contract unless Naval Group fails to meet its obligations, adding that the Defence would continue to carefully monitor the prime’s progress.” What obligations did Naval Group fail to meet?

Senator Chisholm – The Department of Defence has provided the following answer to the 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.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.51)

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

Did the Department provide advice to either the Prime Minister, Minister for Defence or Foreign Affairs Minister to prepare them for their discussions with French counterparts to advise that they were scrapping the contract?

Did the Minister for Defence contact his French counterpart, Florence Parly to advise her that he was scrapping the subs deal? When did he make contact and how did he contact her?

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

As would be normal practice, the Department of Defence provided advice to support Ministers in their discussions with French counterparts.

The Minister for Defence contacted his French counterpart Florence Parly on 15 September 2021 via telephone, to advise her that Australia would not be proceeding with the Attack-Class program.

COMMITTEE INQUIRY QUESTION

(Question No.55)

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

Noting the involvement of the UK well before the US, doesn't this indicate that Australia was primarily interested in acquiring a UK submarine such as the Astute Class (or its planned successor), and that the US involvement was more to sign-off on the sharing of nuclear technology?

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

The Nuclear-Powered Submarine Task Force is at the start of an 18 month trilateral consultation period to seek an optimal pathway to deliver this capability. We will leverage expertise from the United States and the United Kingdom, building on the two countries' submarine programs to bring an Australian capability into service at the earliest achievable date.

Our trilateral consultations will examine all options to identify a pathway that will meet Australia's strategic requirements and meet the Australian Government's expectations regarding cost, scale, complexity and delivery timelines.

COMMITTEE INQUIRY QUESTION

(Question No.57)

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

On AUKUS, what written confirmation is there of the agreement and its purpose? That is, is there a treaty, or an intent to create a treaty-type agreement? What about a Memorandum of Understanding?

How detailed is the document?

Does it specify the 18-month consultation review process and terms of reference? If not, where are those? Do they exist yet?

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

Australia, the United Kingdom and United States have entered into a classified Memorandum of Understanding which underpins our cooperation over the 18 month period and under which will determine the optimal pathway for Australia to acquire nuclear-powered submarines.

It is not standard practice for the Australian Government to publicly release a classified MoU entered into with another country, or disclose its contents. MOUs of this nature are extremely sensitive and entered into on the understanding that their content remains confidential between the Participants.

COMMITTEE INQUIRY QUESTION

(Question No.58)

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

Regarding AUSMIN as well as the AUKUS announcements – what substance in there on the technology sharing and transfer, on submarines specifically?

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

Australia, the United States and United Kingdom, through AUKUS, have committed to working collaboratively over the next 18 months to determine the optimal pathway to deliver a nuclear-powered submarine capability for Australia.

Under this joint endeavour, Australia will leverage US and UK technology, capability and design expertise.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.59)

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

The West Australian reports “Finance Minister Simon Birmingham has confirmed a nuclear-powered submarine will likely be stationed in Perth for training and use in Australia — prior to the acquisition of eight vessels announced as part of the controversial AUKUS deal”.

Where is this confirmation in the AUKUS agreement? How can the Government make this claim when we do not have any contract yet for new submarines or even a detailed AUKUS document?

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

Over the next 18 months, Australia, the UK, and the US, will intensively examine the full suite of requirements that underpin the delivery of these submarines, including arrangements regarding training opportunities.

As announced at AUSMIN in September 2021, Australia and the US will pursue enhanced maritime cooperation by increasing logistics and sustainment capabilities of US surface vessels and submarines in Australia.

COMMITTEE INQUIRY QUESTION

(Question No.60)

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

Can you confirm Defence Industry Minister Melissa Price was not involved with the AUKUS announcement until it was taken to Cabinet in September? When was Minister Price first involved?

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

The Minister for Defence Industry was briefed on the AUKUS announcement with her Cabinet colleagues in September 2021.

Defence Portfolio

COMMITTEE INQUIRY QUESTION

(Question No.56)

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

Who in Government led the conversations with the US and UK about a potential AUKUS partnership?

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

Prime Minister Scott Morrison, President Joe Biden and Prime Minister Boris Johnson established AUKUS as a leaders' level enhanced security partnership between Australia, the United Kingdom and the United States.

Vice Admiral Mead led the Defence Capability Enhancement Review, which included leading a delegation to Washington D.C. to engage with the United States and the United Kingdom in August 2021.