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MINUTE

CEO DMO/OUT/2013/80

Committee Secretary

Senate Foreign Affairs, Defence and Trade Legislation Committee
Parliament House
CANBERRA ACT 2600

Dear Dr Dermody

CORRECTION TO PARLIAMENTARY RECORD

In developing a response to Parliamentary Senate Question on Notice No. 2830 asked by Senator Johnston on 12 February 2013, it was identified that the response provided to the same question in Question on Notice No. 169 from the February 2012 Senate Additional Estimates was in error.

The error has occurred due to a miscalculation of the cost of 72 F-35 aircraft. The response to Question on Notice No. 169 states that 72 aircraft with a unit cost of \$83 million will cost a total of \$6.2 billion. The total cost for 72 aircraft should be around \$6 billion.

I regret that a calculation error occurred in providing the response in February 2012 and request that the record be updated to reflect the total cost of 72 aircraft being around \$6 billion. A copy of the corrected response is enclosed.

Yours sincerely,

Mr Warren King
Chief Executive Officer

9 April 2013

Senate Standing Committee on Foreign Affairs, Defence and Trade

**QUESTIONS ON NOTICE – COMMITTEES
Senate Additional Estimates**

Q169 – F35 Joint Strike Fighter

Senator Johnston providing in writing:

As at February 15th 2012:

- (a) What is the anticipated total cost in purchasing 72 JSF?
- (b) What is the anticipated total cost in purchasing 100 JSF?

Response:

In 2012 prices and at an exchange rate of 1 Australian dollar being equivalent to 1.03 US dollar (the rate as at January 2012), 72 F-35As (aircraft only) will cost an average of A\$83.0 million each if ordered in the 2018/19 to 2023/24 timeframe. This equates to about A\$6 billion for 72 aircraft. On the same price and exchange rate basis, 100 F-35As (aircraft only) will cost about A\$8.3 billion.

Senate Standing Committee on Foreign Affairs, Defence and Trade

QUESTIONS ON NOTICE - COMMITTEES
Senate Additional Estimates

Q169 - F35 Joint Strike Fighter

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As at February 15th 2012:

- (a) What is the anticipated total cost in purchasing 72 JSF?
- (b) What is the anticipated total cost in purchasing 100 JSF?

Response:

In current 2012 prices and at an exchange rate of 1.03 (the rate as at January 2012), 72 F-35As (aircraft only) will cost an average of A\$83.0 million each. This equates to about A\$6.2 billion for 72 aircraft. 100 F-35As (aircraft only) will cost an average of A\$80.0 million each which equates to about A\$8.0 billion for 100 aircraft.