

## Capability Overview

**Handling Note:** Vice Admiral Jonathan Mead to lead on Capability Overview.

### Key Messages

- . In the context of the deteriorating strategic circumstances in the Indo-Pacific region, we must act decisively to ensure the security and stability of the region.
- . Australia's sovereign capability development under AUKUS is a necessary and prudent response to the changes we are seeing in the region.
- . In boosting our nation's defence capability, Australia seeks to deter any state that would wish to use coercion or aggression to pursue its national interests in the Indo-Pacific region.
- . Submarines are an essential part of Australia's naval capability, providing a strategic advantage in terms of surveillance and protection of our maritime approaches.

### Talking Points

- . The future security environment of the Indo-Pacific region means that over time the ability of diesel-powered submarines to meet Australia's capability needs will diminish.
- . Only conventionally-armed, nuclear-powered submarines will meet Australia's defence requirements in the decades ahead.
- . No other platform matches the stealth, endurance, mobility and mix of capabilities which a nuclear-powered submarine provides.
- . This deterrence effect is consistent with Australia's National Defence approach outlined in the Defence Strategic Review.
- . Australia's conventionally-armed nuclear-powered submarine capability will enable AUKUS partners, in collaboration with likeminded countries, to better contribute to a sovereign and resilient Indo-Pacific and to deter aggression more effectively.
- . For a maritime nation like Australia, just like the United Kingdom and United States, maintaining a submarine capability advantage over potential adversaries is vital.
  - Closing or blocking sea lanes would have a critical impact on Australia's economy and security; and that of partners in South East Asia, the Pacific, and globally.
  - By investing in these high-end capabilities Australia is contributing to a free and open Indo-Pacific region, unimpeded sea lanes, and supporting the conditions for a more stable region.

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- The AUKUS partnership will strengthen our individual and collective capabilities through the most challenging times of this century.
- AUKUS is about ensuring we have capabilities that contribute to deterring the types of behaviour that threatens peace and security in the Indo-Pacific.
- Submarines are an essential part of Australia’s naval capability, providing a strategic advantage in terms of surveillance and protection of our extensive maritime approaches.
- Australia’s submarines will be equipped for intelligence, surveillance, undersea warfare and strike missions.
- It is important to remember we are a maritime nation.
  - We rely on international trade for our economic prosperity and on multiple seabed cables to connect us to the global trading system.
  - The closing or blocking of sea lanes would have a critical impact on our economy and security, disrupting our ability to receive essential goods such as fuel and medicines and our ability to export to international markets.
- No other platform matches the stealth, endurance, mobility and mix of capabilities a nuclear-powered submarine provides.
  - They offer virtually unlimited range and increased stealth because they do not need to regularly rise to the surface to recharge the batteries.
- The range and endurance of SSNs will keep maritime threats farther away from Australia’s territory and people.
- Nuclear-powered submarines can deter a potential aggressor by holding their ships and submarines at risk at distance from Australia, for extended periods creating uncertainty in the mind of adversaries and creating decision-making space for leaders.

**Questions on Notice**

None

**Freedom of Information (FOI) Requests**

None

**Recent Ministerial Comments**

· TBC

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Supplementary Budget Estimates: October 2023  
Last updated: 16 October 2023  
Key witness: RADM Matthew Buckley

PDR No: SB23-000818  
Capability Overview

Relevant Media Reporting

TBC

<b>Division:</b> Capability Division	
<b>PDR No:</b> SB23-000818	
<b>Prepared by:</b> CDRE Stephen Dalton, Assistant Director- General Nuclear Submarine Material Requirements, Capability Mob: s47E(d) Ph: s47E(d) Date: 11 September 2023	<b>Cleared by Division Head:</b> RADM Matthew Buckley, Head Nuclear Submarine Capability Mob: s47E(d) Ph: s47E(d) Date: 12 September 2023

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Budget Estimates: October 2023  
Last updated: 19 September 2023  
Key witness: RADM Matthew Buckley

PDR No: SB23-000819  
Collins Division Transfer

## Collins Division Transfer

**Handling Note:** Rear Admiral Matthew Buckley to lead on Collins Division Transfer

### Key Messages

- The continuation of a viable Collins class submarine capability is critical to the delivery of a nuclear-powered submarine capability for Australia.
- Defence is undertaking a body of work to provide Government with advice on the most appropriate time for Naval Shipbuilding and Sustainment Group Submarines Division to join the Australian Submarine Agency (ASA).

### Talking Points

- The upkeep, update, upgrade and life-extension of the Collins class submarines, including submarine combat systems, and submarine escape, rescue and abandonment systems are key enablers for the Optimal Pathway for Nuclear Powered Submarines.
- The sustainment of nuclear-powered submarines and the ongoing development of Submarine Command and Control Systems through the Australian/United States Armaments Cooperative Program requires a submarine enterprise approach.
- The ASA, Naval Shipbuilding and Sustainment Group, Navy and industry partners are working together towards this end. Naval Shipbuilding and Sustainment Group Submarines Division is specifically engaged in developing the sustainment arrangements for SRF-West and Australian Sovereign SSN's.
- At an appropriate point in time, the submarine division in Naval Shipbuilding and Sustainment Group will transfer to the Agency to maximise efficiencies with a whole of Submarine Enterprise approach with Navy.
- Defence and the ASA will undertake a body of work to provide Government with advice on the most suitable time to transition the Naval Shipbuilding and Sustainment Group Submarine Division into the ASA.
- This advice will be informed by detailed work underway to understand the interdependencies and sequencing with the optimal pathway and the Collins Class Submarines program and specifically the life of type extension program.

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Budget Estimates: October 2023  
Last updated: 19 September 2023  
Key witness: RADM Matthew Buckley

PDR No: SB23-000819  
Collins Division Transfer

<b>Division:</b> Capability	
<b>PDR No:</b> SB23-000819	
<b>Prepared by:</b> CDRE Stephen Dalton, Assistant Director- General Nuclear Submarine Material Requirements, Capability Mob: s47E(d) Ph: s47E(d) Date: 11 September 2023	<b>Cleared by Division Head:</b> RADM Matthew Buckley, Head Nuclear Submarine Capability Mob: s47E(d) Ph: s47E(d) Date: 11 September 2023

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Budget Estimates: October 2023

Last updated: 9 October 2023

Key witnesses: Megan Lees

PDR No: SB23-000826

Community Engagement

## Community Engagement

**Handling Note:** Director-General Australian Submarine Agency, Vice Admiral Jonathan Mead to lead on Community Engagement.

### Key Messages

- Australia's nuclear-powered submarine program is a whole-of-nation undertaking and considered, ongoing community engagement is key to successful delivery.
- Developing and maintaining social license for Australian conventionally-armed, nuclear-powered submarines will underpin the success of the program.
- The Australian Submarine Agency (the Agency; ASA) has commenced engagement with communities and State and Local Governments in South Australia and Western Australia to understand their concerns and provide information about Australia's acquisition of nuclear-powered submarines.
  - This engagement is ongoing and ensures the work to deliver nuclear-powered submarines is mindful of and benefits local communities.
  - During consultation with local councils, initial areas of interest include infrastructure, skills and training, economic and employment opportunities.
- In Western Australia, the Agency has met with the Cities of Rockingham, Cockburn, Kwinana and Fremantle, as well as the State Government.
- In South Australia, the Agency regularly meets with the City of Port Adelaide Enfield and the State Government.

### Talking Points

#### Community engagement

- The Agency has already attended community events including national university careers fairs, the Rockingham Jobs Fair and Rockingham Freedom of Entry in Western Australia and Science Alive! in South Australia.
- The Agency will continue to attend similar events.
- The Agency has held its first pop-up kiosk at Port Adelaide Plaza from 20-26 September 2023.
- Attendance at these events allow the Agency to understand and address common questions and misconceptions among the community. The response from the public at these events have been positive.

#### Western Australia

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Budget Estimates: October 2023

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Key witnesses: Megan Lees

PDR No: SB23-000826

Community Engagement

- . Engagement has commenced with key local councils to understand their concerns and provide information about Australia's acquisition of nuclear-powered submarines, particularly in relation to Submarine Rotational Force-West (SRF-West).
- . The Agency has established the Western Australian Nuclear Powered Submarine Program Steering Group (the Steering Group), as a sub-group of the existing Joint Henderson Taskforce, to provide a structured forum for coordination on issues related to the implementation of the Optimal Pathway.
  - The Steering Group will initially focus on infrastructure, workforce, safety, security and social license.
- . The Steering Group held their first meeting on Tuesday 22 August 2023.
- . Director-General ASA recently met with Western Australian Premier Roger Cook and we look forward to our continuing engagement.

***If pressed: What engagement is occurring in preparation for the arrival of SRF-West personnel?***

- . Family and member support arrangements for incoming United States personnel is central to the successful delivery of Australia's acquisition of nuclear-powered submarines in Western Australia.
- . The first working level United States delegation travelled to Western Australia in September for meetings with local and state Government officials on support services for United States members and their families coming out in support of SRF-West, including housing, schooling, childcare and drivers licences.
  - The visit occurred the week commencing 11 September 2023.
- . Integration of United States personnel and their families in the local community is critical to the success of SRF-West.
- . The Nuclear Powered Submarine Steering Group will ensure relevant stakeholders are kept up to date, including local government areas that will be impacted by the implementation of SRF-West.

***If pressed: What is the Agency doing to address road/ traffic issues in Western Australia?***

- . The Agency understands there are community concerns regarding traffic management around HMAS *Stirling*.
- . The Nuclear Powered Submarine Steering Group will look into and address a range of matters and I expect this will include traffic management.

**South Australia**

- . Regular engagement has commenced with Port Adelaide Enfield Council to understand questions and concerns of the local community, particularly in relation to the construction of Australia's future nuclear-powered submarines at Osborne Naval Shipyard.
- . Regular engagement has also commenced with the South Australian Government.

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**Voice to Parliament**

*If pressed: What role will the Voice to Parliament play in advising on the program? Have you been asked to consult with Indigenous groups?*

- . ASA is committed to supporting our people, particularly First Nations people, during the referendum and ensuring that ASA’s impartiality is upheld. It is essential that all ASA personnel are, and are seen to be, politically neutral when representing defence.
- . As part of the Government’s National Agreement on Closing the Gap, where appropriate, the ASA will work collaboratively and in genuine, formal partnership with Aboriginal and Torres Strait Islander peoples.
- . The ASA is committed to building a culturally intelligent organisation where Aboriginal and Torres Strait Islander personnel and their cultures are respected and reflected.

**Director-General ASA Engagement with State Government**

Meeting with	Number of meetings	Dates
South Australia Premier	11	10 October 2023 11 September 2023 22 May 2023 14 April 2023 13 April 2023 15 March 2023 19 January 2023 29 November 2022 9 August 2022 16 June 2022 8 December 2021
Western Australia Premier	3	17 July 2023 16 March 2023 10 March 2023
WA Minister for Defence Industry	2	17 July 2023 4 April 2023

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**Head Nuclear Powered Submarine Capability ASA engagement with State/Local Government.**

Date	State	Meeting with
22 August 2023	WA	WA Minister for Defence Industry
22 August 2023	WA	City of Fremantle*
5 July 2023	WA	Rockingham Chamber of Commerce
5 July 2023	WA	Perth South West Metropolitan Alliance
10 May 2023	WA	Deputy Director-General Department of Jobs, Tourism, Science and Innovation
9 May 2023	WA	City of Rockingham*
9 May 2023	WA	WA Minister for Defence Industry
16 March 2023	WA	City of Cockburn
16 March 2023	WA	City of Kwinana*
16 March 2023	WA	City of Rockingham*
1 February 2023	WA	City of Cockburn*
31 January 2023	WA	City of Rockingham*
8 November 2022	WA	WA Minister for Defence Industry

\*Mayor present

**Other ASA engagement with State/Local Government**

24 May 2023	SA	Department of Premier and Cabinet (Director Social Licence and Stakeholder Engagement)
4 May 2023	WA	City of Rockingham (Director Social Licence and Stakeholder Engagement)
11 August 2023	WA	Perth South West Metropolitan Alliance (Director Social Licence and Stakeholder Engagement)

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Key witnesses: Megan Lees

PDR No: SB23-000826

Community Engagement

2 August 2023	SA	Department of Premier and Cabinet, Office for AUKUS, DefenceSA
25 July 2023	SA	Department of Premier and Cabinet, Office for AUKUS (ADG Shipyard Infrastructure)
25 July 2023	SA	City of Port Adelaide Enfield (ADG Shipyard Infrastructure)
28 June 2023	SA	City of Port Adelaide Enfield (ADG MECC PE)*
16 May 2023	SA	City of Port Adelaide Enfield (A/FAS PD&I, AS Media and Communications)*
2 May 2023	SA	City of Port Adelaide Enfield (AS Media and Communications)*
2 May 2023	SA	SA Department of Premier and Cabinet (AS Media and Communications)
6 February 2023	SA	SA Government Department Heads (FAS PD&I)
23 January 2023	SA	SA Government's Deputy Chief Executive Dr Jon Gorvett (FAS PD&I)

\*Mayor present

<b>Division:</b> Chief Operating Officer	
<b>PDR No:</b> SB23-000826	
<p><b>Prepared by:</b> Candice Meszes, Assistant Director-General, Ministerial &amp; Executive Coordination, Communications &amp; Public Engagement</p> <p>Mob: s47E(d) Ph: s47E(d)</p> <p>Date: 12 September 2023</p>	<p><b>Cleared by Division Head</b> Megan Lees, COO, Chief Operating Officer</p> <p>Mob: s47E(d) Ph: s47E(d)</p> <p>Date: 12 September 2023</p>

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## Regulatory Compliance

**Handling Note:** First Assistant Director General Stewardship and Security, Michele Miller to lead on nuclear powered submarine regulatory compliance, including nuclear licensing.

### Key Messages

- The Australian Submarine Agency (ASA) is responsible for the cradle to grave ownership of Australia's nuclear-powered submarine capability, including accountability for safe and secure nuclear stewardship.
- Legislation to establish a new dedicated Nuclear Safety Regulator for Nuclear Powered Submarines is in development.
- Under extant legislation, there is an obligation to engage with Australian Radiological Protection and Nuclear Safety Agency prior to the commencement of site preparation, construction, operation, decommissioning or disposal activities for nuclear facilities.
- The ASA has commenced engagement with Australian Radiological Protection and Nuclear Safety Agency with respect to the preparation of the site for SRF-West at HMAS *Stirling* in WA.

### Talking Points

#### *If pressed: How does the ASA intend to commence works before the Regulator is established?*

- Under extant Australian Radiological Protection and Nuclear Safety Agency regulations a controlled person is required to obtain a licence or exemption prior to the conduct of activities relating to the preparation of a site, construction of a controlled facility, operation of a controlled facility, and decommissioning or disposal of a controlled facility.
- The ASA is currently investigating all activities that the Optimal Pathway requires that meet the above criteria. Should the Optimal Pathway require activities identified above to occur prior to the establishment of the Regulator, the ASA will ensure that it complies with all extant regulatory requirements.
- In anticipation of the Regulator requiring comparable documentation to Australian Radiological Protection and Nuclear Safety Agency for the types of facilities associated with the nuclear-powered submarine enterprise, the ASA has commenced the development of a nuclear facilities licensing strategy to address all nuclear-powered submarine nuclear-related activities.

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#### Cleared By:

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Budget Estimates: October 2023

Last updated: 20 October 2023

Key witness: FADG Stewardship & Security, Michele Miller

PDR No: SB23-000840

Compliance

- In order to apply for, and hold, nuclear licences, there is a requirement to develop a comprehensive body of supporting evidence and management system arrangements which demonstrate the effective safety and environmental control arrangements, which includes:
  - Safety Management Plan
  - Radiation Protection Plan
  - Radioactive Waste Management Plan
  - Security Plan
  - Emergency Plan
  - Environment Plan; and
  - Decommissioning Plan

## Background

- The ASA is responsible and accountable for the management and oversight of the nuclear-powered submarine program. The journey will require significant focus and investment to fulfil the commitment of building NPS in Australia and a demonstrated unyielding commitment to safety and security.
- Although Australia has extensive experience in operating submarines in similar environments, the higher sensitivity of the naval nuclear propulsion technology will require the very highest security and safety standards to be implemented across the program.
- Australia's nuclear-powered submarine capability will consist of the submarine platform, associated infrastructure, industrial base, technical base and qualified workforce – military and civilian.
- The formal demonstration of safe and secure Nuclear Stewardship, will be a regulatory requirement, that will be governed through a number of 'Nuclear Licences', in a staged approach to achieving the safe and secure handling of nuclear powered submarines and its supporting technology.
- Under extant regulations a controlled person is required to obtain a licence or exemption prior to the conduct of activities relating to the preparation of a site, construction of a controlled facility, operation of a controlled facility, and decommissioning or disposal of a controlled facility.
- The ASA has commenced preparation for a licence application with the Australian Radiological Protection and Nuclear Safety Agency in the interim until such time as the new Australian nuclear-powered submarine Regulator has been established and is operational.

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Budget Estimates: October 2023  
Last updated: 20 October 2023  
Key witness: FADG Stewardship & Security, Michele Miller

PDR No: SB23-000840  
Compliance

Questions on Notice

None

Freedom of Information (FOI) Requests

- On 1 August 2023 an individual sought access to documentation between Defence or ASA and the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) in relation to the regulation of the nuclear submarine program. Notice of practical refusal was sent to the individual on 4 Aug to refine the scope of their request. No response was received by the due date of 18 August 2023
- Status: Closed on 18th August 2023. Withdrawn.**

Recent Ministerial Comments

- TBC

Relevant Media Reporting

**Australian Nuclear-Powered Submarine Safety Regulator**

- On 21 August 2023, The Age reported ‘Unbelievable’: Defence spends \$8.5m on consultants for AUKUS nuclear regulator’. The Defence Department contract with EY, comes amid a growing debate about the federal public service’s reliance on advice from external consultants.
- On 21 August 2023, The Guardian reported Greens senator David Shoebridge said it is “unbelievable” Defence has given EY an \$8.5m contract to design a new national nuclear submarine regulator “slap bang in the middle of a national scandal about outsourcing core government functions”.
- On 1 July 2023, Dr. Sue Wareham president of the Medical Association for Prevention of War (Australia) opines in the Canberra Times ‘it is a fundamental principle that the regulation of industries must be independent of the industries themselves. It is alarming then that in the matter of Australia’s proposed naval nuclear reactors, the principle of independent regulation is being abandoned.

<b>Division:</b>	Stewardship and Security
<b>PDR No:</b>	SB23-000840
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Budget Estimates: October 2023

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PDR No: SB23-000840

Compliance

Consultation: Nil

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## Consultants

**Handling Note:** Director General Australian Submarine Agency, Vice Admiral Jonathan Mead to lead on Consultants

### Key Messages

- The Australian Submarine Agency engages a range of advisers to assist from time to time, and will continue to consider its requirements and engage advisers where appropriate.
- The ASA will continue to use specialist and technical expertise, often provided through the engagement of an external workforce to respond flexibly to changing circumstances, including surge requirements.
- The Australian submarine Agency has five contracts with the 'big four'. The total estimated contract value is \$ 2.756m.

### Talking Points

#### 'Big Four' and Accenture

- The Australian Submarine Agency (ASA) currently has \$2.756m (GST inclusive) in total contract value with two of the 'Big four' accounting firms comprised of:
  - KPMG (\$1.926m); and
  - Deloitte (\$0.830m).
- In September 2023, 12 FTE from two of the 'Big Four' delivered services to the Australian Submarine Agency. This included:
  - 9 KPMG FTE; and
  - 3 Deloitte FTE.
- The range of services provided to the ASA from KPMG and Deloitte are predominately program management and delivery support.

#### If pressed: Contracts with PwC

- The Nuclear Powered Submarine Taskforce engaged PwC via the Defence Support Services (DSS) Panel through two separate contracts.
- The Australian Submarine Agency (ASA) has not entered into any contracts with PwC since it was established on 1 July 2023.
- The services PwC provided in support of these contracts was with the Program Management Office (PMO). The scope of work was to deliver the Master Schedule

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Budget Estimates: October 2023

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Key witnesses: VADM Jonathan Mead, Megan Lees

PDR No: SB23-000833

Consultants

Maintenance and Management works completed over two phases and the development of the Workforce strategy for the Taskforce.

- In line with section 4.5b of the CPRs, PwC's proposed approach was fit for purpose and they were assessed as being highly likely to achieve the required services outcomes in a timely manner.
- The risks associated with the contracted activities with PwC from a management, contractual, financial, technical and schedule perspective were considered low.
- At no time was PwC briefed into any Security Compartment, nor were they part of any development of the Optimal Pathway during the 18-month consultation period.
- At no stage did PwC attend any meetings or forums that contained compartmented information.

#### Contract Notice 3829877

- The deliverables for this activity were broken into two phases, under one contract. However, phases under the contract were reported separately on AUSTENDER.
- Phase one was a short term engagement over twelve weeks to support the immediate need to rapidly establish key PMO artefacts and develop ongoing requirements of a PMO.
  - Executed 8 October 2021 Concluded 17 December 2021
  - Cost \$560,142.57

#### Contract Notice 3849842

- Phase two was a longer-term extension for work of the PMO including scheduling support; program plan development and management; and other Governance mechanisms.
  - Executed 17 December 2021 Concluded 30 June 2023
  - Cost \$4,696,993.33
- The total value of phase one and two of this activity was \$5,275,135.90. However, they were reported as separate two contracts on AUSTENDER.
- The PwC workforce for Phase one consisted of four fulltime and one part time, five resources total that assisted in the development of core artefacts.
- This grew to a peak in September 2022 of six fulltime and three part time resources during the second phase. This contract concluded on 30 June 2023.

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Budget Estimates: October 2023  
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Key witnesses: VADM Jonathan Mead, Megan Lees

PDR No: SB23-000833  
Consultants

## Contract Notice 3864022

- . Advisory services were sought to support the Workforce Branch to deliver an enterprise wide solution on the reporting of workforce demographics.
  - This contract was executed on 2 March 2022 and concluded 20 August 2022
  - Cost \$727,272.73
- . This contract was extended to develop and implement the workforce support concept plan.
  - This contract was extended on 25 August 2023 and concluded on 30 March 2023
  - Cost \$1,649,246.00
- . The total cost for this contract, including the extension, was \$2,780,792.66.
- . The PwC workforce for this contract consisted of three fulltime and two part time, five resources total.

### If pressed: Why did the ASA terminate its contract with Deloitte?

**Handling notes:** AVM Philip Tammen, Head Virginia Acquisition to lead.

- . Strategic Commercial Advisor (terminated)
  - The original term of the Strategic Commercial Advisor contract with Deloitte was 23 June 2023 – 22 June 2024 with one 12 month extension option available.
  - The contract had a 'not to exceed cap' of \$1,838,727.51 (GST incl.).
- . The ASA conducted a procurement activity through the Whole of Australian Government Management Advisory Services Panel (MASP) to engage a Strategic Commercial Advisor.
- . The intent of the Strategic Commercial Advisor was primarily to ensure the fit-for-purpose nature of corporate governance and corporate structures being developed in support of Australia's future Sovereign Submarine Partners (SSP).
- . Deloitte were identified as the successful tenderer and commenced their engagement with the ASA on 23 June 2023.
- . Deloitte delivered services in line with the tendered Strategic Commercial Advisor scope throughout the period they were engaged by the ASA.
- . As a result of ASA recruitment activities, new internal resources made rapid conceptual progress on the SSP work, largely independent of Deloitte. It became clear that the broad basis of advice tendered for wasn't required going forward.

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Consultants

- On 9 August, the ASA terminated the Strategic Commercial Advisor contract with Deloitte under the available 'termination for convenience' clause via the MASP Head Agreement.
- Deloitte are aware that their termination was based on progress the ASA made independently, not due to any concern with their performance and in no way related to an actual, potential or perceived conflicts of interest.

***If pressed: Was the termination of the Deloitte contracted related to a conflict of interest? If so, what was the nature of the conflict of interest?***

- The contract with Deloitte for advisory services was terminated under a convenience clause. It was not related to performance or any actual, potential or perceived conflict of interest.
- The cancellation of the contract did not relate to any real or perceived conflict of interest.
  - The ASA has a probity policy and management process in place where Commonwealth and contractor personnel are required to declare real, potential and perceived conflicts of interests.
  - Deloitte complied with their obligations under the probity policy.

***If pressed: Was the termination of the Deloitte contract associated with performance?***

- The contract termination was not related to Deloitte's performance.
- Deloitte delivered services in line with the tendered Strategic Commercial Advisor scope throughout the period they were engaged by the ASA.

***If pressed: Has the ASA engaged another advisor for Strategic Commercial Advice?***

- The ASA engages a range of advisers to assist from time to time, and will continue to consider its requirements and engage advisers where appropriate.
- The ASA has not conducted a process for a Strategic Commercial Advisor following the termination of the Deloitte contract.

***If pressed: How much did the ASA pay Deloitte under the terminated contract?***

- Deloitte invoiced the ASA for \$332,465.48 for work undertaken prior to termination. At the time of drafting Defence were working through the final payment.

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Position: COO

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Budget Estimates: October 2023  
Last updated: 20 October 2023  
Key witnesses: VADM Jonathan Mead, Megan Lees

PDR No: SB23-000833  
Consultants

***If pressed: Did the Chief of the Defence Force use the Deloitte Strategic Commercial Advisor contract?***

- The Chief of the Defence Force did not use Deloitte's services through the Strategic Commercial Advisor contract. The Office of the Chief of the Defence Force was listed as the AusTender contact point in a purely administrative capacity while the ASA was being stood up.

## Background

### Value for Money Considerations - PwC

- Value for money was a core consideration in the Nuclear Powered Submarine Taskforce's engagement of PwC. Value for money justification was included in each Section 23 document.
- PwC was identified as the preferred supplier based upon their organisational reputation for high level performance and achievement in the provision of services to a range of Commonwealth Agencies. PwC were also considered to have the ability to ensure appropriate staffing for the duration of the project.
- In having the specified personnel who are available with the demonstrated experience, skills, and ability to quickly come to terms with the service requirements, engaging PwC accorded with CPR Section 4.5c and the consideration of 'a potential supplier's experience and performance history' together with CPR Section 4.5a the 'quality of goods and services'.

### Defence Support Services (DSS)

- The use of the DSS is consistent with the overarching Value for Money (VFM) principles and in line with CPR 4.2d which states: "Where a business requirement arises, officials should consider whether the procurement will deliver best value for money. It is important to take into consideration, (d) "obligations and opportunities under other existing arrangements."
- The DSS utilises a common Deed of Standing Offer which reduces the cost of tendering, contract management and administration for Defence. This is in line with CPR4.4b "efficient, effective, economical and ethical use of public resources".

### Management Advisory Services Panel (MASP)

- The Management Advisory Services Panel (MASP) has been established to improve the quality, consistency and efficiency of the procurement of Management Advisory Services by Commonwealth entities. The Services provided under the Panel are for Management Advisory Services, commonly known as consultancies.
- The MASP is administered by the Department of Finance.

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Budget Estimates: October 2023

Last updated: 20 October 2023

Key witnesses: VADM Jonathan Mead, Megan Lees

PDR No: SB23-000833

Consultants

- The MASP provides a range of benefits, including:
  - improved quality, consistency and efficiency of purchasing Management Advisory Services with standard terms and conditions and a Performance Management Framework
  - cost savings and efficiencies for Service Providers by reducing administration and tendering efforts
  - reduction in the time and effort for Agencies and for Service Providers to establish contracts
  - replacing multiple panel arrangements across Government with a single panel arrangement
  - providing standardised rate structures for Agencies, noting that Service Providers' rates can vary significantly across other panels for the same types of Services.

### Contractor, Consultant and Outsourced Service Provider Definitions

- Consultant
  - Consultants are individuals, partnerships or corporations engaged to provide professional, independent and expert advice or services. It involves the engagement of expert professional skills to investigate or diagnose a defined issue or problem, to carry out defined research, reviews or evaluations or provide independent advice, information or creative solutions to assist in management decision making. Performance of the services is at the discretion and professional expertise of the consultant, with ASA providing oversight. The consultant's output reflects the independent views or findings of the individual or organisation and generally belongs to ASA.
- Contractor
  - A person engaged by ASA under a contract for skills that would normally be maintained in the Australian Public Service (APS) or Australian Defence Force (ADF) workforce. The person is engaged to perform day-to-day duties of ASA. The person works largely under the supervision of an APS employee or ADF member. ASA specifies how the work is to be undertaken. The resulting output is produced on behalf of ASA and is generally regarded as an ASA product. The person's remuneration is based on the time worked, usually calculated on an hourly or daily rate. ASA generally provides the necessary equipment and supplies.
- Outsourced service provider
  - ASA has made a decision that the function is to be performed by an external service provider on a long term or permanent basis. It involves skills or expertise that are not required to be maintained by APS or ADF in ASA. Performance of the services is left largely up to the discretion and professional expertise of the

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Key witnesses: VADM Jonathan Mead, Megan Lees

PDR No: SB23-000833  
Consultants

provider. Typically, service standards or performance indicators are agreed as part of the contracting process and monitored periodically. The resulting output is produced for ASA as a customer. Remuneration is paid when milestones are reached or a task is completed, or periodically for the provision of ongoing services such as maintenance, cleaning or travel bookings. The provider generally supplies their own equipment and supplies.

**Supporting Information**

**Questions on Notice**

- No questions asked.

**Freedom of Information (FOI) Requests**

- On 23 August 2023 an individual sought access to documentation related to contract notice CN3988242 (awarded to Aecom Australia Pty Ltd) A response was released on 6 October 2023

**Recent Ministerial Comments**

- TBC

**Relevant Media Reporting**

- Australian media has reported regularly on the role of consultants in Defence.
- In the Australian Financial Review on 16 August, Ronald Mizen wrote that Deloitte’s advisory work with the ASA was ended using a convenience clause. [\[Link\]](#)
- In the Australian on 17 August, David Ross and Ben Packham wrote that Defence had torn up a \$1.8 contract with a senior Deloitte advisor amid concerns over the person’s links to foreign military interests. [\[Stream Link\]](#).

<b>Division:</b> Chief Operating Office	
<b>PDR No:</b> SB23-000833	
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<b>Consultation:</b>	

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Key witnesses: VADM Jonathan Mead, Megan Lees

PDR No: SB23-000833

Consultants

Air Vice-Marshal Philip Tammen, AM  
Head Virginia Acquisition

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Position: COO

Group/Service: Chief Operating Officer

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## Contracts

**Handling Note:** Chief Operating Officer, Megan Lees to lead on Contracts.

### Key Messages

- . To support the function and outcomes required to deliver an enduring nuclear- powered submarine capability for Australia. The Australian Submarine Agency will engage contractors and or outsourced service providers from time to time where skills and expertise are not readily available within the Agency.
- . All procurement activity undertaken within the ASA is to be conducted in accordance with the Commonwealth Procurement Rules, Australian Submarine Agency Accountable Authority Instructions and must be approved by an ASA Financial Delegate.
  - For procurements undertaken by the Nuclear Powered Submarine Taskforce, the Defence Accountable Authority Instructions and Defence Financial Delegations were applied.

### Talking Points

*If pressed what were the kind of services provided through each contract entered into by the NPSTF:*

- . The NPSTF contracts consisted of a range of services that included, but were not limited to:
  - legal advice relating to domestic legal issues associated with acquisition, including regulatory frameworks;
  - probity services;
  - export control services;
  - professional engineering services;
  - workforce data modelling and specialist workforce planning support;
  - management advisory and expert consultancy (Nuclear); and
  - ICT capability, facilities and recruitment services.

*If pressed what kind of services are being provided through each contract entered into by the ASA:*

- . The ASA contracts consist of a range of services that include, but are not limited to:
  - legal advice;
  - probity services;

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Budget Estimates: October 2023

Last updated: 25 October 2023

Key witness: Megan Lees

PDR No: SB23-000827

Contracts

- export control services;
- professional engineering services;
- management advisory and expert consultancy (Nuclear);
- technical financial advice and cost development; and
- ICT capability, facilities and recruitment services.

***If pressed how many contracts transitioned from NPSTF to ASA:***

- 21 contracts transitioned from NPSTF to ASA for the purposes of continued services primarily relating to management advisory and subject matter expert advice.

***If pressed how many contracts has ASA entered into since it was established on the 1<sup>st</sup> July 2023:***

- 24 ‘new’ contracts have been created since the Australian Submarine Agency was established on the 1st July 2023, primarily these contracts relate to management advisory services and subject matter expert advice.

***If pressed how many contracts does the ASA currently have:***

- As at 30 September 2023, the ASA has 43 current contracts. Post transition from NPSTF to ASA, two contracts have since terminated.

## Background

### Contractor, Consultant and Outsourced Service Provider Definitions

- Consultant
  - Consultants are individuals, partnerships or corporations engaged to provide professional, independent and expert advice or services. It involves the engagement of expert professional skills to investigate or diagnose a defined issue or problem, to carry out defined research, reviews or evaluations or provide independent advice, information or creative solutions to assist in management decision making. Performance of the services is at the discretion and professional expertise of the consultant, with ASA providing oversight. The consultant’s output reflects the independent views or findings of the individual or organisation and generally belongs to ASA.
- Contractor
  - A person engaged by ASA under a contract for skills that would normally be maintained in the Australian Public Service (APS) or Australian Defence Force (ADF) workforce. The person is engaged to perform day-to-day duties of ASA. The person works largely under the supervision of an APS employee or ADF member. ASA specifies how the work is to be undertaken. The resulting output is produced on behalf of ASA and is generally regarded as a ASA product. The person’s

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Budget Estimates: October 2023

Last updated: 25 October 2023

Key witness: Megan Lees

PDR No: SB23-000827

Contracts

remuneration is based on the time worked, usually calculated on an hourly or daily rate. ASA generally provides the necessary equipment and supplies.

- Outsourced service provider
  - ASA has made a decision that the function is to be performed by an external service provider on a long term or permanent basis. It involves skills or expertise that are not required to be maintained by APS or ADF in ASA. Performance of the services is left largely up to the discretion and professional expertise of the provider. Typically, service standards or performance indicators are agreed as part of the contracting process and monitored periodically. The resulting output is produced for ASA as a customer. Remuneration is paid when milestones are reached or a task is completed, or periodically for the provision of ongoing services such as maintenance, cleaning or travel bookings. The provider generally supplies their own equipment and supplies.

### Supporting Information

#### Questions on Notice

- No question asked

#### Freedom of Information (FOI) Requests

- On 23 August 2023 an individual sought access to documentation related to contract notice CN3988242 (awarded to Aecom Australia Pty Ltd)
- ASA stakeholders involved have identified 4 documents in scope of the request. The request is due to the applicant on 22 September 2023.
- **Status: Ongoing**

#### Recent Ministerial Comments

- TBC

#### Relevant Media Reporting

- Nil

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Budget Estimates: October 2023

Last updated: 25 October 2023

Key witness: Megan Lees

PDR No: SB23-000827

Contracts

<b>Division:</b> Government and Executive	
<b>PDR No:</b> SB23-000827	
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<b>Consultation:</b> Nil	

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## Contracts – United States and United Kingdom Admirals and Seniors

**Handling Note:** Director-General Australian Submarine Agency, Vice Admiral Jonathan Mead to lead on United States and United Kingdom Admirals and Seniors questions.

### Key Messages

- As the public might reasonably expect, we to leverage experience and expertise by selectively employing United Kingdom and United States nationals—both former government officials and industry leaders—including through forums such as the Naval Shipbuilding Expert Advisory Panel.
  - These forums provide confidential, expert advice that supports the Government’s decision-making process across the shipbuilding enterprise.
- The remuneration these individuals receive reflects their seniority, expertise and experience.
- Officials are remunerated for the actual time they spend forming and providing their advice—this is generally well below the contract ‘not to exceed amount’ published on AusTender noting these contracts also include amounts for reimbursable costs such as travel and accommodation.

### Talking Points

***If pressed: How many contracts were in place with United States and United Kingdom Admirals and Seniors through the 18 month consultation period***

- The Nuclear Powered Submarine Taskforce (Taskforce) entered into five contracts directly with the United States for services provided by retired United States Senior Military and other Senior officials, during the 18 month consultation period.
- The Taskforce entered into three contracts with Australian companies who engaged with United States and United Kingdom sub-contractors under an expert engagement arrangement.
- No contracts of this nature were entered into directly with the United Kingdom Government.

***If pressed: How many contracts are in place with United States and United Kingdom Admirals and Seniors since establishment of the Australian Submarine Agency since 1 July 2023***

- Two contracts transitioned from the Taskforce. There have been no further contracts entered into with the United States or United Kingdom for services provided by retired United States Senior Military and other Senior officials since the Agency was established on 1 July 2023.

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Budget Estimates: October 2023

Last updated: 16 October 2023

Key witnesses: Megan Lees

PDR No: SB23-000834

Contracts – US and UK Admirals and Seniors

- No contracts of this nature have been entered into directly with the United Kingdom Government.

***If pressed: Why is Australia paying retired United States Admirals to provide advice on nuclear-powered submarines? Shouldn't current personnel be providing this advice through AUKUS?***

- As the public might reasonably expect, we leverage this experience and expertise by selectively employing United Kingdom and United States nationals—both former government officials and industry leaders—including through forums such as the Naval Shipbuilding Expert Advisory Panel.
- These forums provide expert advice that supports the Government's decision-making process across the shipbuilding enterprise. That advice is confidential.

***If pressed: on remuneration***

- The remuneration these individuals receive reflects their seniority and experience.
  - all required foreign government approvals authorising their participation are agreed prior to employment.
  - appropriate security, confidentiality and conflict of interest arrangements are in place for these engagements.
- Members are remunerated for the actual time they spend forming and providing their advice—this is generally well below the contract 'not to exceed amount' published on AusTender as these contracts also include amounts for reimbursable costs such as travel and accommodation.
- For reasons of commercial sensitivity and privacy, the actual amounts paid to each individual member for their professional service is not disclosed.

***If pressed: Has the Nuclear Powered Submarine Taskforce Force contracted other United States or United Kingdom Admirals and experts outside of the Naval Shipbuilding Expert Advisory Panel and the Submarine Advisory Committee?***

- The Taskforce has directly contracted experts from the UK and US to provide independent expert advice on infrastructure related activity.
  - infrastructure interests includes the Osborne Naval Shipyard; Fleet Base West, and the future East Coast Base.
- Shipyards and bases for nuclear-powered submarines have greater requirements than for conventional submarines. It is therefore important that we seek the advice as we have.

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Budget Estimates: October 2023  
Last updated: 16 October 2023  
Key witnesses: Megan Lees

PDR No: SB23-000834  
Contracts – US and UK Admirals and Seniors

Supporting Information

Questions on Notice

Senate: 9 August

- Senate QoN 2336, Payments made to the US in relation to AUKUS, Senator Jacqui Lambie (Jacqui Lambie Network, Tasmania) asked a Question on Notice relating to payments made to AUKUS partners, and International travel .

Supplementary Budget Estimates: 15 February 2023

- QoN 11, ADM Consultants - Senator Jordon Steele-John (Greens, Western Australia) asked questions focusing on US Defence consultants.

Freedom of Information (FOI) Requests

- On 5 August 2023 an individual sought access to documentation relating to the costs associated with AUKUS travel, itineraries and costs of VADM Mead’s overseas trips. ASA identified nine (9) documents in scope of the request. The request is due to the applicant on 19 September 2023.
- Status: Completed on 4 October 2023

Recent Ministerial Comments

- TBC

Relevant Media Reporting

- Nil

<b>Division:</b> Chief Operating Officer	
<b>PDR No:</b> SB23-000834	
<b>Prepared by:</b> Marlana Davis, CFO Mob: s47E(d) Ph: s47E(d) Date: 04 September 2023	<b>Cleared by Division Head:</b> Megan Lees, COO Mob: s47E(d) s47E(d) Date: DD October 2023
<b>Consultation:</b> Nil	

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Budget Estimates: October 2023

Last updated: 19 October 2023

Key witnesses: VADM Jonathan Mead, Megan Lees

## Cost

### Handling Note:

Director-General Australian Submarine Agency, Vice Admiral Jonathan Mead to lead on nuclear-powered submarine cost estimate questions.

### Key Messages

- This is a significant investment in Australia's future, which will deliver a major boost to Australian industry, jobs, infrastructure and capability to keep our nation safe.
- This will be the single biggest capability acquisition in our history. This is a complex endeavour spanning decades—a multi-generational undertaking.
- The Australian Government currently estimates spending of around 0.15 per cent of GDP per year, averaged over the program.
  - This will contribute to the Government's commitment to lift Defence spending to over 2 per cent of Gross Domestic Product per year.
- Over the Forward Estimates, Defence expects to invest \$9 billion in the Pathway. This will be funded through Defence's Integrated Investment Program (IIP), including the existing \$6 billion provision of the Attack class submarine program over this period.
- Over the Decade (to 2032-33), we currently estimate funding for this program to be in the rough order of \$50-58 billion. This will be partially offset by the existing \$24 billion provision, within the decade, for the Attack class program and includes funding to support the industrial base, workforce, infrastructure, rotational presence of the UK and US, and procuring the U.S Virginia Class Submarine (VCS) to ensure Australia has no capability gap.

### Talking Points

#### *If pressed: How much will the Optimal Pathway cost?*

- This will be the single biggest capability acquisition in Australia's history. This is a complex endeavour spanning decades—a multi-generational undertaking.
- The Government currently estimates spending to around 0.15 per cent of GDP per year, averaged over the program.
- Over the Forward Estimates, Defence will invest \$9 billion in the program.
  - This will be funded through Defence IIP, including the existing \$6 billion provision of the Attack class over this period.
- Over the Decade, Defence will invest \$58 billion in the program.
  - This will be funded through Defence IIP, including the existing \$24 billion provision of the Attack class over this period.

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- The \$4.2 billion over 10 years from 2023-24 outlined in the Budget will support the establishment and ongoing operation of the Australian Submarine Agency within the Defence portfolio.
- This includes \$15.3 million over 10 years from 2023-24 to establish an Independent Monitor and Adviser to provide independent assurance for the Nuclear-Powered Submarine Program (NSP) through periodic health-checks and proactive advice.

***If pressed: Was value for money considered as part of the optimal pathway assessment and will it be considered in the future?***

- The decision for Australia to acquire a conventionally-armed, nuclear-powered submarine capability was a result of the assessment of the strategic capability requirements for Australia's security
- We are now working to develop the necessary procurement arrangements to deliver this enduring capability, including through the selection of sovereign submarine partners for Australia's build and sustainment programs.
- The requirement to achieve value for money is a fundamental principle of all government procurement processes. It has been considered for each procurement entered into by the Australian Submarine Agency (ASA) to date and will be a core consideration of each procurement moving forward as we establish the necessary commercial and inter-governmental arrangements needed to deliver the Optimal Pathway over the decades to come.
- Value for money is and will continue to be considered through our procurements with industry and our procurements with AUKUS partners.

***If pressed: What does the project actually include?***

- The AUKUS commitment was to deliver at least eight conventionally-armed, nuclear-powered submarines for Australia. As advised in the Optimal Pathway Report, to ensure there is no capability gap the United States intends to sell Australia three Virginia class SSNs pending approval from the United States Congress, with SSN-AUKUS rolling out in the early 2040s.
  - The cost of the program reflects not just the acquisition of SSN-AUKUS, but also a range of measures to ensure we are ready and capable of building, operating, sustaining and regulating this platform.
  - Investment in the program will support industry, workforce, infrastructure and other critical components, which contribute to the delivery of this capability.

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Budget Estimates: October 2023

Last updated: 19 October 2023

Key witnesses: VADM Jonathan Mead, Megan Lees

***If pressed: How much will each Virginia/SSN-AUKUS cost?***

- . The program cost is \$9 billion over the Forward Estimates, then \$50-58 billion over the decade to 2032-33.
- . Currently, U.S Virginia Class Submarines (VCS) and SSN-AUKUS costs, per boat, are unable to be disclosed due to the following:
  - The sale of the VCS is pending United States Congressional approval. Release of the VCS sale price may potentially jeopardise the United States process.
  - The annual profile of the current cost estimate points to the various stages of the program that remain commercially sensitive. The disclosure of this would undermine the Government in its negotiation position as it enters successful program contract(s) for the delivery of the future SSN-AUKUS.
- . As this is a complex program, the current cost estimates will continue to be updated as the program continues to mature.

***If pressed: How much will Government spend in Australia?***

- . This is the biggest investment in Australia's defence capability, with significant investment into the Australian economy.
- . Over the Forward Estimates, \$6 billion is estimated to be invested in Australian industry and workforce. Comprising:
  - \$1.5 billion for: Industrial Workforce Initiatives (\$0.3 billion), Supply Chain Vendor uplift activities (\$0.2 billion), West Coast Base Infrastructure (\$1 billion).
    - These elements are included in the \$9 billion program cost estimate across the Forward Estimates and will be funded from the Defence IIP.
  - \$2 billion for the Australian Submarine Agency (ASA) and other government agencies.
    - This is included in the \$9 billion program cost estimate across the Forward Estimates, with funding transferred to other government agencies through the 2023-24 Budget.
  - \$2 billion for the Submarine Construction Yard (SCY) at Osborne SA by Australian Naval Infrastructure.
    - This investment is NOT included in the \$9 billion program cost estimate across the Forward Estimates as it is funded via an equity injection to Australian Naval Infrastructure.
- . The Government estimates \$30 billion will be invested into Australia's industrial base from now until 2055.

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Budget Estimates: October 2023

Last updated: 19 October 2023

Key witnesses: VADM Jonathan Mead, Megan Lees

***If pressed: Why are we investing in the United States and United Kingdom?***

- Australia's investment to the United States industrial base will contribute to the required increase in submarine maintenance and production capacity.
- An investment to the United States industrial base will secure early delivery of Virginias for Australia and mitigate a capability gap.
- SSN-AUKUS is a complex undertaking and with a number of factors to be taken into account including design and trilateral industrial base development. In the longer-term, these investments will significantly bolster industrial capacity and resilience for all AUKUS partners – getting more AUKUS submarines in the water quicker.

***If pressed: How much is Australia investing in the United States and United Kingdom industrial bases?***

- It will be a fair and proportionate investment to the United States and United Kingdom to assist in expanding production and maintenance capacity to meet critical phases of the Pathway.
- Australia will invest approximately \$3 billion USD in the US industrial base to support increased production and maintenance capacity to ensure there is no capability gap for Australia in acquiring Nuclear Powered Submarines.
- Investments in our collective and domestic industrial bases will also boost the resilience of submarine supply chains for all AUKUS partners.
- This investment is part of the price of ensuring there is no capability gap for Australia and that we will have an operational conventionally-armed, nuclear-powered submarine capability in the 2030s.
- The contribution to the United Kingdom will be a targeted investment as we partner in the production of SSN-AUKUS. Details of this investment remains subject to commercial negotiations.

**Over the Forward Estimates, Defence expects to invest \$9 billion in the Pathway.**

- The \$9 billion comprises:
  - \$5.6 billion as outlined in Program 2.16 Nuclear Powered Submarines (presented in Table 37 of the *Defence Portfolio Budget Statement 2023-24* ([page 88](#)));
  - \$3.3 billion reflected against other Defence Programs (per Note A to Table 37 of the *Defence Portfolio Budget Statement 2023-24* ([page 88](#))); and
  - \$0.3 billion provided to other Government agencies (outlined in *Budget 2023-24 Budget Paper No 2* (page 94)).

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Budget Estimates: October 2023

Last updated: 19 October 2023

Key witnesses: VADM Jonathan Mead, Megan Lees

- The \$5.6 billion program funding includes the following:
  - Upskilling Australian workforce and industry;
  - Supporting Submarine Rotational Force (SRF-West);
  - Establishing a non-proliferation and safeguards program;
  - Procurement of long lead items (United States built VCS); and
  - United States and United Kingdom industrial uplift and the trilateral program office.
    - While we have made provision for investment in the United Kingdom, details of this investment in our partner nation remain subject to commercial negotiations.

**Table 37: Cost Summary for Program 2.16 Nuclear-Powered Submarines**

**Summarised Version Table 37**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000	<b>Total \$'000</b>
<b>Expenses funded by appropriation and own source revenue</b>						
<i>Suppliers</i>		513,586	387,252	3,720,224	900,571	<b>5,521,633</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
<i>Purchase of non-financial Assets</i>		1,444	1,964	2,504	77,016	<b>82,928</b>
<b>Program 2.16 Nuclear-Powered Submarines Total funded expenditure</b>		<b>515,030</b>	<b>389,216</b>	<b>3,722,728</b>	<b>977,587</b>	<b>5,604,561</b>

\*PBS 2023-24 price basis.

- The \$3.3 billion program funding includes the following:
  - Australian Submarine Agency (ASA) operating and facilities;
  - Australian Nuclear-Powered Submarine Safety Regulator; and
  - West Coast Base upgrades (funded by SEA1010-1 Undersea Warfare and Surveillance Infrastructure and Facilities).
- Appropriation transfers from Defence as outlined in Budget Paper 2 to:
  - Other government agencies; and
  - Public Debt Interest (PDI) for the Submarine Construction Yard.

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***If pressed: What is driving the increase in the estimates for 2025-26 in the nuclear submarine?***

- The Portfolio Budget Statement discloses the amount allocated to the NPS program across the Forward Estimates. The estimates for 2025-26 include a number of elements, including:
  - Upskilling Australian workforce and industry;
  - Supporting Submarine Rotational Force (SRF-West);
  - Establishing a non-proliferation and safeguards program;
  - Procurement of long lead items (United States built VCS); and
  - United States and United Kingdom industrial uplift and the trilateral program office.
    - A proportion of the estimated USD\$3 billion, to be invested in the US industrial base to support increased production and ensure there is no capability gap for Australia in acquiring Nuclear Powered Submarines
    - While we have made provision for investment in the United Kingdom, details of this investment in our partner nation remain subject to commercial negotiations.

***If pressed: About Value for Money*****Summary**

- Achieving value for money is the core rule of the Commonwealth Procurement Rules as it is critical in ensuring that public resources are used in the most efficient, effective, ethical and economic manner.
- Price is not the sole factor when assessing value for money. When conducting a procurement, an official must consider the relevant financial and non-financial costs and benefits of each submission.
- Broader economic and social benefits can be realised through normalising consideration of environmental sustainability and climate change impacts, the use of recycled materials in public projects and through more diversity and competition in our supplier base and workforces.

**Value for Money Detail**

- Achieving value for money is the core rule of the Commonwealth Procurement Rules. Officials responsible for a procurement must be satisfied, after reasonable enquiries, that the procurement achieves a value for money outcome. Procurements should:
  - encourage competition and be non-discriminatory;
  - use public resources in an efficient, effective, economical and ethical manner that is not inconsistent with the policies of the Commonwealth;
  - facilitate accountable and transparent decision making;

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- encourage appropriate engagement with risk; and
  - be commensurate with the scale and scope of the business requirement.
- When conducting a procurement, an official must consider the relevant financial and non-financial costs and benefits of each submission including, but not limited to the:
    - quality of the goods and services;
    - fitness for purpose of the proposal;
    - potential supplier’s relevant experience and performance history;
    - flexibility of the proposal (including innovation and adaptability over the lifecycle of the procurement);
    - environmental sustainability of the proposed goods and services (such as energy efficiency, environmental and climate change impact and the use of recycled products)
    - whole-of-life costs, including:
      - the initial purchase price of the goods and services;
      - maintenance and operating costs;
      - transition out costs;
      - licensing costs (when applicable);
      - the cost of additional features procured after the initial procurement;
      - consumable costs, including the environmental sustainability of consumables; and
      - decommissioning, remediation and disposal costs (including waste disposal).

### Australian Submarine Agency (ASA)

- The Australian Submarine Agency (ASA), established by Executive Order, commenced operating on 1 July 2023 and was provided with departmental funding for the operating and capital costs associated with running the Agency. The Agency funding breakdown across the forwards and the decade are:
  - \$1.7 billion over the Forward Estimates (from 2023-24 to 2026-27).
  - \$4.2 billion over the Decade (from 2023-24 to 2032-33).
  - This funding was provided from the Defence IIP.
- ASA, in consultation with Defence, continues to manage the cost and funding of the NPS program within the Defence IIP, including its linkages to dependent and interdependent projects in the Maritime Capability Domain.
- The ASA is responsible and accountable for the management and oversight of Australia’s conventionally-armed, nuclear-powered submarine program.

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Budget Estimates: October 2023

Last updated: 19 October 2023

Key witnesses: VADM Jonathan Mead, Megan Lees

Relevant Media Reporting

<u>Date</u>	<u>Outlet</u>	<u>Reporting</u>
5 October 2023	Andrew Tillett Australian Financial Review	<a href="#">Reports</a> Ministers face billions in blowouts for new warships. Article claims senior ministers are scrambling to plug a funding hole that could be as high as \$20 billion for new upgraded warships. This is in reference to the UK’s Ministry of Defence announcement of a 4 billion pounds contract with BAE.
5 October 2023	Julian Bajkowski The Mandarin	<a href="#">Reports</a> Australia’s \$368 billion AUKUS nuclear submarine program might be costing taxpayers an arm and a leg, but at least the Royal Australian Navy’s captains skipping the new hunter-killer boats will be able to legitimately boast they drive the world’s biggest Rolls-Royce for a day job.
11 May 2023	Matthew Knott, Sydney Morning Herald	<a href="#">Reports</a> that the Navy’s troubled frigate project has suffered a budget blowout of over \$45 billion, falling even further behind schedule and casting doubts about the delivery of the AUKUS submarine program.
10 May 2023	Gabriel Polychronis, The Advertiser	<a href="#">Reports</a> billions of dollars will be spent to prepare South Australia and the workforce for nuclear-powered submarines.
09 May 2023	Gareth Hutchens, ABC	<a href="#">Reports</a> that the Government says it will cost about \$19 billion over an initial four-year period to start implementing the recent Defence Strategic Review’s recommendations, which includes \$9 billion for the AUKUS nuclear-powered submarine project.
27 April 2023	National Press Club	Leader of the Greens Adam Bandt delivered an <a href="#">address</a> to the National Press Club. [On AUKUS] <i>“Is Labor really saying that they are willing to spend over half a trillion dollars on Stage 3 tax cuts for the wealthy and on nuclear powered submarines, but can’t find \$5 billion a year for public housing and \$1.6 billion a year for a rent freeze, in the middle of a housing crisis?”</i>
22 March 2023	The Guardian	Daniel Hurst <a href="#">reports</a> Minister for Defence Industry Pat Conroy said Australian taxpayers may end up spending more than \$3bn to boost submarine industrial capability in the US and UK, confirming there was “scope for additional funding.”
18 March 2023	Andrew Tillett, Australian Financial Review	<a href="#">Evaluates</a> the details of the AUKUS deal and whether the benefits outweigh the costs.
16 March 2023	David Crowe, The Age	<a href="#">Writes</a> about the briefing that was handed down to about a dozen reporters shortly before the announcement was made in San Diego. Crowe explained that the briefing documents included the \$9 billion cost of the updated pact over the next

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		four years, and the \$58 billion cost over the next decade. What the documents did not reveal, Crowe says, was the lifetime expense of the entire project from the purchase of interim submarines from the US to the construction of the future fleet of nuclear-powered vessels in Adelaide. Crowe continues to explain that it took several questions for the answer to emerge, and that finally, the answer came in between \$268 billion and \$368 billion
15 March 2023	Josh Zimmerman, The West Australian	<a href="#">Writes</a> that an extra 500 skilled workers will be required to begin the sustainment and maintenance of visiting UK and US nuclear-powered submarines in WA. Zimmerman also writes that the Coalition fears funding for the Henderson dry dock could be cut as the Albanese Government eyes \$3 billion in savings to cover the upfront cost of the AUKUS deal.
15 March 2023	Waleed Aly, The Project	Covered the AUKUS announcement ( <a href="#">watch</a> from 11.28) in two parts, firstly explaining the nuclear-powered submarine capability, quoting Malcolm Davis “they are the apex predators of the ocean, we are getting the very best capability we can get.” Secondly, a piece explaining the three phases of the Optimal Pathway with a focus on jobs and the cost of the project, quoting The Greens “it is mortgaging Australia’s future” and the Opposition Leader Peter Dutton “come hell or high water, the Coalition will support AUKUS.”
15 March 2023	Michael Rowland, ABC News Breakfast	Interviews Acting Prime Minister Richard Marles ( <a href="#">watch</a> from 7.03) covering the AUKUS announcement: [On cost] “You can extrapolate any large government program through to the 2050s and you’ll get a large number – this is 0.15% of GDP we are spending on the submarines in a context where our Defence spending is currently 2% of GDP growing to 2.2%. This completely transforms the capability, the potency of the Australian Defence Force. The vast majority of this will be spent in the Australian economy. You’re talking about 20,000 direct jobs being created by virtue of the spend in respect of the submarines. There will be an economic dividend associated with this and will see an enormous increase in the technological capability of our broader economy.”
15 March 2023	Greg Jennett, Afternoon Briefing	Interviewed Acting Prime Minister Richard Marles ( <a href="#">watch</a> from 4:03): [On cost] “The way to describe this is as a percentage of GDP, and through the life of the program, this will be about 0.15 per cent of GDP. To put it in context, we spend right now 2 per cent of GDP on Defence. This capability will do more in terms of transforming the potency and the capability of the Australian Defence Force than any other step that we have taken. So relative to the rest of the

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Budget Estimates: October 2023

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Key witnesses: VADM Jonathan Mead, Megan Lees

		Defence spend, this is the most value for money we will get in terms of any of that.”
15 March 2023	Andrew Clennell, Sky News Afternoon Agenda	Interviewed Shadow Defence Minister Andrew Hastie ( <a href="#">watch</a> from 2:31): [On cost] “Now, we support this process, and the cost of inaction will be much higher, but we do need to have a conversation about how we fund this and we do so that doesn't jeopardise other important programs that the Australian people enjoy.”

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## Cost Contingency

**Handling Note:** Chief Operating Officer, Megan Lees to lead on Cost Contingency. Director-General Australian Submarine Agency, Vice Admiral Jonathan Mead to lead on nuclear-powered submarine cost estimate questions. Chief Finance Officer Defence, Steven Groves to lead on funding questions.

### Key Messages

- There are a range of complex variables that will effect costs over the life of the program.
- There is considerable economic uncertainty in predicting key cost drivers over a 30 year period, including inflation, cost of labour and raw materials.
- At this stage of implementation of the Optimal Pathway it is prudent to include an estimate of the risk and uncertainty.
- Government estimates spending to be around 0.15 percent of GDP per year, averaged over the program. It is important to note that the contingency component falls within the cost estimate of 0.15 percent of GDP, and is not in addition to it.

### Talking Points

*If pressed: The Parliamentary Budget Office (PBO) report in April 2023 revealed a separate \$123 billion or 50% contingency has been provisioned by Defence for the NPS program. Why so much contingency? Does this represent significant risk in the program?*

- There are a range of complex variables that will effect costs over the life of the program.
- There is considerable economic uncertainty in predicting key cost drivers over a 30 year period, including inflation, cost of labour and raw materials.
- Initial cost estimates have been developed with the assistance of AUKUS partners applying the best information available.
- At this stage of implementation of the Optimal Pathway it is prudent to include an estimate of the risk and uncertainty.
- Cost estimates will continue to be refined through the process of selecting Australian industry partners who will support delivery of the program, including but not limited to the Australian shipbuilder and sustainment partners.
- It is important to note that the contingency component falls within the cost estimate of 0.15 per cent of GDP, and is not in addition to it.

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Budget Estimates: October 2023

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Key witness: Megan Lees

PDR No: SB23-000829

Cost Contingency

- It is also important to note that the costs of the program reflect not just the acquisition of SSN-AUKUS, but also a range of measures to ensure we are ready and capable of building, operating sustaining and regulating this platform.
- Investment in the program will support industry, workforce, infrastructure and other critical components which contribute to the delivery of this capability.
- Australia will continue to leverage expertise from the United Kingdom and the United States to ensure we acquire a capability that enhances our sovereignty and provide an unmatched strategic advantage.

***If pressed: Won't the SSN-AUKUS program inevitably run late and cost more?***

- This will be the single biggest capability acquisition in Australia's history. This is a complex endeavour spanning decades – a multi-generational undertaking.
- There are a range of complex variables that will effect costs and delivery over the life of the program.
- At this early stage of implementation of the Optimal Pathway, it is prudent to include an estimate of the risk and uncertainty.
- It is important to note that the contingency component falls within the cost estimate of 0.15 per cent of GDP, and is not in addition to it.

***If pressed: What does Contingency in Defence usually cover?***

- The contingency estimate for Defence projects should be commensurate with the risk level associated with the project's cost, schedule and scope.
- In practice, that for non-development capital projects, the observed contingency level is typically:
  - Defence Integrated Investment Program Entry (DIIP), 30 per cent to 50 per cent;
  - First Pass consideration, 20 per cent to 30 per cent; and
  - Second Pass consideration, approximately 10 per cent to 15 per cent.

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PDR No: SB23-000829  
Cost Contingency

Supporting Information

Questions on Notice

**Senate: 9 August**

- **Senate QoN 2336, Payments made to the US in relation to AUKUS**, Senator Jacqui Lambie (Jacqui Lambie Network, Tasmania) asked a Question on Notice relating to AUKUS.

**Budget Estimates: 30 & 31 May**

- **QoN 34, AUKUS spending**, Senator Jacqui Lambie (Jacqui Lambie Network, Tasmania) asked how much was spent on business class or first class fares for flag officers for the AUKUS program.

Freedom of Information (FOI) Requests

- On 5 August 2023 an individual sought access to documentation relating to the costs associated with AUKUS travel, itineraries and costs of each trip for each of VA Mead’s overseas trips. ASA stakeholders have identified nine (9) documents in scope of the request. The individual has granted ASA a 15AA extension (15 days) and the request is due to the applicant on 19 September 2023.
- **Status: Completed 4 October 2023**

Recent Ministerial Comments

- Nil

Relevant Media Reporting

- Nil

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<b>PDR No:</b> SB23-000829	
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## Defence Strategic Review

**Handling Note:** Director-General Australian Submarine Agency, Vice Admiral Jonathan Mead to lead on Strategic Review. Defence Strategic Review questions outside of nuclear-powered submarines to be referred to Defence.

### Key Messages

- The work of then Nuclear Powered Submarine Taskforce ran concurrently with the Defence Strategic Review (the Review).
  - The Review examined how Australia can best shape our Defence Force for the very different strategic environment we now face.
  - The Review, in conjunction with the acquisition of conventionally-armed, nuclear-powered submarines, will reshape the force structure, posture and capability of Defence for coming decades.
- On 24 April 2023, the Government released the public version of the Review, the Government's response to the Review, and the National Defence Statement 2023.
- The Government's response to the Review sets out a blueprint for Australia's strategic policy, defence planning and resourcing over the coming decades.
- This will ensure we are well positioned to meet the nation's security challenges in a changing strategic environment.
- As part of its response to the Review, Government directed Defence to move away from White Papers to a National Defence Strategy that will be delivered on a biennial basis. The inaugural National Defence Strategy will be delivered in 2024.
- In response to the Review, the Government identified as one the six immediate priorities, the acquisition of nuclear-powered submarines through AUKUS to improve our deterrence capabilities.
- The Government also directed that Navy must have enhanced lethality, including through conventionally-armed, nuclear-powered submarines acquired in the shortest possible timeframe.

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Budget Estimates: October 2023

Last updated: 16 October 2023

Key witnesses: Megan Lees

PDR No: SB23-000830

Defence Strategic Review

## Talking Points

### *If pressed: Has the Defence Strategic Review resulted in the cancellation of some defence procurements in order to fund nuclear-powered submarines?*

- The purpose of the Review was to consider the priority of investment in Defence capabilities and assess the Australian Defence Force's structure, posture and preparedness in order to optimise Defence capability and posture to meet the nation's security challenges over the period 2023-24 to 2032-33 and beyond.
- The Government's response to the Review sets out a blueprint for Australia's strategic policy, defence planning and resourcing over the coming decades.
- This will ensure we are well positioned to meet the nation's security challenges in a changing strategic environment.
- Defence must have the funding it needs to deliver this enhanced capability.
  - To this end, Defence funding will increase over the medium term above its current trajectory to implement the Review, including the delivery of the conventionally-armed, nuclear-powered submarine program through AUKUS.
- The Government is also committed to fiscal discipline and will make the hard decisions to cancel or reprioritise Defence projects or activities that are no longer suited to our strategic circumstances as outlined in the Review.
- This will involve reprioritising planned investments while maintaining the overall level of Defence funding over the forward estimates.
- The Government will reprioritise Defence's Integrated Investment Program to fund immediate and longer-term priorities, as recommended by the Review, which will be released as part of the inaugural National Defence Strategy in 2024.

### *If pressed: Will the acquisition of nuclear-powered submarines impact the acquisition of naval surface ships such as the Hunter Class Frigates and the offshore patrol Vessels?*

- In the Government's response to the Defence Strategic Review, the Government agreed to conduct an independent analysis of Navy's surface combatant fleet in Q3 2023 to ensure its size, structure and composition complement the capabilities provided by the forthcoming conventionally-armed, nuclear-powered submarines.
- It would be inappropriate to pre-empt the analysis' recommendations or outcomes at this time.

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Defence Strategic Review

***If pressed: about the Defence Strategic Review's recommendation for infrastructure development to commence immediately at the Osborne shipyard to enable the Nuclear Powered Submarine Pathway.***

- Under the preferred procurement pathway, Australia will acquire nuclear-powered submarines from its AUKUS partners before Australia's next-generation nuclear-powered submarines will be constructed in South Australia at an expanded Osborne Naval Shipyard.
- Osborne will become the fourth shipyard among AUKUS partners to build nuclear-powered submarines.
- South Australia will also continue to play a vital role in the sustainment of Australia's submarine capability, including the life-of-type extension of the Collins class submarines.

***If pressed: about the Defence Strategic Review's recommendation for infrastructure development to commence immediately at HMAS Stirling to enable the support and maintenance of conventionally-armed, nuclear-powered submarine operations:***

- HMAS *Stirling* remains the primary home to Australia's submarine capability, supporting the operation of the Collins-class and future nuclear-powered submarines, and visits by partner navy nuclear-powered submarines.
- Following the announcement of the AUKUS nuclear-powered submarine pathway on 14 March 2023, HMAS *Stirling* will support an ongoing rotational presence of Royal Navy Astute-class and US Navy Virginia-class submarines.
- The Submarine Rotational Force – West (SRF-West), will be established as early as 2027 and expand in subsequent years to support up to four US and one UK nuclear-powered submarines.
- Infrastructure works at HMAS *Stirling* are planned to support the increasing submarine workforce and the rotational presence required.
- Over the next decade, the Australian Government will invest in the order of \$8 billion to expand HMAS *Stirling*.
- Upgrades to HMAS *Stirling* over the next 10 years will include wharf upgrades, operational maintenance, logistics and training facilities, as well as opportunities for supporting infrastructure outside HMAS *Stirling*.

***If pressed: about the Defence Strategic Review's recommendation to urgently examine industry consolidation options for the Henderson shipyard:***

- The Government is committed to building sovereign capability through continuous naval shipbuilding at the Osborne Shipyard in South Australia, and at the Henderson Shipyard in Western Australia.

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PDR No: SB23-000830

Defence Strategic Review

- Consolidation is a first step towards transforming the Henderson shipyard into an effective ecosystem to deliver naval shipbuilding, while continuing to deliver surface vessel and submarine sustainment.
- The Department is developing a strategic partnership framework that will support the consolidation of naval shipbuilding and will take into account the outcomes of the surface combatant review.

***If pressed: about the Defence Strategic Review's recommendation for an east coast base to be established for Australia's future submarine capability:***

- The Defence Strategic Review recommended that an east coast submarine facility should be established.
- Questions regarding an east coast base are a matter for the Department of Defence.

### Background

- The Defence Strategic Review emphasised the need for Australia to be able to hold an adversary at risk further from our shores, by developing the ADF's ability to precisely strike targets at longer range.
- The Government's response to the Defence Strategic Review recommended strengthening national security and responding to Australia's strategic environment.
- The *National Defence Statement 2023* states that our national security and national interest lies beyond our borders.

### Supporting Information

#### Questions on Notice

- No QoNs asked

#### Freedom of Information (FOI) Requests

- None

### Recent Ministerial Comments

- On 18 August, the Deputy Prime Minister said in an interview following the ALP National Conference, that "I think today is a very important day because what it makes clear is that not only has the decision to pursue nuclear-powered submarine capability been taken by the Albanese Government, and it's had the complete support of the Government, today it's won the support of the Labor movement through our peak body, the national conference."

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PDR No: SB23-000830  
Defence Strategic Review

“I think what we see is China increasing its capability throughout its Defence Force. It's our unavoidable responsibility to then navigate our way through it and it's just another example of why we need to be enhancing our defence capability, which we are doing in the response that we've made to the Defence Strategic Review.”

- On 20 August 2023, Minister for Foreign Affairs on Insiders said that we want to ensure we contribute to strategic balance by improving national capability. Which is what AUKUS and the Defence Strategic Review is about.

### Recent Shadow Minister for Defence Comments

- On 21 August 2023, Shadow Minister for Defence Andrew Hastie provided a media statement in response to the announcement of the acquisition of long range strike capabilities. The Shadow Minister says, “The reality is that industry and the Australian Defence Force are still waiting on the results of the numerous further reviews, including the surface fleet combatant review, coming out of DSR, and the vague commitment to more funding on the other side of the next election.”

### Relevant Media Reporting

Below is a list of key media reporting from 30 May 2023 to 24 August 2023:

On 7 October 2023, Greg Sheridan in the Australian wrote “Hamas attack on Israel points up sheer folly of Australia’s lack of defence capabilities. He mentions government decisions show its absolutely unserious on defence and its ‘contradicting even the anaemic reforms suggested in the Defence Strategic Review. Mentions that AUKUs will only provide a fleet in 2050s and the AUKUS submarines are already in serious trouble in Washington.

On 6 October 2023, Andrew Tillett AFR reports frustrated defence companies are warning Labor government they cannot handle new uncertainty about major shipbuilding projects amid revelations Canberra faces billions of dollars more in construction costs and is poised to acquire warships packed with missiles. It quotes Jennifer Parker, “unless the government agreed to expand the size of the surface combatant fleet, given the Defence Strategic Review’s “intent for navy to get more missiles”.

On 24 August 2023, Australia is becoming America’s military launch-pad into Asia reports The Economist. Naturally, officials on both sides prefer to see this as an enduring strength. Highlighting the threat of China, Australia’s Defence Strategic Review, issued in April, stated that: “The United States is no longer the unipolar leader of the Indo-Pacific”

On 21 August 2023, Roland Stephens writes in ASPO the Strategist that with AUKUS and the Defence Strategic Review, we now have some clarity on Australia’s defence capability needs, but the ‘how’ of delivery is to be determined.

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Defence Strategic Review

On 25 July 2023, The Australian, Greg Sheridan writes in The Australian about the cost cutting of the ADF, Defence and Australian Defence industry. The article titled, “Defence emergency is hiding in plain sight” says there is confusion about direction, timetable, purpose and everything else. Sheridan writes, “AUKUS is meant to be a whole-of-government effort. Multiple departments should use their core budgets for it. Instead, the real winner from the Defence Strategic Review is Department of Foreign Affairs and Trade!”

On 24 July 2023, The Australian, Michael Shoebridge writes in the Australian, “No time to waste getting started on submarine base”. He says, “So, it's disturbing that the federal government has told the public it's “close to a decade” before the decision on a new east coast base needs to be made. And it's worse that the Defence Strategic Review made things even blurrier, with the government undoing the Coalition government's commitment to build a new base, instead only agreeing to it “in principle”, whatever that might mean.”

On 18 July 2023 The Australian Greg Sheridan writes, “Defence ‘con job’ shames leaders on both sides of politics.” He says Defence’s Strategic Review is a failure and the government’s implementation of it is a bigger failure. While he commends the announcement of AUKUS, he feels that as AUKUS is a long process the review does not do anything at all for our defence capabilities.

On 26 June 2023, Stephen Kuper in Defence Connect writes “Leveraging AUKUS to deliver a common long-range strike loyal wingman”. Kuper says the review emphasises broader implications for the shape and role of the ADF. The basis of the review are two factors – increasing assertiveness of China and not only the concerns about the reliability of the United States, but also the capacity of the nation’s major strategic benefactor to actively maintain the regional and global order.

<b>Division:</b> Chief Operating Office	
<b>PDR No:</b> SB23-000830	
<b>Prepared by:</b> s47E(d), Assistant Director Communications and Engagement, Chief Operating Office Mob: s47E(d) Ph: s47E(d)	<b>Cleared by Division Head</b> Megan Lees, Chief Operating Officer Mob: s47E(d) Ph: s47E(d) Date: 12 September 2023

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Budget Estimates: October 2023

Last updated: 16 October 2023

Key witnesses: Megan Lees

PDR No: SB23-000830

Defence Strategic Review

Date: 30 August 2023	
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## Education and Skilling

**Handling Note:** First Assistant Director-General Technical, Dr Todd Mansell to lead on Education and Skilling. Procedural questions regarding the Commonwealth Supported Places program should be referred to the Department of Education.

### Key Messages

- Since 2022, Australia has supported several cohorts of Australians to begin their nuclear studies in Australia, the US and the UK.
- As part of the 2023-24 Budget, the Australian Government committed funding to expand the number of graduates in engineering and science fields.
- On 1 September, the Deputy Prime Minister, the Hon. Richard Marles and the Minister for Education, the Hon. Jason Clare, announced establishment of a competitive grant program providing an additional 4,000 Commonwealth supported places over 4 years in targeted engineering and science fields.
- The grant program has been designed to support eligible Australian higher education institutions to grow the number of students in STEM fields required by the nuclear-powered submarine enterprise and the Australian Submarine Agency (ASA).
- The Australian Government is working closely with the education sector as well as key stakeholders to take a whole of nation approach to education policy design and implementation.
- Establishing the Commonwealth and South Australian Government Defence Industry Workforce and Skills Taskforce is a prime example of this.
- Another example is the establishment of an Early Careers Program in South Australia and Western Australia where ASC Pty Ltd will employ more apprentices, graduates and undergraduates to give them hands-on experience in designing, building and maintaining the nation's submarines.
- The Australian Government is working closely with Australian universities to expand the offerings available for Australians who wish to study in relevant science and engineering fields that will support the ASA and will work closely with the vocational sector to deliver technical and trade offerings.

### Talking Points

- Australia's nuclear-powered submarine program presents an unparalleled opportunity for our nation.
- The scale of work required will be unlike any previous shipbuilding program in Australian history and will deliver career and job opportunities for generations.
- Delivering this program will require the collective effort of thousands of highly-skilled Australian scientists, engineers, project managers, operators, technicians, welders, construction workers, electricians, metal fitters and builders.

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Budget Estimates: October 2023

Last updated: 20 October 2023

Key witness: a/FADG Technical, Jasmin Craufurd-Hill

PDR No: SB23-000850

Education and Skilling

- Education and skilling pathways underpin a strong, inclusive and sustainable labour market and Australia's world-class education system will be strengthened as we create more education opportunities across our nation.
- Growing the Nation's capacity to deliver increased numbers of foundational engineering and science graduates to support the future nuclear powered submarine capability will require new policy and funding levers to enable Government to tailor the pipeline of STEM graduates into the nuclear-powered submarine enterprise.
- In addition to the work underway domestically, Australia is already working with our AUKUS partners on initiatives to build the nuclear skills of our Enterprise workforce across industry, the ADF and the APS to support SRF-West and can start the build of our SSN-AUKUS this decade including through:
  - industrial workforce exchanges to United Kingdom and United States shipyards;
  - world-class training opportunities for industry, Navy and public service personnel at United Kingdom and United States naval nuclear schools; and
  - personnel exchanges that enable Australian submariners to train on United Kingdom and United States nuclear-powered submarines.
- This isn't just about building brand new skills—the Australian Government recognises the exceptional skill and experience of our existing sovereign submarine industrial workforce.
- We are continuing to leverage this existing talent through our ongoing support of the Sovereign Shipbuilding Talent Pool.
- ASC, as the custodians of the Sovereign Shipbuilding Talent Pool, will continue to have responsibility for the growth and upskilling of the existing submarine industry workforce and to equip them for the transition between conventional and nuclear-powered submarines.
- On 1 September 2022, the Deputy Prime Minister announced that as part of the AUKUS partnership, Royal Australian Navy submariners will train alongside Royal Navy crews aboard Astute class nuclear-powered submarines.
- This is an important step allowing us to further strengthen our defence ties and provide opportunities for Australian submariners to gain experience stewarding the nuclear technology on board these boats.
- Two Navy members have also completed the 7 week United Kingdom Nuclear General Course in 2022 along with several cohorts of APS staff who have been supported to attend the United States Bettis Reactor Engineering School and have commenced postings to the United States.

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Last updated: 20 October 2023  
Key witness: a/FADG Technical, Jasmin Craufurd-Hill

PDR No: SB23-000850  
Education and Skilling

- From August 2023 a further cohort of Australians commenced studies at the Bettis Reactor Engineering School.

***If pressed: What is being done to grow the STEM skills needed to support the Australian Submarine Agency?***

- The ASA has begun working across Government and with the Australian university sector to increase the STEM pipeline into the ASA.
- As part of the 2023-24 Budget, the Albanese Government committed funding to expand the number of graduates in engineering and science fields.
- On 1 September, the Deputy Prime Minister, the Hon Richard Marles and the Minister for Education, the Hon Jason Clare, announced establishment of a competitive grant program providing an additional 4,000 Commonwealth Supported Places over 4 years in targeted engineering and science fields.
  - This number includes the announcement made earlier in the year of 800 Commonwealth Supported Places to be made available for South Australian universities as part of the South Australia Cooperation Agreement.
  - The grant program has been designed to support eligible Australian higher education institutions to grow the number of students in STEM fields required by the nuclear-powered submarine enterprise and the ASA.
- The application period for the grants closed on 29<sup>th</sup> September 2023 and ASA along with the Department of Education are currently in the process of assessing the applications.

***If pressed: Which STEM fields of study are being targeted by the announcement of the 4000 additional Commonwealth Supported Places?***

- The STEM fields of interest to ASA and to be supported through the 4000 Commonwealth Supported Places include:
  - Physics, Chemistry, Material science Nuclear Science, Naval Architecture, Mechanical engineering, Electrical engineering, Chemical engineering, Nuclear engineering and Mathematics.
- Support for tertiary studies in Psychology, computer science and Management fields is specific to the South Australian Cooperation Agreement.

***If pressed: When are student expected to commence in ASA-supported university places?***

- The first students for this program are anticipated to commence studies in 2024.

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Education and Skilling

***If pressed: What universities will be part of the Program?***

- The Commonwealth Supported Places will be administered as part of a merit based competitive grants program which was jointly released by the Deputy Prime Minister and the Minister for Education on 1 September 2023.
- These student places are a starting effort by the ASA to work collaboratively with the higher Education sector to grow the base numbers of STEM graduates from which the ASA and the broader Australian nuclear enterprise can draw.

***If pressed: What else being done to attract students into the Nuclear-Powered Submarine Enterprise?***

- Over the course of 2023 the ASA will enhance engagement with key tertiary education and research providers to inform future efforts to attract STEM talent into the nuclear powered submarine Enterprise.
- Education and skilling offerings are being developed to build Australia's future workforce, through a range of initiatives including:
  - Defence STEM Cadetship Program;
  - University Scholarships and Masters Sponsorships for both ADF and APS personnel; and
  - Defence Graduate programs.

***If pressed: How is Australia going to grow the required skilled workforce?***

- Our nuclear-powered submarine program is expected to support around 20,000 direct jobs over the next 30 years across industry.
- This nation-defining program will see Australian workers and industry contributing to the enormous AUKUS submarine enterprise, and commencing the build of nuclear-powered submarines for Australia at Osborne Naval Shipyard, in Adelaide, South Australia by the end of this decade.
- The scale of work required will be unlike any previous shipbuilding program in Australia's history. Our engineering workforce will be integral and this program will grow STEM jobs in Australia for future generations.
  - The Nuclear Powered Submarine Enterprise has already commenced initiatives to build the skilled workforce needed including through the Cooperation Agreement signed between the Commonwealth and the South Australian Government to support the construction of Australia's nuclear-powered submarines in Adelaide. The agreement includes:
    - The establishment of a Skills and Training Academy campus;

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PDR No: SB23-000850  
Education and Skilling

- An exchange of land to facilitate development of the new Submarine Construction Yard and the Skills and Training Academy;
- An increase of 200 Commonwealth Supported Places per year over 4 years dedicated to South Australia Universities focused on STEM disciplines;
- Investment in research capability and infrastructure to generate a workforce close to the submarine construction yard.

***If pressed: When will the Skills and Training Academy be up and running? When will the first cohort start their training?***

- We will start before the Academy is actually built, leveraging existing facilities and tailored training programs to support the initial growth and development required to respond to the demands of the optimal pathway.
- Early initiatives will prioritise:
  - Creating a safety, security safeguards conscious community.
  - Expanding existing Commonwealth-led initiatives for Defence industry.
  - Training and educating the trainers and increasing awareness of NPS training requirements.
  - Exploring opportunities to develop new initiatives to grow the entry-level workforce.
- The physical facility in South Australia will need to be in place to support the commencement of the build of SSN-AUKUS in Australia before the end of this decade

***If pressed: Who is delivering the training / is there a provider for the Skills and Training Academy?***

- The ASA and South Australian Government have commenced the initiation and planning phases of the Skills and Training Academy project.
- During this phase, the ASA and SA Government are scoping possible operating and ownership models, the design of the facility and priorities in skills and training uplift.
- Based on the experience of our international partners, the ASA has developed an early draft of the scope of the Academy's potential operations.
- To make sure we get this right, we are validating the potential scope against the experiences and business needs of industry and training and education providers.

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***If pressed: Will the Skills and Training Academy only service South Australia? What are we doing in other states?***

- The Skills and Training Academy may incorporate multiple locations to deliver training where it is needed. Of course WA comes immediately to mind, but there may be other locations where it also makes sense to do so, based on workforce needs to deliver the optimal pathway.
- As part of the development of the initiative, the ASA is engaging with stakeholders nationally to understand the requirements of each state.
- Through this process, we are engaging with the Commonwealth Departments of Education, Employment and Workplace Relations and Prime Minister and Cabinet to map and identify gaps in Government-led initiatives, and develop recommendations for the Academy’s core services.
- We are also engaging closely with the South Australian Defence Industry Workforce and Skills Taskforce, and are looking to implement recommendations under the Academy, following release of their report later this year.
- We will be consulting with other State and Territory agencies, including Western Australia, to identify the role the Academy may play in supporting the growth and development of their local nuclear-powered submarine workforces.

**Questions on Notice**

No QoNs asked

**Freedom of Information (FOI) Requests**

None

**Recent Ministerial Comments**

**Relevant Media Reporting**

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PDR No: SB23-000850  
Education and Skilling

<b>Division:</b> Technical	
<b>PDR No:</b> SB23-000850	
<b>Prepared by:</b> s47E(d) [redacted], a/Assistant Director-General Technology Enterprise Mob: s47E(d) [redacted] Ph: s47E(d) [redacted] Date: 20 October 2023	<b>Cleared by Division Head:</b> Jasmin Craufurd-Hill, a/First Assistant Director-General Technical Mob: s47E(d) [redacted] Ph: s47E(d) [redacted] Date: 20 October 2023
<b>Consultation:</b> Maree Weir, a/Assistant Director-General Industry Workforce and Supply Chain	Date: 6 September 2023 Mob: s47E(d) [redacted] Ph: s47E(d) [redacted]

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## Emergency Preparedness & Response

**Handling Note:** First Assistant Director-General Stewardship and Security, Michele Miller to lead on Safety. Rear Admiral Buckley to support on Stewardship

### Key Messages

- The Australian Government works closely with State Governments through the Visiting Ships Panel Nuclear to ensure sufficient preparations in support of nuclear-powered vessels visits to Australian ports.
- The initial visits by United States and United Kingdom nuclear submarines will continue to occur under the current visiting nuclear ships arrangement.
- As a matter of priority, and with the assistance of our United States and United Kingdom partners, we will grow the capability to ensure a robust capability, which is a pre-requisite for the 2032 'Sovereign Ready' milestone to receive Australia's Virginia class submarines.

### Talking Points

#### *If pressed: 'How is Australia preparing for nuclear emergencies' and becoming 'Sovereign Ready'?*

- All Australian nuclear licenced sites that support nuclear submarines will have a demonstrated capability to respond to nuclear emergencies.
  - this will include all locations nuclear submarines visit, where they are built and maintained, and all laboratories and buildings that manage radiological material.
- Currently, the Australian Government works closely with State Governments through the Visiting Ships Panel Nuclear to ensure sufficient preparations in support of nuclear-powered vessels visits to Australian ports.
  - these arrangements will continue and strengthen with the increased number of visits from our AUKUS partners this decade, and for the acquisition of our Australian nuclear-powered submarine fleet.
  - developing these plans is a priority; for instance, this has been identified as one of the three key areas of focus in the new Steering Group with the Western Australian Government.
- As a matter of priority, and with the assistance of our United States and United Kingdom partners, we will grow the capability to respond to a nuclear emergency, and a robust, demonstrated capability is a pre-requisite for Sovereign Ready.

#### *If pressed: 'How would Australia respond to a nuclear emergency now/before the plans are developed and implemented?'*

- Through the Visiting Ships Panel Nuclear, the Australian Government works with state and other authorities to review the emergency preparations and plans pertaining to

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visiting nuclear-powered vessels. These plans have and will continue to ensure Australian communities are safe during such visits to our country.

- since 1960 Australia has hosted over 285 visits by United Kingdom and United States nuclear-powered vessels with over 1,800 days in port.
- there have been significant peaks of increased numbers of visits by United States and United Kingdom nuclear powered vessels in the past, including after the First Gulf War. The Visiting Ships Panel Nuclear has supported these visits since 1981.
- for over 60 years, the United Kingdom and United States have never experienced a reactor accident or release of radioactive material that has had an adverse effect on human health or the quality of the environment.

***If pressed: 'How do we currently prepare for nuclear visits and emergencies?'***

- . The Visiting Ships Panel Nuclear, chaired by the Head of Naval Engineering in the Royal Australian Navy currently oversees the preparations for nuclear visits and any related events in line with the current Australian doctrine – the Defence Operations Manual 1, or OPSMAN1.
- . OPSMAN1 stipulates the following requirements to be in place for all nuclear visits:
  - safety organisation: An operating safety organisation to conduct a radiation monitoring program and coordinate actions in response to an incident, if required.
  - environmental sampling: Marine samples are to be taken after visits and analysed by Australian Radiation and Nuclear Safety Agency.
  - radiation monitoring: Routine radiation monitoring is to be conducted before, during and after the visit, as well as being ready to do so during an accident, if one was to occur.
  - towing arrangements: A capability to remove the vessel to a designated safe anchorage or to sea is required to be available within 24 hours for submarines.
  - emergency planning zones: The designation of zones around the relevant berths to assist in planning for events.

***If pressed: 'In the highly unlikely event that a nuclear incident was to occur involving a visiting/on rotation foreign nuclear-powered military vessel, who would be liable to pay for any resulting nuclear damage?'***

- . Questions about the international law and treaties relating to nuclear liability should be referred to DFAT.

**Questions on Notice**

None

**Freedom of Information (FOI) Requests**

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- On 1 August 2023 an individual sought access to documentation between the Defence Department or Australian Submarine Agency and the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) in relation to the regulation of the nuclear submarine program. Notice of practical refusal was sent to the individual on 4 Aug to refine the scope of their request. No response was received by the du by 18 August 2023
- Status: Closed on 18th August 2023. Withdrawn.**

**Recent Ministerial Comments**

- TBC

**Relevant Media Reporting**

None

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<b>PDR No:</b> SB23-000932	
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<b>Consultation:</b> Nil	

## Environment

**Handling Note:** First Assistant Director-General Stewardship and Security, Michele Miller to lead on Safety. Rear Admiral Matthew Buckley has key knowledge on Stewardship.

### Key Messages

- AUKUS partners appreciate the gravity of this endeavour and are committed to the highest standards of nuclear safety, security, safeguards and **protection** of the environment.
- The Australian Submarine Agency (ASA) is conscious of its environmental management obligations and incumbencies. As well as complying with legal obligations, the ASA also seeks to embody and demonstrate **responsible environmental stewardship**.
- Effective environmental management is also inextricably linked with radiological protection and security measures, waste management and 'end of life' disposal, and emergency preparedness and response arrangements.

### Talking Points

*If pressed: What are the risks to the environment from nuclear powered submarines?*

- These risks may be considered in two categories
  - **non-radiological** matters arising from operating and sustaining submarines in general
  - additional matters associated with **operating and sustaining the nuclear propulsion systems** of nuclear powered submarines.
- Environmental management of the operations and sustainment of Fleet assets, including submarines, is standard practice for Navy.
  - the SSNs to be acquired by Australia will be managed within this established and proven framework, augmented as necessary to take account of their nuclear propulsion systems, radiological wastes, and 'end of life' management.
  - This will include development and implementation of a suitable **Environmental Management System** for the control of risks to the environment from nuclear powered submarines.
  - United States and United Kingdom SSNs operating within Submarine Rotational Force – West (SRF-West) will be managed according to established and proven United States and United Kingdom practices, observing national sovereign prerogatives, as is standard practice for visiting foreign warships.
- For over 60 years, the United Kingdom and United States have operated more than 500 naval nuclear reactors and have never experienced a reactor accident or release of radioactive material that has had an adverse effect on human health or the quality of the environment.

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- The United States Nuclear Propulsion Program currently operates 98 reactors and has accumulated over 7,100 reactor-years of operation.
- A sophisticated security and safety architecture will surround Australia's Nuclear Powered Submarine program, building on our 70-year unblemished track record of operating nuclear facilities and conducting nuclear science activities. This will form the basis of measures to protect the environment.
- Effective environmental management is also inextricably linked with radiological protection and security measures, waste management and 'end of life' disposal, and emergency preparedness and response arrangements.

***If pressed: How will these risks to the environment be managed?***

- Nuclear technology is a powerful, safe and reliable energy source when managed correctly. It is this focus on nuclear and radiological safety and security which will form the basis for protection of the environment.
- Risks to the Environment will be managed through an Environmental Management System.
  - Management and operation of this technology requires exceptionally high standards, an absolute focus on safety and commitment to security.
  - We must viscerally respect this complex and unforgiving technology.

***If pressed: What is an Environmental Management System and what does it do?***

- An Environmental Management System is a set of **policies, procedures and plans** that systematically **manages** the protection of the environment while ensuring **compliance** with applicable legal obligations, and minimises the risk of adverse effects upon the environment from operations.
  - given their great similarities and in order to develop a seamless management framework, the Environmental Management System will likely form a component of the ASA's Safety Management System.
- Nuclear Safety Management Systems and their environment protection components have a clear amplification of requirements for radiological safety.
  - they focus on high consequence, low probability events, which require different management actions than low consequence, high probability events.
- Work is underway on identifying the requirements of the Environmental Management System element of a Nuclear Safety Management System and how this fits in regards to broader Environmental Management Systems already present within the Defence portfolio.

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***If pressed: Is the ASA complying with the requirements of the Environment Protection and Biodiversity Conservation Act and other environment protection legislation?***

- The ASA is complying with its obligations under the Environment Protection and Biodiversity Conservation Act as well as other elements of applicable environmental legislation. In addition to any strict legal obligations, the ASA recognises that environmental compliance also demonstrates responsible stewardship.
- Environmental compliance will be underpinned by a system of regulation calibrated to the unique needs of Australia's SSN capability, including environmental protection aspects.
  - Regulatory oversight will occur across the nuclear aspects of the submarine platform and supporting facilities and infrastructure, and will leverage the work of existing nuclear regulators.

***If pressed: What is being done at present in terms of environmental assessments and management?***

- Baseline / background radiological monitoring studies have commenced for Osborne in South Australia, and are in an advanced state of development for SRF-West in Western Australia.
  - As well as environment protection, these measurement and monitoring programs also contribute to radiological protection, emergency response and non-proliferation objectives.
- The ASA has commenced the process for environmental assessments and approvals for the Osborne Submarine Construction Yard in consultation with the Department of Climate Change, Energy, the Environment and Water (DCCEEW).
- The SRF-West works package includes a number of orthodox facilities for which previous approvals apply. New and specialist facilities intended for SRF-West are being assessed against DCCEEW's established *Environment Protection and Biodiversity Conservation Act* (EPBC) significance criteria and will be referred to DCCEEW for formal assessment as required by the EPBC Act.

## Background

- The ASA is conscious of its environmental management obligations and incumbencies.
- As well as complying with legal obligations, the ASA also seeks to embody and demonstrate responsible environmental stewardship.
- The acquisition, support and operation of submarines and their supporting facilities is not a new undertaking for the Australian Defence Organisation.
- The acquisition, support and operation of nuclear-powered submarines and their supporting facilities is a new undertaking for the Australian Defence Organisation.

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- The ASA seeks to establish and nurture a trusted and enduring relationship with DCCEEW. The ASA is aware that a significant body of work needs to be accomplished within a compressed timeframe as directed by Government, and recognises that the required outcomes can only be achieved in collaboration with DCCEEW.
- At present there are **three core streams** of ASA effort dealing with environmental compliance obligations, these being:
  - the submarines themselves and their operations and sustainment;
  - the development of facilities for SRF-West; and
  - the development of the Osborne Submarine Construction Yard (SCY).
- The ASA has appointed a specialist Director Environment. He is a qualified submariner and a marine environmental scientist who is recognised internationally for his work on environmental compliance and risk management for warships.
- The ASA is formulating a program of training and education to assist DCCEEW staff to develop knowledge and understanding of submarines including aspects of submarine nuclear propulsion systems and their management.

**Questions on Notice**

None

**Freedom of Information (FOI) Requests**

None

**Recent Ministerial Comments**

None

**Relevant Media Reporting**

12 October 2023 – Former Senator Rex Patrick discussed radiation monitoring that has commenced as the Osborne Submarine Construction Yard. Detail had been published in SA media after FOI response.

Supplementary Budget Estimates October 2023  
Last updated: 20 October 2023  
Key witness: FADG Stewardship and Security, Michele Miller

PDR No: SB23-000934  
Environment

<b>Division:</b> Stewardship & Security	
<b>PDR No:</b> SB23-000934	
<b>Prepared by:</b> CDRE Mark Sander, Assistant Director-General Nuclear Stewardship Mob: s47E(d) Ph: s47E(d) Date: 18 October 2023	<b>Cleared by Division Head:</b> Michele Miller, First Assistant Director-General Stewardship and Security Mob: s47E(d) Ph: s47E(d) Date: 20 October 2023
<b>Consultation:</b> CDRE Michael Miko, Assistant Director-General Capability Support Branch Gavin Boyd, Assistant Director-General Sovereign Submarine Program Delivery, SSN Construction	Date: 8 September 2023  Date: 8 September 2023

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Division: Nuclear Stewardship Branch  
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**Cleared By:**  
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## Independent Monitor and Adviser

**Handling Note:** Vice Admiral Jonathan Mead to lead on Independent Monitor and Adviser.

### Key Messages

- In The Australia Government will establish an independent monitor and adviser to provide assurance and advice across the breadth of work to implement Australia's nuclear-powered submarine program.
- The independent monitor and adviser will consist of one to three independent members with expertise in nuclear-powered submarine construction, procurement and/or sustainment. The members will be appointed by the Prime Minister, Minister for Defence, and Minister for Finance.

### Talking Points

#### The Independent Monitor

- The independent monitor and adviser will have two roles:
  - it will provide frank assessments and advice on the progress and performance of the nuclear-powered submarine program, and
  - it will be available to provide advice directly to the Australian Submarine Agency as it progresses delivery of the program.
- Through its work, the independent monitor and adviser will conduct short, periodic 'health-checks' of Australia's implementation of the nuclear-powered submarine program to provide recommendations to Government, Defence and the Australian Submarine Agency.
  - The 'health checks' advice and recommendations allows for the early identification of risks and issues that may impact the implementation of the nuclear-powered submarine program and identify appropriate courses of action.
- The independent monitor and adviser will provide its assurance and advice to the Australian Submarine Agency, Defence, other agencies and directly to government.
- Through the work of the independent monitor and adviser, there will be greater confidence that issues are raised, considered and actioned.

#### *If pressed: How will the Independent Monitor and Adviser appointments be made?*

- The independent monitor and adviser will consist of one to three independent members with expertise in nuclear-powered submarine construction, procurement and/or sustainment.
- The members will be appointed by the Prime Minister, Minister for Defence, and Minister for Finance.

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Budget Estimates: October 2023  
Last updated: 18 September 2023  
Key witnesses: Megan Lees

PDR No: SB23-000831  
Independent Monitor and Adviser

***If pressed: Will the Independent Monitor and Adviser go through the Significant Appointments Process of Cabinet?***

- The members will be appointed by the Prime Minister, Minister for Defence, and Minister for Finance.

***If pressed: Who will be appointed to these roles?***

- Appointments have not been made.
- We are working with our AUKUS partners to identify people with relevant skills and experience noting their long history of building, maintaining and operating nuclear-powered submarines.
- We are also looking to identify people within Australia who might have relevant skills and experience.

***If pressed: What is the timeframe for establishing the Independent Monitor and Adviser?***

- The intent is to establish the Independent Monitor and Adviser as soon as possible.

***If pressed: How much will the Independent Monitor and Adviser be paid?***

- \$1.531 million has been provisioned per year for the Independent Monitor and Adviser.
- This will cover all costs including administration support, travel and daily remuneration.
- The remuneration for the individuals appointed to the role will be determined based on the relevant skill and experience that they bring.

**Supporting Information**

**Questions on Notice**

No questions asked

**Freedom of Information (FOI) Requests**

None

**Recent Ministerial Comments**

TBC

**Relevant Media Reporting**

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Budget Estimates: October 2023  
Last updated: 18 September 2023  
Key witnesses: Megan Lees

PDR No: SB23-000831  
Independent Monitor and Adviser

<b>Division:</b> Chief Operating Officer	
<b>PDR No:</b> SB23-000831	
<b>Prepared by:</b> Megan Lees, Chief Operating Officer Mob: s47E(d) Ph: s47E(d) Date: 5 September 2023	<b>Cleared by Division Head:</b> Megan Lees, Chief Operating Officer Mob: s47E(d) Ph: s47E(d) Date: 5 September 2023
<b>Consultation:</b> Nil	

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Budget Estimates: October 2023  
 Last updated: 18 September 2023  
 Key witness: FADG SSN Construction, Kate van Hilst

PDR No: SB23-000835  
 Industrial Workforce

## Industrial Workforce

**Handling Note:** First Assistant Director-General SSN Construction, Kate van Hilst to lead on Industrial Workforce. Work is ongoing to develop a suitably qualified and experienced industrial workforce, supporting delivery of the Optimal Pathway announced on 14 March 2023.

### Key Messages

- The AUKUS plan for Australia to acquire a conventionally-armed, nuclear-powered submarine capability will create around 20,000 direct jobs over the next 30 years across industry, the ADF and the APS.
- It is important to recognise that the opportunities for Australian workers and industry extend well beyond the build of our own SSN-AUKUS submarines.
- To develop the workforce required to build, operate, maintain and regulate Australia's conventionally-armed, nuclear-powered submarines, we are focusing on six key streams of effort, including industry.
- At its peak, building and sustaining nuclear-powered submarines in Australia will support up to 8,500 direct jobs in the industrial workforce.
- We have been working with the United Kingdom, United States and Australian Governments to model and build the system to attract, recruit, develop, qualify and retain the workforce.
- Continuing this engagement, we sent our first industrial workforce cohorts to United Kingdom and United States facilities in August and September 2023. We are working with the South Australian Government on progressing the Skills and Training Academy campus in South Australia.
- This campus will provide a central focal point for delivery of training to support the uplift of the industrial base, in South Australia.

### Talking Points

- Acquiring conventionally-armed, nuclear-powered submarines is a whole-of-nation undertaking creating opportunities for Australian industry across the country.
- Work has commenced for Australian industry to support Australia's nuclear-powered submarine pathway.
- 4,000 to 5,500 direct jobs are expected to support the build of conventionally-armed, nuclear-powered submarines in South Australia when the program reaches its peak in the late 2030s and early 2040s.

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Budget Estimates: October 2023

Last updated: 18 September 2023

Key witness: FADG SSN Construction, Kate van Hilst

PDR No: SB23-000835

Industrial Workforce

- This is almost double the workforce forecast for the Attack class submarine program.
- Australia will begin work to build SSN-AUKUS submarines at the Osborne Naval Shipyard in South Australia before the end of this decade.
- At its peak, up to 4,000 workers will be employed to design and build the infrastructure for the submarine construction yard in Osborne.
  - Enabling works for the construction of the shipyard at Osborne will commence this year (2023).
- In Western Australia, the expansion of HMAS *Stirling* to support the infrastructure required for conventionally-armed, nuclear-powered submarines is expected to support approximately 3,000 direct jobs over the decade.
- An additional 500 direct jobs are expected to support the sustainment of the Submarine Rotational Force-West (SRF-West) over the period 2027-2032.
- The collective effort of thousands of highly-skilled Australian scientists, engineers, project managers, operators, technicians and submariners will be required over the coming decades to deliver this program and maintain this capability throughout its life.
- The SSN-AUKUS program will be supported by a trilateral industrial base, providing significant new opportunities for a range of enterprises in Australia, the United Kingdom and the United States.

***If pressed: You estimate 20,000 jobs will be generated by this initiative, are you really going to be able to create the workforce - where is the plan?***

- We are working closely with the United Kingdom, United States and other Australian Commonwealth, State and Territory Government organisations to model and build the system to attract, recruit, develop, qualify and retain the workforce.
- International placements into United Kingdom and United States facilities are essential to uplift Australia's skill base, to support a nuclear-power submarine capability.
- Our international placements play an important role in our workforce planning and skilling, with a number of placements complete, planned, or currently underway.
- International placements will also underpin future successful training and labour mobility programs, and provide a pathway to place Australian industry personnel into United Kingdom and United States programs.
- We continue to work with trilateral partners to ensure we place the right people into international placement opportunities.

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Budget Estimates: October 2023  
 Last updated: 18 September 2023  
 Key witness: FADG SSN Construction, Kate van Hilst

PDR No: SB23-000835  
 Industrial Workforce

- We are also co-designing a Skills and Training Academy with the South Australian Government to deliver tailored education, training and skilling for the current and future submarine workforce.

***If pressed: Isn't there a risk that we will actively need to recruit out of the United States and the United Kingdom? Are you reliant on poaching and won't this jeopardise AUKUS cooperation?***

- International placements into United Kingdom and United States facilities are essential to uplifting Australia's skill base to support a nuclear-powered submarine capability.
- We are working with our AUKUS partners to encourage mobility of a trilateral workforce across the three nations aligned to each nation's build and sustainment programs.

***If pressed: This program requires building a whole new industry and an entire workforce to support it, including enough engineers to build and service the nuclear program (likely tens of thousands). This seems like an enormous challenge – what is the ASA doing to build this workforce? And what happens if we can't generate the workforce required?***

- Delivering Australia's conventionally-armed, nuclear-powered submarine program will require the collective effort of thousands of highly-skilled Australian scientists, engineers, project managers, operators, technicians, welders, construction workers, electricians, metal fitters and builders.
- Building this workforce is a challenge. But it also presents an unprecedented opportunity to:
  - boost our nation's technical abilities;
  - develop an advanced, highly sophisticated manufacturing capability that will trickle down to other Australian industries; and
  - create thousands of secure, well-paid, lifetime jobs.
- We are applying a Whole-of-Government and whole-of-nation strategy to building this workforce.
- This includes growing the pipeline of young Australians entering STEM fields of study and training, and attracting people from across the country to meaningful, fascinating careers in the military, APS and industry.
- The Government has announced 4,000 university Commonwealth Supported Places will be available over the next four years to build the STEM workforce needed to provide engineering expertise and technical assurance to the program.
- Initiatives to develop the industrial workforce have started rolling out from this year.
- We have established an Early Careers Program in South Australia and Western Australia, with ASC, to employ more apprentices, graduates and undergraduates.

## International Placements

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Budget Estimates: October 2023

Last updated: 18 September 2023

Key witness: FADG SSN Construction, Kate van Hilst

PDR No: SB23-000835

Industrial Workforce

- Our international placements play an important role in our workforce planning and skilling, with a number of placements complete, planned, or currently underway.
- We sent our first industrial workforce cohort to United Kingdom and United States facilities in August and September 2023.
  - Recently returned, an Advanced Verification Team (AVT) of industry subject matter experts was deployed alongside Royal Australian Navy and Australian Public Service personnel to review and advise on workforce requirements in support of SRF-W.
- A UK Master's Program pilot initiative currently has 9 industry personnel undertaking 12-month nuclear training programs in the UK.
  - This is focussed on high-priority job functions such as nuclear engineering and science.
- We have 12 industry trade and training personnel participating in a fast-tracked training program in the US.
  - The Accelerated Training in Defense Manufacturing (ATDM) Program is in critical manufacturing areas (additive manufacturing, non-destructive testing, CNC machining, and welding).
- These initial placements are developing Australian workers and have helped to identify skilling requirements across nuclear-powered submarine job functions and assisted us in resolving challenges related to placing Australian industry personnel into United Kingdom and United States programs.

### Skills and Training Academy

- A Skills and Training Academy (STA) will be established to support the uplift of the industrial base for continuous naval shipbuilding and Australia's NPS program.
- Naval shipbuilding and sustainment plays a vital role in enabling skilled workforce development both prior to and during NPS construction and sustainment, through the provision of employment, meaningful work, skilling and experience.
- Uplifting the entirety of the shipbuilding industrial workforce will provide greater capability and capacity for all shipbuilding programs (including NPS), facilitating the movement and development of workers between programs as the industrial base responds to the significant increased demand presented by NPS.
- The STA is co-designing new and long-lead skills programs with industry partners, training and education providers and state and territory governments.
- These skills programs will address identified gaps and increase the pipeline of entry-level workers, including through apprenticeships, and re-skilling and upskilling opportunities.

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Budget Estimates: October 2023  
Last updated: 18 September 2023  
Key witness: FADG SSN Construction, Kate van Hilst

PDR No: SB23-000835  
Industrial Workforce

- . The STA has commenced designing and delivering:
  - programs to create a safety and security conscious nuclear community;
  - new training programs to skill the future NPS workforce;
  - programs to train and upskill trainers and workers in the shipbuilding workforce; and
  - apprenticeship and traineeship programs to grow the entry-level pipeline for the shipbuilding industry.
- . The STA's South Australian campus will enable optimised training methods for the shipbuilding industry. It will be built to:
  - foster a training and learning environment which promotes a positive shipbuilding culture and nuclear mindset;
  - reduce the onsite training burden to increase shipyard capacity; and
  - improve retention of skills and knowledge.

***If pressed: When will the Skills and Training Academy be up and running? When will the first cohort start their training?***

- . The Skills and Training Academy commenced initial operating capability in August 2023, delivering Nuclear Mindset Training to Sovereign Shipbuilding Talent Pool personnel being considered for international placements.
- . The South Australian campus of the STA is expected to be fully operational by 2028.
- . We will start further STA activities before the South Australian campus is built, leveraging existing facilities and tailored training programs to support the initial growth and development required to respond to the demands of the optimal pathway.
- . STA pilots will continue to expand this financial year, building momentum and delivering trades based training programs. These pilots will prioritise training for critical occupations and roles, such as welders and pipefitters.
- . The STA will focus on long-lead skills gaps through bringing apprentices on-board early and developing technical training packages ahead of the NPS build program commencing.
- . The STA's South Australian campus will provide much needed training infrastructure to support the NPS program.
- . This campus is being informed by best practices of trilateral partners.

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Budget Estimates: October 2023  
Last updated: 18 September 2023  
Key witness: FADG SSN Construction, Kate van Hilst

PDR No: SB23-000835  
Industrial Workforce

***If pressed: Who is delivering the training / is there a provider for the Skills and Training Academy?***

- Based on the experience of our international partners, the ASA is developing the proposed operating model for the STA.
- Once this model is considered by Government, the ASA will establish foundational relationships and commercial arrangements with industry and training and education providers to deliver the STA's programs.
- These arrangements will be finalised ahead of the STA commencing enterprise operations in mid-2024.

***If pressed: Will the Skills and Training Academy only service South Australia? What are we doing in other states?***

- As part of the development of the initiative, the ASA is engaging with stakeholders nationally to understand the requirements of each state.
- Through this process, we are engaging with the Commonwealth Departments of Education, Employment and Workplace Relations and Prime Minister and Cabinet to map and identify gaps in Government-led initiatives, and develop recommendations for the STA's core services.
- We are also engaging closely with the South Australian Defence Industry Workforce and Skills Taskforce, and are looking to implement recommendations under the STA, following release of their report later this year.
- We will be consulting with other State and Territory agencies, including Western Australia, to identify the role the STA may play in supporting the growth and development of their local nuclear-powered submarine workforces.

***If pressed: What role are the Unions playing?***

- We are working with industry to develop a strong, sustainable submarine industrial base with legitimate employment opportunities.
- Engagement with unions will be crucial in ensuring initiatives deliver not only the required growth, but are sustainable in the long term.
- We are actively engaging with unions in the development of the Skills and Training Academy, and the programs it will deliver.

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Budget Estimates: October 2023  
Last updated: 18 September 2023  
Key witness: FADG SSN Construction, Kate van Hilst

PDR No: SB23-000835  
Industrial Workforce

Supporting Information

Questions on Notice

Senate: 3 March 2023

- QoN 65, Workforce demand and skill requirements, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked for details regarding the department’s plans for acquiring the skilled workforce needed to support the program.

Freedom of Information (FOI) Requests

- None

Recent Ministerial Comments

- TBC

Relevant Media Reporting

Workforce

- On 28 August 2023, [Katina Curtis, the West Australian](#), reports the Prime Minister has indicated people working on Australia’s new nuclear-powered submarine program will not be required to join a union.

Division: SSN Construction	
PDR No: SB23-000835	
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Budget Estimates: October 2023

Last updated: 9 October 2023

Key witness: FADG SSN Construction, Kate van Hilst

PDR No: SB23-000844

Industry Overview

## Industry Overview

### Handling Note:

First Assistant Director-General SSN Construction, Kate Van Hilst to lead on Industry. Australia continues to work with AUKUS partners to progress industrial uplift in support of trilateral nuclear-powered submarine programs.

### Key Messages

- Work is ongoing with AUKUS partners to develop vendor and product qualification processes to enable Australian industry participation in United States and United Kingdom industrial bases.
- In collaboration with the Office of Defence Industry Support, the Australian Submarine Agency (formerly the Nuclear Powered Submarine Taskforce) has held a number of industry engagement activities and briefings across the country, since announcement of the Optimal Pathway in March 2023.
- Participants at industry engagement forums have been encouraged to register their interest in the program through the Industry Capability Network Gateway Portal.

### Talking Points

#### Industrial Uplift

- We are mapping our current Australian vendor base capability to known SSN supply chain demand in order to prioritise vendor qualification activities.
  - As a first step, we are validating and testing analysis that has identified early supply chain opportunities for components that are both useful for our partners and already being produced by Australian companies.
- We are working closely with the United Kingdom and United States to identify specific opportunities and vendor qualification pathways, for participation in their supply chains.
- We will continue collaboration with Defence, including the Naval Shipbuilding and Sustainment Group, to leverage existing supply chain analysis in identifying components that Australian industry can contribute, to both the nuclear-powered submarine program and naval shipbuilding as a whole.
- These processes will then be tested through our Trilateral Supply Chain Pilot, identifying areas for targeted investment in qualification of suppliers and products.
- We will begin engaging with potential Australian steel manufacturers this year, to conduct qualification activities for the production of hull steel to the United Kingdom standard.
- We will continually assess the capability of Australian industry, and work with our AUKUS partners to ensure the best possible investments are made to support the trilateral submarine industrial base.

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Budget Estimates: October 2023  
 Last updated: 9 October 2023  
 Key witness: FADG SSN Construction, Kate van Hilst

PDR No: SB23-000844  
 Industry Overview

- On the basis of this and other industrial uplift analysis work, we will present initial sourcing and investment plans to Government. These plans will provide clarity on support needed to domestic suppliers, including product specific qualifications and targeted investment to sovereign industrial capabilities.

### Industrial Engagement

- Since announcement of the Optimal Pathway in March 2023, over 2,200 people have attended interactive industry engagement events we have hosted across the country.
- Responses have been positive, with much interest in:
  - trilateral programs;
  - workforce growth and development initiatives;
  - infrastructure upgrades and East Coast naval basing;
  - manufacturing, research and development opportunities; and
  - certification and security requirements to participate.
- As of last month, over 545 registrations have been received through our Industry Capability Network Gateway Portal.
- The Portal is one of our primary channels for routine communication with industry, where we will provide current information about the program and use registrations to inform our work with AUKUS partners for future Australian industry involvement.
- We will also take opportunities at international engagement events to connect with representatives from our international partners, industry thought leaders and supply chains. In the next 12 months these events include:
  - Indo Pacific International Maritime Exposition 2023: 7-9 November, Sydney.
  - Sea-Air-Space 2024: 9-10 April, Washington DC.

### Supporting Information

#### Questions on Notice

##### Budget Estimates: 30 & 31 May

- **QoN 18, Key Streams for AUKUS**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked for information on infrastructure at Stirling and Henderson, workforce and the nuclear regulatory system.
- **QoN 92, AUKUS readiness (enclosed)**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked a list of questions relating to WA infrastructure, WA Government and community engagement, workforce, health and safety, security, and timings.

Senate: 3 March 2023

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Budget Estimates: October 2023  
Last updated: 9 October 2023  
Key witness: FADG SSN Construction, Kate van Hilst

PDR No: SB23-000844  
Industry Overview

- **QoN 65, Workforce demand and skill requirements**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked for details regarding the department’s plans for acquiring the skilled workforce needed to support the program.

**Freedom of Information (FOI) Requests**

- None

**Recent Ministerial Comments**

- Nil

**Relevant Media Reporting**

- Nil

<b>Division:</b> SSN Construction	
<b>PDR No:</b> SB23-000844	
<b>Prepared by:</b> s47E(d), a/Assistant Director-General Industrial Uplift Mob: s47E(d) Ph: s47E(d) Date: 8 September 2023	<b>Cleared by Division Head:</b> Kate Van Hilst, First Assistant Director- General SSN Construction Mob: s47E(d) Ph: s47E(d) Date: 8 September 2023

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## International Relations

**Handling Note:** Ms Alexandra Kelton to lead on International Relations

### Key Messages

- . Australia has a long history of upholding the international rules based order, and working with partners to support a secure, resilient and prosperous Indo-Pacific.
  - AUKUS reaffirms our commitment to these objectives and our ongoing contribution to stability.
- . Strengthening Australia's defence capabilities is essential for lowering the risk of conflict in our region and contributing to collective security.
  - Australia employs its submarines to protect and defend vital trade routes, sea lines of communication and sovereign maritime approaches.
  - For a maritime nation like Australia maintaining a submarine capability advantage over potential adversaries is critical for defending itself and working with its partners.
  - An Australian SSN fleet provides a unique and game-changing boost to Australia's sovereign capability and our contribution to regional security.
- . Australia remains committed to our existing network of international partnerships, including Association of Southeast Asian Nations (ASEAN), the Pacific Islands Forum, and other bilateral and multilateral fora.
- . Australia will continue our active and transparent engagement with the international community as we deliver the Optimal Pathway.

### Talking Points

#### *If pressed: Does AUKUS undermine Australia's commitment to the Treaty of Rarotonga?*

- . Australia is a global leader on nuclear non-proliferation.
- . Australia's acquisition of SSNs will occur in full compliance with its domestic and international obligations, including under the Treaty on the Non-Proliferation of Nuclear Weapons, and the South Pacific Nuclear Free Zone Treaty (Treaty of Rarotonga).
- . Naval Nuclear Propulsion is consistent with Australia's obligations under the Treaty of Rarotonga.

#### *If pressed: Does SRF-West undermine Australia's commitment to the Treaty of Rarotonga?*

- . The rotational presence of United Kingdom and United States SSNs will be conducted in accordance with Australia's longstanding obligations under the Treaty.

#### Prepared By:

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#### Cleared By:

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Budget Estimates: October 2023

Last updated: 9 October 2023

Key witness: Alexandra Kelton

PDR No: SB23-000837

International Relations

- . AUKUS partners understand and recognise Australia's obligations under international law, including the Treaty of Rarotonga.
- . as stated by the United States Secretary of Defense Lloyd Austin the pathway will involve an increased rotational presence of conventionally-armed, nuclear-powered submarines from both the United Kingdom and United States.

***If pressed: Will AUKUS undermine the Bangkok Treaty (Southeast Asian Nuclear Weapon Free Zone Treaty)***

- . Australia has long championed the establishment of nuclear weapon free zones and was a founding member of the relevant Zone for its region, the Treaty of Rarotonga.
- . While Australia is not a party to the Bangkok Treaty, Australia recognises its importance to the region and supports the Southeast Asia Nuclear Weapon-Free Zone.
- . The Southeast Asia Nuclear Weapon Free-Zone Treaty's core obligations are not to develop, test, station or use nuclear weapons or dump radioactive material at sea.
  - Australia is not undertaking, and will not undertake, any such activities.

**Regional submarine operations**

- . The Royal Australian Navy regularly conducts cooperative activities in the Indo-Pacific, including port visits.
- . Australian vessels will continue to exercise rights under international law to freedom of navigation and we will support others doing the same.
- . Australia will, of course, respect decisions states make about port visits or navigation by foreign ships through their internal waters.

**Regional environmental concerns**

- . Australia will protect the environment through responsible stewardship of naval nuclear propulsion and uphold the highest standards of environmental management.
  - As a maritime nation with a deep connection to our oceans, Australia knows there is no higher priority.

**Contribution to regional stability**

- . Australia's acquisition of conventionally-armed, nuclear-powered submarines is a prudent response to military build-up in the region.
- . It is about ensuring we have capabilities that contribute to deterring the types of behaviour that threatens peace and security in the Indo-Pacific.
- . AUKUS does not seek to provoke any regional power.
- . This decision reflects a much more challenging strategic environment.

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Division: Policy, Strategy & Engagement

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Budget Estimates: October 2023

Last updated: 9 October 2023

Key witness: Alexandra Kelton

PDR No: SB23-000837

International Relations

- military build-up in the region is occurring at an astonishing rate.
  - the technological edge enjoyed by Australia and our allies is narrowing.
  - by 2035, around half the world’s submarines will be operating in the Indo-Pacific region.
  - the rules-based order that has underpinned sovereignty and enabled economies to thrive is under intense strain.
  - disinformation is being used to manipulate societies and threaten democratic values.
- We recognise that strategic competition can be uncomfortable and we want to cooperate with all countries to secure a stable and prosperous region
    - but none of us are immune to these challenges—they affect us all.

***If pressed: How have nations responded to the announcement?***

- The overwhelming response was an appreciation for our transparency.
  - nations recognise the strategic challenges and that Australia’s acquisition is a prudent response to military build-up in the region.
- Where questions have been raised, we have ensured that additional information and clarification has been provided.
- Like the Deputy Prime Minister has said, we will not respond to questions relating to the specific reactions of other countries.

***If pressed: New Zealand’s response to the announcement?***

- New Zealand agrees with AUKUS partners that the collective objective needs to be the delivery of peace and stability and the preservation of an international rules based system.
- Prime Minister Hipkins spoke of Australia and New Zealand’s “ongoing joint commitment to the non-proliferation of nuclear weapons” and welcomed Australia’s “assurance that nothing in the AUKUS arrangement alters Australia’s commitment” to its non-proliferation efforts.
  - Australia respects New Zealand’s long-standing policy on the presence of nuclear-powered vessels in its territory.

***If pressed: Was China briefed on the announcement? How have they responded?***

- China was among the countries Australia engaged with ahead of and around the announcement.
  - Foreign Minister Wong offered a briefing during the G20 meeting;

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Budget Estimates: October 2023  
Last updated: 9 October 2023  
Key witness: Alexandra Kelton

PDR No: SB23-000837  
International Relations

- Australian Officials in Beijing offered a briefing on 13 March 2023 ahead of the announcement; and
  - China’s Officials attended Diplomatic Corps briefing in Canberra on 15 March 2023.
- As the Deputy Prime Minister has said, we will not respond to questions relating to the reactions of other countries.
  - Australia will continue our active and transparent engagement with the international community as we deliver the Optimal Pathway.

**Background**

s33(a)(iii)



**Supporting Information**

**Questions on Notice**

**Senate: 16 June**

- **QoN 89, AUKUS legislation**, Senator the Hon Simon Birmingham (Liberal, South Australia) asked for information on ship transfer legislation in the US Congress and Australia’s acquisition of Virginia-class submarines.

**Freedom of Information (FOI) Requests**

- None

**Recent Ministerial Comments**

- TBC

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International Relations

Relevant Media Reporting

AUKUS

- On 9 October 2023, Tom Rabe, AFR [wrote](#) "New Zealand PM warns of 'missed opportunity for trans-Tasman relations'". Chris Hipkins was interviewed a week out from NZ elections. Chris Hipkins has ruled out New Zealand from joining the AUKUS alliance and pointed out it had received no invitation.
- [Amelia Adams, 60 Minutes: Exclusive: Inside the nuclear-powered submarine at the centre of the controversial AUKUS deal](#). Adams boarded the USS North Carolina in a report on Australia's acquisition of nuclear-powered submarines.

<b>Division:</b> Policy Strategy and Engagement Division	
<b>PDR No:</b> SB23-000837	
<b>Prepared by:</b> s47E(d) [redacted], Director, International Engagement Mob: s47E(d) [redacted] Ph: s47E(d) [redacted] Date: 4 September 2023	<b>Cleared by Division Head:</b> Alexandra Kelton, FADG, Policy Strategy & Engagement Mob: s47E(d) [redacted] Ph: s47E(d) [redacted] Date: 4 September 2023
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## New Agency – Including Agency Workforce

**Handling Note:** Megan Lees to lead on New Agency – Including Agency Workforce

### Key Messages

- The Nuclear Powered Submarine Taskforce, which was established within the Department of Defence transitioned to the Australian Submarine Agency on 1 July 2023, with responsibility and accountability for the safe and secure delivery of Australia’s conventionally-armed nuclear-powered submarine program.
- The Australian Submarine Agency reports directly to the Minister for Defence and remains in the Defence portfolio and to ensure the integrated delivery of military capability.
- The Agency works with AUKUS partners, Australian government departments and agencies, and states and territories to deliver this whole-of-nation program.

### Talking Points

#### Australian Submarine Agency

- The Australian Submarine Agency (ASA) was established on 1 July 2023 as an Executive Agency via an Executive Order from the Governor-General on 27 April 2023, under s65 of the *Public Service Act 1999*.
- The ASA is a Non-Corporate Commonwealth Entity for the purposes of the *Public Governance, Performance and Accountability (PGPA) Act 2013* via amendment to Schedule 1 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).
- Employment arrangements are through the *Public Service Act 1999*, utilising the Defence Enterprise Agreement as base.
- APS employees occupying substantive positions within the Nuclear Powered Submarine Taskforce transitioned to the new agency through a Machinery of Government (MoG) determination by the Public Service Minister under s72 of the *Public Service Act 1999*.
- The ASA was provided departmental funding for operating and capital costs.
- ASA in consultation with Defence, continues to manage the cost and funding of the Nuclear-Powered Submarine (NPS) program within the Defence Integrated Investment Program, including its linkages to dependent and interdependent projects in the Maritime Capability Domain.
- Over the coming years the agency will need to grow substantially, achieved through:
  - prioritised recruitment for critical and difficult to fill roles; and

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Last updated: 17 October 2023

Key witnesses: Megan Lees

PDR No: SB23-000832

New Agency – Including Agency Workforce

- undertaking bulk recruitment rounds.
- ASA has workforce in the United States (primarily Washington D.C. and Pennsylvania) and the United Kingdom (London).
- ASA's footprint in the United States and United Kingdom will extend to additional locations as Australians undertake nuclear related training and work in AUKUS partner shipyards.

### Australian Submarine Agency Workforce

**Funding** (provided through Defence Integrated Investment Program)

Period	Funding
Forward Estimates (2023-24 to 2026-27)	\$1.7 billion
Decade (2023-24 to 2032-33)	\$4.2 billion

**Headcount (as at 31 August 2023)**

Type	Number
Australian Public Service	306
Australian Defence Force (Defence Submarine Unit)	56
Contractors	58
Consultants	4
<b>Total</b>	<b>424</b>
APS Secondees (DFAT, ANSTO, ARPANSA, Defence)	17

**As at 31 August 2023, the current APS and ADF footprint includes personnel located in:**

State	Personnel
Australian Capital Territory	267
South Australia	40
Western Australian	10
Victoria	12
Other (incl. work from home)	9
United States (primarily Washington D.C. and Pennsylvania)	15
United Kingdom (London)	9

**Funded staffing (ASL, AFS, Contractors)**

Financial Year	Number
2023-24	688
2024-25	922

**Workforce Growth** (combined NPSTF and ASA)

- Reporting period Pay 1 FY2022-23 (7 July 2022) to Pay 5 FY2023-24 (31 August 2023)

Type	7 July 2022	5 August 2023	Increase	Per cent increase
APS - Full Time Equivalent (FTE)	146.05	287.41	+141.36	+96.79
ADF – Paid Strength	42.00	50.00	+8.0	+19.05
<b>Total ADF &amp; APS</b>	<b>188.05</b>	<b>337.41</b>	<b>149.36</b>	<b>+79.43</b>

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PDR No: SB23-000832  
New Agency – Including Agency Workforce

**Gender breakdown**

Male	Female	Unspecified
46.4 per cent	53.3 per cent	0.3 per cent

**Governance**

The agency has a range of assurance mechanisms either in place, or being implemented to provide oversight of the program, including:

- ASA Executive Committee
- ASA Audit and Risk Committee
- ASA People and Culture Committee (yet to be established)
- Independent Monitor and Advisor (yet to be established)
- National Shipbuilding Expert Advisory Panel

The Agency will remain connected to Defence governance mechanisms including through:

- Defence Committee
- Enterprise Business Committee
- Investment Committee

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New Agency – Including Agency Workforce

Trilateral program governance is undertaken through:

Committee	Australian Members
AUKUS Senior Oversight Council (ToRs to be finalised)	<ul style="list-style-type: none"> <li>· Mr Greg Moriarty (Department of Defence)</li> </ul>
AUKUS Senior Executive Group (ASEG)	<ul style="list-style-type: none"> <li>· VADM Jonathan Mead, Director General Australian Submarine Agency– 3* (Co-Chair)</li> <li>· Deputy Director General Program and Policy Australian Submarine Agency - SES 3 (pending appointment)</li> <li>· Deputy Director General Technical, Australian Submarine Agency – SES 3 (pending appointment)</li> <li>· Mr Scott Dewar, Deputy Secretary National Security, Department of Prime Minister and Cabinet – SES 3</li> <li>· Mr Andrew Jagers, Deputy Secretary Commercial and Government Services, Department of Finance – SES 3</li> <li>· Ms Sara deZoeten, First Assistant Secretary AUKUS Arms Control and Counter Proliferation Division, Department of Foreign Affairs and Trade – SES 2</li> </ul>
Program Delivery Leadership Committee	<ul style="list-style-type: none"> <li>· RADM Matthew Buckley, Head Nuclear Submarine Capability, Australian Submarine Agency – 2* (Co Chair)</li> <li>· AVM Phil Tammen, Head Virginia and Commercial Acquisition Division, Australian Submarine Agency – 2*</li> <li>· Ms Alex Kelton, First Assistant Director General International Policy and Agreements, Australian Submarine Agency – SES 2</li> <li>· Dr Todd Mansell, First Assistant Director General Technical, Australian Submarine Agency – SES 2</li> <li>· Ms Kate van Hilst, First Assistant Director General SSN Construction, Australian Submarine Agency – SES 2</li> <li>· Mr John Chandler, First Assistant Secretary Submarines, Department of Defence – SES 2</li> </ul>

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***If pressed: When was the decision made to separate from Defence and who made that decision?***

- In Q1 2023, the Government agreed to the establishment of the Australian Submarine Agency to occur on 1 July 2023.

***If pressed: What proportion of contractors will be included in the new agency?***

- The intent is the Agency will be largely filled by Australian Public Service and Australian Defence Force personnel.
- There will, however be a need to surge specialist support.
- Contractor numbers are expected to grow until FY2026-2027, reducing after that time.

***If pressed: How much did it cost to establish the agency?***

- The establishment costs of ASA were funded from within the existing resources for the Nuclear Powered Submarine Taskforce.

***If pressed: Were contractors used to support the transition to from the Nuclear Powered Submarine Taskforce to the ASA?***

- The Boston Consulting Group was contracted between October 2022 and March 2023 to support a range of activities, including transition planning support from the Nuclear Powered Submarine Taskforce to the establishment of the ASA. Further, between April and June 2023, a small team of three contractors from Price Waterhouse Coopers, who were already contracted to the Nuclear Powered Submarine Taskforce were re-allocated to the transition team to support the peak workload.

s47G

## Supporting Information

### Questions on Notice

**Senate: 3 March 2023**

- **QoN 65, Workforce demand and skill requirements**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked for details regarding the department's plans for acquiring the skilled workforce needed to support the program.

### Freedom of Information (FOI) Requests

- On 10 August 2023 an individual sought access to personal documentation relating to correspondences between four (4) current Department of Defence employees on the individual's recruitment or potential recruitment.

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- Status: Closed. The applicant withdrew the request on 10 August 2023.

Recent Ministerial Comments

- TBC

Relevant Media Reporting

Workforce

- On 28 August 2023, **Katina Curtis, the West Australian**, reports the Prime Minister has indicated people working on Australia’s new nuclear-powered submarine program will not be required to join a union.

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<b>PDR No:</b> SB23-000832	
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## Non-Proliferation

**Handling Note:** Questions on broader nuclear non-proliferation policy issues and Article 14 negotiations, including with respect to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) regime and Treaty on the Prohibition of Nuclear Weapons (TPNW), should be referred to Department of Foreign Affairs and Trade.

Technical questions on the application of safeguards should be referred to Australian Safeguards and Non-Proliferation Office.

### Key Messages

- AUKUS partners are committed to progressing Australia's acquisition of conventionally-armed, nuclear-powered submarines in a way that sets:
  - the highest nuclear non-proliferation standard; and
  - the strongest precedent for others who may seek similar capabilities.
- AUKUS partners recognise we have a responsibility to strengthen the global nuclear non-proliferation regime through our non-proliferation approach.
- Australia will continue to meet its non-proliferation obligations and commitments, including under the *Treaty on the Non-Proliferation of Nuclear Weapons* (NPT), the Treaty of Rarotonga (South Pacific Nuclear Free Zone Treaty) and our agreements with the International Atomic Energy Agency (IAEA).
- Naval nuclear propulsion was foreseen by the drafters of the NPT and Article 14 is the specific provision that was included in the IAEA's Comprehensive Safeguards Agreement (CSA) to provide a mechanism for it.
- Australia's credentials on nuclear non-proliferation are impeccable.
  - AUKUS partners are confident that the nuclear non-proliferation approach Australia develops with the IAEA will enable the IAEA to provide assurance to the international community that Australia is continuing to meet its non-proliferation obligations.

### Talking Points

- A number of fundamental elements underpin the nuclear non-proliferation approach we are developing for the program:
  - as a non-nuclear-weapon state, Australia does not have and will not seek to acquire nuclear weapons.
  - Australia's nuclear-powered submarine program will occur within the framework of its Comprehensive Safeguards Agreement (CSA) and Additional Protocol (AP) with the International Atomic Energy Agency (IAEA).

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- Australia will declare all nuclear material and activity to the IAEA as required under its CSA and AP.
- Australia will not enrich uranium or reprocess spent fuel as part of this program.
- Australia will not produce nuclear fuel for its SSNs.
- the United Kingdom and United States intend to provide Australia with nuclear material in complete, welded nuclear power units that will not require refuelling during their lifetime.
  - removing nuclear material from these units is highly complex—requiring specialist equipment, facilities and workforce—and doing so would render the power unit, and the submarines, inoperable.
- the nuclear fuel Australia receives cannot be used in nuclear weapons without further chemical processing, requiring facilities that Australia does not have and will not seek.
- As part of its non-proliferation approach, Australia is negotiating an arrangement with the IAEA under Article 14 of Australia’s CSA.
  - negotiations commenced on 9 May 2023 [Canberra], led by ASNO, including representatives from DFAT and the Australian Submarine Agency (ASA), and a further round was held in August 2023 [Vienna]. Negotiations will continue in 2023 and 2024.
- AUKUS partners will continue working with the IAEA to develop a suite of safeguards and verification measures that will enable the IAEA to meet its technical safeguards objectives throughout the submarines’ lifecycle.
- AUKUS partners strongly support the IAEA’s impartiality, independence and mandate to engage with member states on safeguards and verification matters, free from outside political interference.

#### Article 14

- In his report to the June IAEA Board of Governors, Director General Grossi confirmed that Article 14 of Australia’s CSA allows for naval nuclear propulsion. The Director General has underscored that:
  - the Agency’s role in relation to naval nuclear propulsion is foreseen in the existing legal framework and is within its statutory competences; and
  - the Agency will continue to be guided by its verification and non-proliferation mandate in relation to this matter, exercising it in an independent, impartial and professional manner.
- Director General Grossi further confirmed that Australia had met our reporting requirements by providing preliminary design information to the IAEA in accordance with our commitments under modified Code 3.1 of our Subsidiary Arrangements in advance of the Optimal Pathway announcement.

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Supplementary Budget Estimates: October 2023  
Last updated: 20 October 2023  
Key witness: Ms Alexandra Kelton

PDR No: SB23-000838  
Non-Proliferation

- Director General Grossi confirmed he would keep the Board and Member States updated, and that once finalised, he will transmit the Article 14 arrangement to the Board of Governors for appropriate action.
- Director General Grossi confirmed his satisfaction with AUKUS partners' engagement and transparency to date in his September 2022 report to the IAEA Board of Governors.

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## Engagement with the IAEA

- Director General Grossi's June 2023 report on Australia's NPS program confirmed that, during the consultation period,, AUKUS partners and the IAEA's AUKUS Taskforce conducted 11 engagements for the purpose of developing a high level non-proliferation approach that will enable the IAEA to continue to meet its technical safeguards objectives of no diversion of nuclear material, no misuse of nuclear facilities and no undeclared nuclear material or activities in Australia.
- At each Board of Governors' meeting since the initial AUKUS announcement in September 2021, Australia, the United Kingdom and the United States have provided updates on Australia's proposed acquisition of nuclear-powered submarines to the Board.
- In advance of the announcement of the Optimal Pathway, Australia provided preliminary design information to the IAEA in accordance with our commitments under modified Code 3.1 of our Subsidiary Arrangements. In the IAEA Director General's statement on the Optimal Pathway announcement and in the June 2023 report to IAEA the Board of Governors, he confirmed that Australia had met our reporting requirements.

### *If pressed: IAEA's visit to Australia in May 2023*

- From 4-10 May, Australia hosted a senior delegation from the IAEA.
- The IAEA delegation undertook a transparency visit to HMAS Stirling, conducted a design information verification activity at Osborne Construction Yard, and had further discussions with officials in Canberra.
- These activities demonstrate the Government's commitment to setting the highest non-proliferation standard for Australia's NPS program.

### *If pressed: Why has Australia chosen to negotiate an arrangement under Article 14 of the CSA? Won't this open a loophole in the nuclear non-proliferation regime?*

- Naval nuclear propulsion was foreseen by the drafters of the NPT and Article 14 is the specific provision that was included in the IAEA's draft CSA to facilitate it.
- Article 14 will not remove nuclear material from IAEA oversight.
  - the Agency's role in relation to naval nuclear propulsion is foreseen in the existing legal framework and is within its statutory competences; and
  - the Agency will continue to be guided by its verification and non-proliferation mandate in relation to this matter, exercising it in an independent, impartial and professional manner.
- Australia's negotiation of an Article 14 arrangement with the IAEA will set the strongest precedent by ensuring that Article 14 cannot be used to evade IAEA verification.

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Last updated: 20 October 2023

Key witness: Ms Alexandra Kelton

PDR No: SB23-000838

Non-Proliferation

- Australia's eventual Article 14 arrangement will include a package of robust verification measures to be applied to the submarine program, to ensure the IAEA can continue to meet its technical safeguards objectives throughout the submarine's lifecycle.

***If pressed: How can you say Australia is committed to non-proliferation when we have decided to use High Enriched Uranium (HEU)?***

*[Refer question to the Department of Foreign Affairs and Trade].*

- The HEU fuel that will power Australia's submarines will be subject to an appropriate safeguards and verification approach consistent with Australia's nuclear non-proliferation obligations and commitments, while also protecting classified and controlled information.
- Australia's nuclear-powered submarines will not require refuelling, removing both the need to routinely access fuel elements and maintain a stockpile of fresh nuclear fuel; and reducing the amount of spent fuel produced.
- Transfers of high enriched uranium-based reactor systems and fuel components are permitted under the NPT, and can and do take place between nuclear-weapon states and non-nuclear-weapon states.
- Importantly, the nuclear material in UK and US-designed nuclear-powered submarines is not in a form that can be used in nuclear weapons without further chemical processing.
  - This would require facilities Australia does not have and will not seek.
  - The IAEA will be able to verify the absence of such facilities at all times.

***If pressed: Will engagement with the IAEA impact delivery timeframes for Australia's nuclear-powered submarine program?***

- Australia is working openly and transparently with the IAEA to develop a safeguards and verification approach that is designed to not hamper Australia's industry and the delivery of the nuclear-powered submarine program.
- Specific activities and verification measures that will be applied to the submarine program are yet to be negotiated and agreed with the IAEA.

***If pressed: AFR article from 1 September stating Australia's NPS program 'bolsters the case' for Australia to undertake enrichment and reprocessing of uranium***

- In support of our non-proliferation objectives, we have made clear that Australia will not undertake enrichment and reprocessing of nuclear material, nor produce nuclear fuel, in relation to the NPS program.
- The United Kingdom and United States intend to provide Australia with nuclear material in complete, welded nuclear power units that will not require refuelling during their lifetime.

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Supplementary Budget Estimates: October 2023  
Last updated: 20 October 2023  
Key witness: Ms Alexandra Kelton

PDR No: SB23-000838  
Non-Proliferation

- this removes the need to routinely access fuel elements; reduces the amount of spent fuel produced; and avoids the need to maintain a stockpile of fresh fuel.
- Australia has no plans to develop a civil nuclear power industry. The construction of uranium enrichment, reprocessing or fuel fabrication facilities is prohibited under Australian law.
- Some small-scale civilian research and development activities, in relation to enrichment and reprocessing, are undertaken in Australia, consistent with the NPT, our IAEA safeguards agreements and Australian law.

## Supporting Information

### Questions on Notice

- No questions asked

### Freedom of Information (FOI) Requests

- None

### Recent Ministerial Comments

- TBC

### Relevant Media Reporting

- On 4 October 2023, [ECNS.cn](#) [published](#) “Criticism on AUKUS pact strikes a chord. It mentions Sri Lankan President Ranil Wickremesinghe’s criticism of AUKUS as being a mistake. The article says, “The controversial decision by Australia to acquire nuclear-powered submarines has placed a question mark over the country’s position as a signatory to the Treaty on the Non-Proliferation of Nuclear Weapons, and has deeply divided the nation.”
- On 3 October 2023, [theinterpreter](#) [published](#) “French criticism of nuclear ban treaty highlights Canberra’s dilemma”. The article says “However key ALP leaders are opposed to signing, and nuclear weapons states such as the United States and France, having long derided the treaty, are now ramping up their opposition to it.”
- On 2 October 2023, [Cameron Stewart, the Australian](#) [wrote](#) France has accused Australia of undermining its relationship with NATO and deterrence against Russia in Ukraine by supporting a fresh UN treaty to prohibit -nuclear weapons, warning Canberra risks upsetting the longstanding system for non-proliferation.

## Clearance and Consultation

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Non-Proliferation

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Budget Estimates: October 2023  
 Last updated: 20 October 2023  
 Key witness: FADG Stewardship and Security, Michele Miller

PDR No: SB23-000848  
 Nuclear Safety & Radiological Protection

## Nuclear Safety & Radiological Protection

**Handling Note:** First Assistant Director-General Stewardship and Security, Michele Miller to lead on Safety. Rear Admiral Matthew Buckley to support on Stewardship for SSN operations and SRF – West.

### Key Messages

- Australia's commitment to safely stewarding nuclear propulsion technology is unwavering.
- AUKUS partners appreciate the gravity of this endeavour and are committed to the **highest standards** of nuclear safety and radiological protection.
- The decades of experience and world-leading expertise offered by the UK and US programs in delivering, operating and maintaining nuclear-powered submarines will support Australia in becoming a world leader in Nuclear Safety and Radiological Protection.

### Talking Points

#### *If pressed: What is Nuclear Stewardship?*

- Australia uses the phrase 'nuclear stewardship' to describe the responsible **planning, operation, application and management** of nuclear **material, technology, and facilities**.
  - As Australia will be a non-nuclear-weapon state with a naval nuclear propulsion capability, stewardship will also include the implementation of appropriate **safeguard** arrangements as agreed between Australia and the International Atomic Energy Agency.

#### *If pressed: How will Australia safely operate its nuclear-powered submarine capability?*

- Informed by United Kingdom and United States expertise, Australia will develop a comprehensive safety management system to support the safe operation of Australia's nuclear-powered submarine enterprise.
- This will be underpinned by a system of regulation calibrated to the unique needs of Australia's SSN capability.
  - Regulatory oversight will occur across the nuclear aspects of the submarine platform and supporting facilities and infrastructure, and will leverage the work of existing nuclear regulators.

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Budget Estimates: October 2023  
Last updated: 20 October 2023  
Key witness: FADG Stewardship and Security, Michele Miller

PDR No: SB23-000848  
Nuclear Safety & Radiological Protection

***If pressed: Have the United States or the Royal Navy's had nuclear accidents?***

- For over 60 years, the United Kingdom and the United States have operated more than 500 naval nuclear reactors and have never experienced a reactor accident or release of radioactive material that has had an adverse effect on human health or the quality of the environment.
  - The United States Nuclear Propulsion Program currently operates 98 reactors and has accumulated over 7,100 reactor-years of operation.
- A sophisticated security and safety architecture will surround Australia's nuclear-powered submarine program, building on our 70-year unblemished track record of operating nuclear facilities and conducting nuclear science activities.

***If pressed: What is a Safety Management System and what does it do?***

- A Safety Management System is a set of policies, procedures and plans that systematically manages the health and safety at work, and minimise the risk of injury and illness from workplace operations.
- Nuclear Safety Management Systems have a clear amplification of requirements for radiological safety.
  - They focus on high consequence, low probability events, which requires different management actions than low consequence, high probability events.
- Work is underway on identifying the requirements of a Nuclear Safety Management System and how this fits in regards to broader Safety Management Systems already present within the Defence portfolio.

***If pressed: What are Radiological Controls?***

- Radiological Controls are the identification of methods, techniques and thresholds which enable our people to safely work with radiological material, while also protecting our people, the general public and the environment from negative impacts of radiation.
- The Nuclear Powered Submarine Program will have a purpose built Radiological Controls Program, which will protect our people, the public and the environment.
  - Work is underway with our trilateral partners, building on their extensive experience and impeccable safety record, to design a fit for purpose program.

***If pressed: How are we monitoring radiological exposure of members we send overseas?***

- The Royal Australian Navy has a close working relationship with our United Kingdom and United States partners with decades of experience working together.
  - No Royal Australian Navy member has received exposure above the occupational radiation exposure limit.

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PDR No: SB23-000848  
Nuclear Safety & Radiological Protection

- Monitoring of radiological exposure is the responsibility of the host nation. We receive copies of exposure records, which are filed in accordance with Australian requirements.
- We are working with our partners to establish ongoing fit for purpose data sharing agreements.

**Questions on Notice**

None

**Freedom of Information (FOI) Requests**

- On 1 August 2023 an individual sought access to documentation between the Defence Department or Australian Submarine Agency and the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) in relation to the regulation of the nuclear submarine program.
- Status: Closed on 18th August 2023. Withdrawn.**

**Recent Ministerial Comments**

None

**Relevant Media Reporting**

12 October 2023 – Former Senator Rex Patrick discussed radiation monitoring that has commenced as the Osborne Submarine Construction Yard. Detail had been published in SA media after FOI response.

<b>Division:</b> Stewardship and Security	
<b>PDR No:</b> SB23-000848	
<b>Prepared by:</b> CDRE Mark Sander, Assistant Director-General Nuclear Stewardship Mob: s47E(d) Ph: s47E(d) Date: 19 October 2023	<b>Cleared by Division Head:</b> Michele Miller, First Assistant Director-General Stewardship and Security Mob: s47E(d) Ph: s47E(d) Date: 20 October 2023
<b>Consultation:</b> Nil	

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## Nuclear Stewardship

**Handling Note:** First Assistant Director-General Stewardship and Security, Michele Miller to lead on Safety. Rear Admiral Buckley to support on Stewardship

### Key Messages

- Australia's has an unwavering commitment to the stewardship of safety and security of nuclear propulsion.
- A sophisticated security and safety architecture will surround Australia's nuclear-powered submarine program, building on our 70-year unblemished track record of operating nuclear facilities and conducting nuclear science activities.
- AUKUS partners appreciate the gravity of this endeavour and are committed to the **highest standards** of nuclear safety, security and safeguards.
  - Nuclear safety is paramount.
  - We will have an unyielding commitment to security and nuclear safeguards.
- The decades of experience and world-leading expertise offered by the United Kingdom and United States programs in delivering, operating and maintaining nuclear-powered submarines will support Australia in becoming a world leader in nuclear stewardship.
- A well-defined and strong nuclear mindset will be the foundation for every action, decision, policy and behaviour in the Australian nuclear-powered submarine enterprise.

### Talking Points

#### *If pressed: What is 'Nuclear Stewardship'*

- Australia uses the phrase 'nuclear stewardship' to describe the responsible **planning, operation, application** and **management** of nuclear material, technology, and facilities.
  - As Australia will be a non-nuclear-weapon state with a naval nuclear propulsion capability, stewardship will also include the implementation of appropriate safeguard arrangements as agreed between Australia and the International Atomic Energy Agency.
- Australia is unwavering in its commitment to safely and securely steward its nuclear-powered submarines, through their entire life cycles.
  - Australia will also draw on the United Kingdom's and United States' decades of experience and world-leading expertise in delivering, operating and maintaining nuclear powered submarines.

#### *If pressed: What is the 'sovereign ready' milestone?*

- 'Sovereign ready' is an important milestone on the pathway that will allow Australia to systematically and carefully develop its capacity and capability to steward submarines over time.

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- It refers to the point at which Australia has the ability to safely own, operate, maintain and regulate a sovereign conventionally-armed, nuclear-powered submarine capability.
- Australia's target date for achieving the 'sovereign ready' milestone is the early 2030s, enabling it to acquire its first Virginia class SSN from the United States in the early 2030s.

*If pressed: What is the 'Nuclear Mindset'*

- Nuclear technology is a powerful, safe and reliable energy source when managed correctly.
  - Management and operation of this technology requires exceptionally high standards, an absolute focus on safety to avoid accidents and commitment to security to avoid its misuse.
  - We must respect this complex and unforgiving technology.
- The Australian Nuclear Mindset is a set of shared qualities and attitudes that shape the way people in the Nuclear-Powered Submarine Program will need to think, act and learn. Leveraging the US' and UK's well established nuclear cultures, ten overarching Nuclear Mindset Principles have been developed for our context.

*If pressed: What are the ten Nuclear Mindset principles?*

- Nuclear Safety is paramount
- Unyielding commitment to security and nuclear safeguards
- The best people, dedicated to excellence
- Maximise lethality, reliability, availability and readiness
- Accountability
- Strive for improvement
- Compliance with approved standards and procedures
- Not living with deficiencies
- Decisions are considered, well-informed and underpinned by strong technical evidence
- Clear and effective communication

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Supplementary Budget Estimates October 2023  
Last updated: 20 October 2023  
Key witness: FADG Stewardship and Security, Michele Miller

PDR No: SB23-000935  
Nuclear Stewardship

Supporting Information

Questions on Notice

**Budget Estimates: 30 & 31 May**

- **QoN 92, AUKUS readiness**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked a list of questions relating to WA infrastructure, WA Government and community engagement, workforce, health and safety, security, and timings.

**Senate: 3 March 2023**

- **QoN 65, Workforce demand and skill requirements**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked for details regarding the department’s plans for acquiring the skilled workforce needed to support the program.

Freedom of Information (FOI) Requests

- None

Recent Ministerial Comments

- None

Relevant Media Reporting

**Workforce**

- On 28 August 2023, **Katina Curtis, the West Australian**, [reports](#) the Prime Minister has indicated people working on Australia’s new nuclear-powered submarine program will not be required to join a union.

<b>Division:</b> Stewardship and Security	
<b>PDR No:</b> SB23-000935	
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## Program Security and Defence Industry

**Handling Note:** First Assistant Director-General Stewardship and Security, Michele Miller to lead on Security.

### Key Messages

- Nuclear-powered submarines and their associated technologies will require enhanced security controls, above those already applied to defence industry and the naval shipbuilding and sustainment enterprise.
- Our AUKUS partners have worked hard to keep their nuclear-powered submarine secrets for 70 years.
  - Australia must maintain not only the secrets, but also the trust of our United States and United Kingdom partners, because any compromise of this information will affect not only our nuclear-powered submarine warfighting capability, but also that of the United States and United Kingdom.
- There is no one fixed set of security requirements for the protection of nuclear-powered submarines. A layered approach will be taken to ensure protective security is optimal for today's challenging environment.

### Talking Points

- For the past 2 years, the Australian Submarine Agency, and its precursor, the Nuclear Powered Submarine Taskforce, have worked closely with Australian, United Kingdom and United States security and intelligence partners—including the Australian Security Intelligence Organisation (ASIO) and the Australian Cyber Security Centre—to develop a threat-informed, risk-led approach to security, including its application to defence industry and the academic sector.
- Specifically, we have developed with our partners:
  - Threat and risk assessments, including for the defence industrial base.
  - Work to understand and align Australia's protective security policy frameworks with our partners, including in the industry supply chain.
  - Engagement with defence industry on expected security requirements, including under the existing Defence Industry Security Program.
- We are working with our AUKUS partners to harmonise defence industry security requirements with the goal that meeting Australia's requirements will also satisfy those of the United States and United Kingdom.
  - Australia's security settings will not necessarily duplicate those of the United States or United Kingdom, but will achieve the same security outcome, with due consideration to Australia's circumstances, including our particular threat environment.

Supplementary Budget Estimates October 2023

Last updated: 20 October 2023

Key witness: FADG Stewardship and Security, Michele Miller

PDR No: SB23-000931

Program Security and Defence Industry

- We are working in particular with the Defence Industry Security Program and the Defence Industry Policy Division to ensure Australian industry receives appropriate support for achieving these security requirements.
  - Defence is also working to further streamline established processes for the recognition of United States and United Kingdom clearances to support industry workforce growth.

***If pressed: What security requirements will industry need to meet to participate in the nuclear-powered submarine program?***

- The sensitivity of the nuclear-powered submarine capability needs the application of and adherence to the very highest security standards across all aspects of the nuclear-powered submarine program.
- As part of engagements held across Australia following announcement of the Optimal Pathway, the Australian Submarine Agency briefed industry representatives on security uplift requirements to participate in the nuclear-powered submarine program.

**Defence Industry Security Program**

- Australian businesses participating in the nuclear-powered submarine program are required to be members of the Defence Industry Security Program, which obligates members comply with the *Defence Security Principles Framework*.

**Contracting**

- There will be enhanced security requirements for those businesses seeking to contract to the nuclear-powered submarine program, including:
  - Strong information control measures
  - Enhanced audit and assurance activities with the requirement to demonstrate compliance, including a maturity rating of at least 'Managing' across Defence Industry Security Program membership requirements
  - Active membership of the Australian Cyber Security Centre's Partnership program.

**Naval Nuclear Propulsion Information (NNPI) Access**

- Where industry requires access to naval nuclear propulsion information, additional security requirements will be applied to ensure the appropriate security settings are achieved, including:
  - Increased assurance and audit activities that focus on the additional security requirements
  - Tailored integration of the Australian Cyber Security Centre's cyber security services
  - Eligibility, suitability and security clearance prerequisites

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- A dedicated liaison officer for the purpose of handling naval nuclear propulsion information.

***If pressed: What effect will the security requirements have on people working on the nuclear-powered submarine program who were born overseas or who hold dual citizenships?***

- The nuclear propulsion technology used in United States and United Kingdom nuclear-powered submarines has been extensively protected for over 70 years. Australia must maintain the security of this information.
  - Any compromise of nuclear propulsion information will impact our ability to ensure the uncompromised delivery of a nuclear-powered submarine capability.
- The majority of nuclear-powered submarine program roles will require an Australian security clearance to access sensitive and classified information.
  - We expect the majority of security clearances to be at the SECRET or Negative Vetting 1 level, which requires a checkable background assessment for a period of 10 years, along with assessments of identity, criminal and policy history, finances and an ASIO security assessment.
  - Australian citizenship is one of the mandatory prerequisites for a security clearance.
- There is not one set of broad requirements that will cover every role across the nuclear-powered submarine program.
  - Some roles will have additional **citizenship** eligibility requirements based on United States technology transfer laws, as currently occurs for the Collins class submarine program, and United States Department of Energy requirements for nuclear information access.
  - We are also developing Australian **suitability requirements** to access the nuclear-powered submarine program's sensitive information, building upon the program's 'Nuclear Mindset', which reflects our dedication to excellence and an unwavering commitment to safety, security and safeguards of the nuclear propulsion technology.

***If pressed: Naval Shipbuilding Identity Assurance Program at Osborne Shipyard***

- Questions on the Identity Assurance Program should be referred to Naval Shipbuilding and Sustainment Group in the Department of Defence.
- Questions regarding the *Security of Critical Infrastructure Act 2018* (SOCI Act) should be referred to the Department of Home Affairs.

## Background

- Defence and the Department of Home Affairs established an Identity Assurance Program for naval shipyards and multi-user sustainment sites under the reforms to the *Security of Critical Infrastructure Act 2018* (SOCI Act).

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- On 31 January 2023, the 'Security of Critical Infrastructure (Naval shipbuilding precinct) Rules (LIN 23/007) 2023' were endorsed by the Minister for Home Affairs and Cyber Security.
  - The Rules currently only apply to the Osborne Naval Shipyard, which does not include the future Osborne Submarine Construction Yard.
  - Planning for the Henderson Maritime Precinct has been put on-hold, pending reforms to the *Defence Act 1903*.
- Implementation of the Identity Assurance Program commenced on 17 February 2023, with Responsible Entities having 12 months to demonstrate compliance with the Rules through annual reporting to Defence, as the Regulator of the 'Security of Critical Infrastructure (Naval shipbuilding precinct) Rule'.
  - Background checks for personnel accessing the site without escort are conducted by AusCheck, within the Department of Home Affairs, under the *AusCheck Act 2007*, and include a criminal history check, ASIO security assessment, identity check and immigration status check.
    - Background checks are valid for a period of 2 years, at which point the background check will need to be renewed.

**Supporting Information**

**Questions on Notice**

- No questions asked.

**Freedom of Information (FOI) Requests**

- None

**Recent Ministerial Comments**

- TBC

**Relevant Media Reporting**

- *Sydney Morning Herald* Thursday 19 October 2023 – *ASIO stays vigilant on AUKUS, extremism*. At a meeting in the US, Director General Security (ASIO) Mr Mike Burgess was reported as saying: “We’ve seen foreign intelligence services put AUKUS on their list of requirements. We know they’re looking at that in Australia”... “They’re looking to see: well, how did you get here? What are you thinking? What are you planning? Russian or China would be the two main countries”

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Supplementary Budget Estimates October 2023

Last updated: 20 October 2023

Key witness: FADG Stewardship and Security, Michele Miller

PDR No: SB23-000931

Program Security and Defence Industry

<b>PDR No:</b> SB23-000931	
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## Radioactive Waste & Spent Nuclear Fuel

**Handling Note:** Ms Michele Miller to lead on End of Life Waste and Spent Nuclear Fuel. Ms Alex Kelton to support on the review to identify locations suitable for Radioactive Waste Management

- Questions relating to civilian nuclear power industry including the National Radioactive Waste Management Facility near Kimba SA (Napandee site) should be directed to the Department of Industry, Science and Resources.
- Questions relating to Defence’s current waste inventory should be referred to the Department of Defence, Chief Joint Capabilities Group
- Questions regarding the Defence Estate should be directed to the Department of Defence, Deputy Secretary Security and Estate Group.

### Key Messages

- As a responsible nuclear steward, Australia will manage all radioactive waste from its nuclear-powered submarines.
  - operational waste will be stored at Defence sites in Australia
  - intermediate and high-level waste will be stored and disposed on the current or future Defence estate.
- Australia, including Defence, has decades of experience in safely and securely managing radioactive waste domestically.
  - we are at the start of a long process to determine how best to manage radioactive waste from Australia’s nuclear-powered submarine program.
- It will be decades before the first reactors from nuclear-powered submarines would need to be disposed.
- The ASA is undertaking a review (the review) to inform the development of a decision-making process by which Government may select a location in the current or future Defence estate suitable for the storage and disposal of intermediate and high-level waste, including spent fuel, from Australia’s nuclear-powered submarines.

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- Developing Australia’s capacity and know how to manage radioactive waste from nuclear-powered submarines is an important part of building Australia’s stewardship credentials to operate and maintain its own submarines.
- It will be **30 years** before the first reactors from nuclear-powered submarines would need to be disposed.
  - The first of the reactors that we will need to dispose of will be in the mid-2050s
  - All radioactive waste from this process will be stored and disposed of on Defence land, requiring a new, bespoke facility.
  -

**Talking Points**

- Consistent with best practice stewardship, Australia will manage all radioactive waste from the nuclear-powered submarine program in Australia.
- The Australian Submarine Agency (ASA) has commenced a review, working with relevant agencies including the Australian Radioactive Waste Agency (ARWA), to inform the development of a decision-making process by which the Government may select a location for the storage and disposal of intermediate- and high-level radioactive waste, including spent fuel, generated by its submarines..
  - The Review is an initial step and will be completed by the end of 2023.
  - The outcomes of the Review will inform the next steps for a more detailed process which will include consultation and engagement with community and Indigenous groups, and consideration of wider social license and economic implications.
  - As the Deputy Prime Minister has said, we’ve got time to get this right [19 March, Interview with David Speers, ABC, Insiders].
- As part of normal submarine operations and maintenance, Australia’s submarines will produce small amounts of low-level radioactive waste.
  - Each nuclear-powered submarine will generate approximately two cubic metres of low-level radioactive waste per year.
  - This waste has similar levels of radioactivity as the majority of waste from Australia’s nuclear medicine production and research from Australian Nuclear

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Supplementary Budget Estimates: October 2023  
Last updated: 25 October 2023  
Key witness: Michelle Miller, Alexandra Kelton

PDR No: SB23-000933000839  
Radioactive Waste & Spent Nuclear Fuel

Science and Technology Organisation (ANSTO), which has 60 years' expertise in safely managing nuclear material and by-products.

- This waste will be stored at Defence sites in Australia until an appropriate disposal pathway is identified.
- All radioactive waste will be managed in line with international best practice and in accordance with Australia's international and domestic legal obligations and commitments, including the Treaty on the Non-Proliferation of Nuclear Weapons and the South Pacific Nuclear Free Zone Treaty (Treaty of Rarotonga).
- All radioactive waste will be managed within the framework of Australia's Comprehensive Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency.

### Low-level operational waste

*If pressed: How much low-level operational waste will be generated each year?*

- Once operational, Australia's nuclear-powered submarines will produce small amounts of low-level waste every year, annually much less (less than half) than the annual amount from Australia's nuclear science and research at ANSTO's Lucas Heights reactors.
- Together, this amounts to roughly the volume of a small skip bin each year per submarine, consisting of items such as disposable gloves, wipes, reactor coolant and used Personal Protective Equipment.
- For background, Australia has around 5000 cubic metres of legacy low-level waste (excluding nuclear-powered submarine-waste), and expects to generate another 5000 cubic metres by 2070 (excluding nuclear-powered submarine-waste).

*If pressed: What kind and how much radioactive waste does Defence currently store?*

[Questions regarding Defence's current radioactive waste inventory should be referred to Chief Joint Capabilities.]

*If pressed: Where will operational waste with low levels of radioactivity, generated by normal nuclear-powered submarine operations and maintenance, be disposed?*

- Operational waste with low levels of radioactivity will be stored safely and securely at Defence locations.
- Australia has significant experience in managing waste of this type.
- No decisions have been made on where operational waste from nuclear-powered submarines will be disposed.
- Over the coming years, Defence will undertake further work, in consultation with ARWA, to identify an appropriate disposal solution.

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Supplementary Budget Estimates: October 2023  
Last updated: 25 October 2023  
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PDR No: SB23-000933000839  
Radioactive Waste & Spent Nuclear Fuel

- All management of radioactive waste will be done in accordance with our domestic and international legal obligations and commitments.

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Radioactive Waste & Spent Nuclear Fuel

***If pressed: Are plans for low-level operational waste affected by the decision to not proceed with the National Radioactive Waste Management Facility near Kimba SA?***

- The Federal Government's decision to not pursue the Napandee site near Kimba in South Australia as a potential site for the National Radioactive Waste Management Facility does not impact plans management of nuclear waste from the nuclear-powered submarine program.
- Low-level radioactive waste will be stored at Defence locations.
- Over the coming years, ASA and Defence will undertake further work, to identify an appropriate disposal solution.

***If pressed: Will low-level, operational waste from SRF-West be stored at HMAS Stirling, including waste from United State and United Kingdom submarines?***

- Expertise to manage low-level operational waste arising from nuclear-powered submarine operations and sustainment will be an important part of Australia building the necessary stewardship capability to operate and maintain its own submarines.
- The rotational presence of United Kingdom and United States SSNs in Western Australia as part of Submarine Rotational Force – West (SRF-West) will provide an opportunity to learn how these vessels operate, including the management of low-level radioactive waste from routine sustainment.
- All low and intermediate level radioactive waste will be safely stored at Defence sites in Australia.
  - An operational waste storage facility for low-level radioactive waste management is being planned as part of the infrastructure works proposed for HMAS *Stirling* to support SRF-West.

**Intermediate and high-level waste management, including spent nuclear fuel**

***If pressed: Where will Australia dispose of intermediate and high-level waste when its nuclear-powered submarines reach the end of their service life?***

- As the Deputy Prime Minister has said, this waste will be stored and disposed of on the current or future Defence land estate, requiring a purpose built facility [14 March – Press Conference, Canberra].
- The ASA, working with relevant agencies including ARWA, is undertaking a review to inform the development of a decision-making process by which the Government may select a location for the storage and disposal of intermediate and high-level waste from Australia's nuclear-powered submarines. The review will be finalised by the end of this year. 2023.

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- This will be a decades long process, requiring extensive consultation and engagement with local communities, and consideration of wider social license and economic implications.

***If pressed: Some state and territory leaders have ruled out taking nuclear waste from submarines, how are you going to manage this when locations are identified as suitable for radioactive waste storage and disposal?***

- We are at the start of a long process to determine how best to manage radioactive waste from Australia's nuclear-powered submarine program.
- Consultation and engagement will be a key part of a future process to select a location to safely and securely dispose of radioactive waste.
  - This will include discussions with relevant state and local governments.

***If pressed: How much intermediate and high-level waste will be produced?***

- When a submarine is decommissioned and defueled, it will produce intermediate and high-level radioactive waste, including:
  - the reactor compartment and components, roughly the size of a four-wheel drive for each submarine; and
  - spent fuel, roughly the size of a small hatchback.
- As the Deputy Prime Minister has said, this waste will be stored and disposed of on the current or future Defence land estate, requiring a purpose built facility [14 March – Press Conference, Canberra].
- The exact amount of intermediate and high-level waste is classified, and would depend on decisions about submarine design and decommissioning methods which are yet to be made.

***If pressed: What information can you provide about the safety record of United States and United Kingdom partners in managing high level waste?***

- Experience from the United Kingdom and United States shows that spent fuel from nuclear-powered reactors can be managed successfully with no health and environmental risk to local communities.
- The United Kingdom and United States have a long history of safely and securely storing of radioactive waste produced by their nuclear-powered submarine programs in a way that has no harmful impact on local populations or the environment.
  - For the United States, this includes the transportation of waste from their nuclear-powered submarines from coastal defueling locations to the waste storage location in Idaho.

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Supplementary Budget Estimates: October 2023  
Last updated: 25 October 2023  
Key witness: Michelle Miller, Alexandra Kelton

PDR No: SB23-000933000839  
Radioactive Waste & Spent Nuclear Fuel

***If pressed: How can you determine if a location is suitable if you do not know what technology you will use to dispose of intermediate or high-level waste?***

- Australia's approach to identifying a disposal pathway will build on best international practice with the health and safety of the Australian community at the centre.
- The process that follows the review will consider the technical disposal options further to ensure that any locations identified meet the requirements of specific disposal technologies.

***If pressed: When will a facility be required for intermediate and high-level waste?***

- It will be decades before we will need to dispose of the first reactor from our nuclear-powered submarine program.
- We are at the start of a long process to determine how best to manage radioactive waste from Australia's nuclear-powered submarine program.
- The ASA has commenced a review, working with relevant agencies including ARWA, to inform the development of a decision-making process by which the Government may select a location for the storage and disposal of intermediate- and high-level radioactive waste, including spent fuel, generated by its submarines..
  - This review is an initial step and will be completed by the end of 2023.

***If pressed: Will the optimal pathway involve decommissioned nuclear-powered submarines being tied up in the dock for 30 to 40 years?***

- It will be a long process to determine how best to manage radioactive waste from Australia's nuclear-powered submarine program.
- Australia is committed to ensuring the management of radioactive waste and spent nuclear fuel has minimal impact on the general public, local and First Nations' communities, and the environment.

***If pressed: Does the Kimba decision impact Australia's plans to manage spent nuclear fuel and other high-level nuclear waste?***

- The Federal Government's decision to not pursue Kimba (Napandee) as a potential site for the National Radioactive Waste Management Facility does not impact plans for management of nuclear waste from the NPS program.
- As a responsible nuclear steward, Australia will manage all radioactive waste from its nuclear powered submarines domestically.
  - Operational radioactive waste will be stored at Defence sites in Australia.

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- Intermediate and high-level waste will be stored and disposed on the current or future Defence estate.
- No decision has been made on the location within Australia for the disposal of radioactive waste from nuclear-powered submarines.

***If pressed: Has consideration been given to storing and disposing of civilian and legacy waste planned for the National Radioactive Waste Management Facility at the facilities being developed for the nuclear-powered submarine program?***

- The ASA is working closely with the ARWA on all aspects of the review.
- ARWA's work on an intermediate-level waste disposal pathway focuses on existing waste, and future intermediate-level waste generated largely through the production of nuclear medicine.
- The ASA is working with ARWA to ensure these lines of effort remain aligned.

***If pressed: How will Australia develop an approach for disposal, noting the United Kingdom and United States only store waste from their nuclear-powered submarines and Australia does not yet have a disposal option for low-level waste?***

- Options to store and dispose of intermediate and high-level waste from nuclear-powered submarines will be informed by international best practice and the experience of international partners.
- Many countries have begun processes to develop disposal facilities for intermediate- and high-level nuclear waste, which is generated from a range of fields, including medical, civil power and naval nuclear propulsion:
  - Finland has almost completed its spent nuclear fuel facility and expect to begin disposing waste in the mid-2020s;
  - Sweden is currently building a repository for spent nuclear fuel;
  - France is building a facility for disposal of high and intermediate-level waste; and
  - Canada and Japan are currently undertaking a site selection process.
- Experience from the United Kingdom and United States shows that spent fuel from nuclear-powered submarines can be managed successfully with no health and environmental risk to local communities.
- The United Kingdom and United States have a long history of safely and securely storing radioactive waste produced by their nuclear-powered submarine programs in a way that has no harmful impact on local populations or the environment.

***If pressed: Why isn't Australia sending spent fuel back to its country of origin?***

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- Management of radioactive material is a core principle of nuclear stewardship.
  - Australia takes its responsibility for management of nuclear technology seriously, including the management of radioactive waste.
- The United States and the United Kingdom supports Australia in this approach and will provide assistance as Australia develops the capability to store and dispose of this waste in Australia.

***If pressed: Will Australia consider sending intermediate and high-level waste offshore for reprocessing, like we do with waste from ANSTO?***

- As a responsible nuclear steward, Australia will manage all radioactive waste from its nuclear-powered submarines.
- As part of our commitment to setting the strongest non-proliferation precedent, Australia has committed to not undertake reprocessing of spent fuel from its nuclear-powered submarines.
- High level radioactive waste, including spent fuel, can be safely and securely stored and disposed of in Australia.
- ***If pressed:*** Sending fuel offshore for reprocessing is not under consideration.

***If pressed: How do the United States and the United Kingdom store intermediate and high level waste at end of life?***

- The United States currently treats and stores its high-level waste in the Expended Core Facility / Dry Storage Facility at the Naval Reactors Facility in Idaho.
  - Fuel is stored in a multipurpose canister that can be used for storage and transportation.
  - the United States permanently stores its reactor compartments at a disposal site in Washington State.
- The United Kingdom currently stores submarines that have left Royal Navy service safely and securely at docks in Scotland and Plymouth.
- This storage complies with required safety, environmental and security standards.
- The United Kingdom has begun to decommission their retired submarines with the aim of disposing of high-level and intermediate-level waste at the planned Geological Disposal Facility.
- Fuel from some of the United Kingdom's submarines that were decommissioned before 2004 is stored at Sellafield.

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***If pressed: What is the difference between storing and disposing of high-level radioactive waste?***

- Storage isolates and confines radioactive waste while allowing for its safe retrieval when a disposal pathway has been developed.
- Disposal is the final step in the management of radioactive waste.
  - Its aim is to provide safety through placing waste in facilities designed with appropriate containment and isolation to ensure adequate radiation protection of people and environment over long periods of time.
  - It is designed to make radioactive waste irrecoverable.

***If pressed: Will Australia store or dispose of foreign high and intermediate level radioactive waste?***

- Australia’s management of spent fuel from Australia’s nuclear-powered submarines is a reflection of best practice stewardship principles that waste should be managed by the country which benefits from it.
- Australia will not be disposing of spent nuclear fuel or other high-level waste from other countries.

***If pressed: Who will regulate the safety of spent fuel and radioactive waste management from the nuclear-powered submarine program?***

- The Government is committed to developing a system of regulation that is calibrated to the unique hazards and risks associated with nuclear-powered submarines, including the management of radioactive waste.
  - on 6 May 2023, the Government announced its intention to establish a new independent statutory regulator, the Australian Nuclear-Powered Submarine Safety Regulator.
  - This regulator would operate within a system of regulation and work with existing Australian regulators to support the safety of our submariners, Australian and international communities, and the environment.
- Noting that we don’t expect a requirement to manage intermediate or high-level radioactive waste until the 2050s, the pathway for determining how radioactive waste generated by Australia’s nuclear-powered submarine activities will be regulated is currently under development.
  - part of this pathway will involve consideration as to what further changes are necessary in the current regulatory framework.

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- this consideration will include determining the precise role regulatory agencies within Australia’s existing system of regulation, including that that of the Australian Nuclear-Powered Submarine Safety Regulator.

***If pressed: What are the non-proliferation implications for managing radioactive waste?***

- Australia will manage spent fuel in accordance with its non-proliferation obligations and commitments under the Treaty on the Non-Proliferation of Nuclear Weapons, its safeguards agreements with the International Atomic Energy Agency, and the Treaty of Rarotonga.
- As we have said, a number of fundamental elements underpin our non-proliferation approach for the nuclear-powered submarine program which will set a strong non-proliferation precedent, including that Australia will not undertake reprocessing as part of its nuclear-powered submarine program.

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***If pressed: Are there great differences between the waste that's generated by a nuclear-powered submarine and the waste that's generated by nuclear energy sectors?***

- . Radioactive waste is managed according to its radiological, physical and chemical characteristics, regardless of its source.
- . The Department of Industry, Science and Resources, and ARWA, are the lead agencies on broader radioactive waste issues.

**Review to determine the process for Radioactive Waste Management**

***If pressed: Who is leading the Review?***

- . The review is being led by Mr Steven Grzeskowiak.
  - Mr Grzeskowiak has extensive knowledge of the Defence estate, as the former Deputy Secretary of the then-Estate and Infrastructure Group.

***If pressed: Is there a terms of reference for the review?***

- . Yes - a terms of reference was developed and approved by the Deputy Prime Minister as part of the Review process.

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***If pressed: Can the terms of reference be made public?***

- . This is a matter for the Government to consider.

***If pressed: Has Mr Grzeskowiak been provided with a terms of reference for the review?***

- . Yes – we have provided Mr Grzeskowiak with the terms of reference.

***If pressed: Which agencies are contributing to the Review?***

- . The Department of Defence and the ASA are leading the review. Agencies contributing to the review include ARWA, the Australian Nuclear Science and Technology Organisation, the Department of Industry, Science and Resources and Geoscience Australia.
- . Consultation with broader government agencies is also occurring through the review process.

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*If pressed: Could intermediate and high-level waste be stored and disposed at Woomera (or other specific locations)?*

- No decision has been made on potential locations for storage and disposal of radioactive waste from the nuclear-powered submarine program.
- The focus of the review is on developing the process by which we will determine how radioactive waste and spent nuclear fuel will be safely stored and disposed.

*If pressed: Will the outcomes of the review of Defence estate be made public? When will this occur?*

- s47C
- Once the Government has had the opportunity to review the outcomes of the Review, it will consider its preferred path forward for next steps as part of a more detailed process.

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*If pressed: About engagement with First Nations communities on waste issues.*

- The Government recognises and respects that First Nations people have an ongoing cultural, spiritual and physical connection to Country.
- There will be appropriate public consultation, particularly with First Nations communities, on how to best respect and protect cultural heritage.

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***If pressed: How does this review relate to the work being done by the ARWA to identify a disposal pathway for Australia's existing intermediate-level waste inventory?***

- The ASA will continue to work closely with the ARWA on all aspects of the review.
- ARWA's work on an intermediate-level waste disposal pathway focuses on existing waste, and future intermediate-level waste generated largely through the production of nuclear medicine.
- The ASA is working with ARWA to ensure these lines of effort remain aligned.

***If pressed: Costs dedicated to waste management.***

- All preliminary activities underway to identify options for management of radioactive waste from Australia's nuclear-powered submarines are being funded through existing Defence resources.
- Given the preliminary status of this work it would be premature to provide more detailed costings for management of radioactive waste arising from Australia's nuclear -powered submarine program.

## Supporting Information

### Questions on Notice

Senate: 3 March 2023

Supplementary Budget Estimates: 15 February 2023

- **QoN 45, Nuclear capability**, Senator Jordon Steele-John (Greens, Western Australia) sought assurances on nuclear weapons and Australia's non-proliferation obligations.

## Freedom of Information (FOI) Requests

- On 19 July 2023 an individual sought access to documentation created since 13 March 2023 on potential sites for a high-level nuclear waste storage facility associated with the AUKUS plan.
- **Status: Closed on 1 September 2023, no documents released to the applicant.**
- On 1 August 2023 an individual sought access to documentation between Defence or the ASA and ARPANSA in relation to the regulation of the nuclear submarine program. Notice of practical refusal was on 4 Aug. No response was received.

**Status: Closed on 18th August 2023. Withdrawn.**

## Recent Ministerial Comments

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· TBC

## Relevant Media Reporting

### Radioactive waste

- On 3 Sep 23, **Sandi Keane, Pearls and Irritations** [reports](#) Australia has agreed to set up a weapons-grade nuclear waste dump.
- On 30 August 2023, The Shadow Minister for Climate Change and Energy **Ted O'Brien, Australian Financial Review**, counters the Minister for Climate Change and Energy, Chris Bowen, on five nuclear energy issues.
- 14 August 2023, **The West Australian** Katina Curtis noted the WA head of the Australian Manufacturing Workers Union had argued the AUKUS deal must not be used as a stalking horse for uranium mining or nuclear waste dumps.
- 11 August 2023, Phil Coorey [suggests](#) the Government's decision to not proceed with the National Radioactive Waste Management Facility at Kimba has increased speculations a bigger facility, which could also accommodate high-level waste from nuclear-powered submarines, will be built on Defence land at Woomera.

## Parliamentary Questions

### *10 August, Senator Birmingham to Senator Farrell*

**Senator BIRMINGHAM:** If Labor can't manage to decide where to store gloves used in nuclear medicine procedures, how can anyone have confidence that it can manage the difficult decisions that are going to be required to deliver nuclear submarines under the AUKUS agreement? Isn't it the truth that this change of policy at this time to junk the Napandee site is just another example of appeasing the left-wing factions ahead of the national conference next week and putting Labor's internal divisions ahead of addressing the national interest?

**Senator FARRELL:** Can I thank Senator Birmingham for his second supplementary question. Well, if I were you, Senator Birmingham, I wouldn't be talking about internal party factions because I can see Senator Antic up the back there, I can see Senator Ruston, and who else? Senator Fawcett. If you think that this has anything to do with internal factions, think again. You're the party that's bitterly divided. You're the party—

Honourable senators interjecting—

**Senator FARRELL:** If there's any government that's going to be capable of delivering on the AUKUS nuclear submarines for South Australia, it's this government.

**Senator Birmingham:** Thanks to Mike Rann, you didn't!

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**Senator FARRELL:** Yes, I can remember exactly what Mike Rann did, but who introduced the act that started the process to finalise this? It was Labor. (Time expired)

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*9 August, the Hon Andrew Hastie, MP to the Deputy Prime Minister, the Hon Richard Marles MP*

**Mr HASTIE (Canning) (14:06):** My question is to the Deputy Prime Minister. In signing up to the AUKUS deal, the Labor government has agreed to establish a domestic nuclear industry and dispose of nuclear waste from nuclear submarines. Is there any state or territory the Deputy Prime Minister can rule out from servicing AUKUS nuclear submarines or storing their nuclear waste?

**Mr MARLES (Corio—Deputy Prime Minister and Minister for Defence) (14:07):** We've made a couple of things clear in relation to how Australia will move down the optimal pathway of acquiring a nuclear powered submarine capability that will see Australia develop an industrial capacity to build a nuclear powered submarine— not the nuclear reactor, but the rest of the submarine—based at Osborne in South Australia. It will see us evolve the capacity to operate a nuclear powered submarine out of HMAS Stirling in Rockingham in Western Australia. So, obviously, those two states will have a particular connection with the enterprise of Australia having a nuclear powered submarine capability. It's also fair to say, though, that it will be a huge national effort to achieve this, and we will need to rely on the industrial base and the capacities of the entire nation in order to do that. That is relevant in the context of your specific question around what happens with the nuclear waste.

We've made it clear that, as part of being a responsible nuclear steward, Australia will take responsibility for the disposal of the nuclear waste which comes from operating nuclear powered submarines, which is both the low-level waste associated with things such as cleaning the submarines and, ultimately, the high-level waste, which will be the reactor itself. We have made clear that the high-level nuclear waste will be disposed or dealt with finally on a Defence site, current or future, and we have said nothing more or less than that. I guess, in addition to that, we've made it clear that the process by which we will determine how that all occurs is underway right now, and we will complete it within 12 months—to be clear on that. That is not to say that in 12 months time there will be a place, but it is to say that within 12 months time we will identify what the road will be to determining where.

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*7 August the Hon Andrew Hastie, MP to the Deputy Prime Minister, the Hon Richard Marles MP*

**Mr HASTIE:** My question as to the Minister for Indigenous Australians. In March the Prime Minister stated that the Voice is not about defence policy and it's not about foreign affairs policy. Yet a member of the Prime Minister's Referendum Working Group, Sally Scales, said the Voice should be consulted on AUKUS, Australia's most important defence and foreign policy since the Second World War. Will the Voice be consulted on the location of AUKUS submarine bases and nuclear waste facilities?

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**Ms BURNEY:** Defence is not my portfolio, I'll point out, and the Minister for Defence might like to take the question. But before he does that, can I say to you that the imagination you have is commendable! The Voice is about two things. It is about listening, and it is about changing practical outcomes for First Nations people. If the Minister for Defence wants to add to that, I invite him to.

**Mr MARLES:** The Voice is not about defence. The Voice is not about parking tickets. The Voice is not about any of the issues that we've been hearing those opposite talk about. They have been doing everything to talk about what the Voice is not, rather than what the Voice is.

In July I had the enormous privilege to attend the Yule River Bush Meeting, where there was a call to action around the issues that affect First Nations people is in the Pilbara. They were talking about housing. They were talking about education. They were talking about community safety. These are the issues that go to the persistent and stubborn gap that exists between non-indigenous and Indigenous Australians when it comes to social disadvantage. That is what the Voice is going to be focused on.

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<b>PDR No:</b>	
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<b>Consultation:</b> Ms Sophia Blix Date: 1 September 2023 ADG Safeguards and Non-Proliferation Branch CDRE Mark Sander, Stewardship	

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## South Australia

**Handling Note:** First Assistant Director-General SSN Construction, Kate van Hilst to lead on South Australia. We continue to work with the South Australian Government to support construction of Australia's nuclear-powered submarines, along with growth in industrial workforce and the delivery of a submarine construction yard.

### Key Messages

- Australia's SSN-AUKUS submarines will be built in Osborne, South Australia, with the build of Australia's first SSN-AUKUS to begin by the end of this decade
- 4,000 to 5,500 direct jobs are expected to support the build of nuclear-powered submarines in South Australia when the program reaches its peak in 20-30 years.
- The Australian Government has signed a cooperation agreement with the South Australian Government to support the construction of Australia's nuclear-powered submarines. The agreement includes:
  - establishing a Skills and Training Academy campus;
  - an exchange of land to facilitate development of the new submarine construction yard and the Skills and Training Academy;
  - increasing Commonwealth supported places to South Australia Universities focused on Science, Technology, Engineering, and Maths (STEM) disciplines; and
  - investing in research capability and infrastructure to generate a workforce close to the submarine construction yard.
- Beginning in 2023, Australian military and civilian personnel will embed with the Royal Navy, the United States Navy, and – subject to necessary arrangements, at United Kingdom and United States submarine industrial bases.

### Talking Points

#### What is happening in South Australia

- Enabling works at the preferred site for the future Submarine Construction Yard at Osborne, South Australia are commencing this year.
  - This will commence with a carpark and pedestrian bridge and be followed by above and in-ground utility relocation, construction of a new access road, and other supporting infrastructure.
- At the program's peak, up to 4,000 workers will be employed to design and build the infrastructure for the Submarine Construction Yard in Osborne.
- The South Australian Defence Industry Workforce and Skills Taskforce (announced in September 2022 by the Deputy Prime Minister, Minister for Defence Industry and the Premier of South Australia) is working across governments to develop a plan to grow

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South Australia

and support the workforce for South Australian Defence industry.

- . Workforce development has already started, including the expansion of the Sovereign Shipbuilding Talent Pool to include an Early Careers Program of apprentices, undergraduates and graduates.
- . The Commonwealth is working with the South Australian Government on the construction, establishment and operation of a Skills and Training Academy Campus in South Australia.
- . The South Australian Headquarters of the Australian Submarine Agency has been established in Port Adelaide with over 60 Defence and Industry personnel already undertaking foundational planning for the future delivery of SSN-AUKUS.
- . The Life of Type Extension continues on our Collins class submarines, ensuring operational capability is available into the 2040s.

***If pressed: how much will the future nuclear-powered submarine construction yard cost?***

- . The Government will invest at least \$2 billion in South Australian Infrastructure over the forward estimates period.
- . The Government will provide Australian Naval Infrastructure Pty Ltd with an equity injection over five years from 2023–24 to commence early construction and design works for a submarine construction yard and to design the Skills and Training Academy, in South Australia.

***If pressed: how will the ANI equity injection be funded?***

- . Any additional queries about equity to be provided to Australian Naval Infrastructure may be addressed to the Department of Finance.

***If pressed: when will construction start on the Nuclear Powered Submarine Construction Yard start?***

- . To de-risk delivery of the future nuclear-powered submarine construction yard, enabling works at the preferred site will commence this year and will include:
  - construction of supporting infrastructure including a carpark;
  - above and in-ground utility relocation works; and
  - construction of a new grade separated access road.
- . These works will occur concurrently with design development processes for facilities at the Submarine Construction Yard.

***If pressed: what is being done to confirm the preferred site as the location for the future nuclear powered submarine construction yard?***

- . Over the 18-month consultation period, the Nuclear Powered Submarine Taskforce led a collaborative effort to determine the feasibility and suitability of the preferred site to support nuclear-powered submarine construction.

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- . The Australian Submarine Agency (formerly the Nuclear Powered Submarine Taskforce) continues to undertake a series of targeted due diligence activities in and around the preferred site, including environmental and geotechnical assessments.

***If pressed: how will Australian Naval Infrastructure be involved in the delivery of the future nuclear-powered submarine construction yard?***

- . Australian Naval Infrastructure has been selected as the Commonwealth's delivery partner for the future nuclear-powered submarine construction yard infrastructure at the preferred site.
- . Australian Naval Infrastructure has been part of the collaborative 18-month consultation period supporting detailed planning, design and due diligence activities.

***If pressed: What does the cooperation arrangement with South Australia involve? Are you pursuing similar arrangements with other states?***

- . The Cooperative Agreement, co-signed by the Premier for South Australia and Deputy Prime Minister on 15 March 2023, seeks to guide the negotiation and realisation of activities related to Australia's acquisition of nuclear-powered submarines.
- . Under this agreement, the Commonwealth and South Australian Government will progress an exchange of land to facilitate the development of a new Skills and Training Academy and the future nuclear-powered submarine construction yard at the preferred site.
  - This will include exchanging Defence-owned land at Smithfield and Keswick to support South Australian urban renewal projects, in consideration for the land required at Osborne.
- . Under this agreement, the Commonwealth and South Australian Governments are collaborating on a land exchange and arrangements for easement and access, in relation to Defence-owned and leased land at Cultana to support South Australia's Port Bonython export hub project.
- . This agreement will see increasing Commonwealth supported places to South Australia Universities focused on STEM disciplines; and investment in research capability and infrastructure to generate a workforce close to the submarine construction yard.
- . The Commonwealth and South Australian State Governments intend to finalise negotiations on the intended delivery approach for these activities, as well as transfer the land required for the submarine construction yard, by end 2023.
- . Early works at the preferred yard site are not affected by the land exchange finalisation.

## Skills and Training Academy

- . The Skills and Training Academy will be informed by the work of the South Australian

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Budget Estimates: October 2023

Last updated: 16 October 2023

Key witness: FADG SSN Construction Kate van Hilst

PDR No: SB23-000847

South Australia

#### Defence Industry Workforce and Skills Taskforce.

- The Academy is being designed to deliver tailored education, training and skilling for Australia's submarine and naval shipbuilding workforce, including:
  - career training programs to bring new people into the workforce, such as apprentices, undergraduates and graduate apprentices;
  - lifting the skills of the existing naval shipbuilding workforce; and
  - transition programs to bring in people from adjacent industries in the defence, manufacturing and technology sectors.
- The training programs and material developed for the Skills and Training Academy will be available to deliver training where it is needed across Australia.
- The Skills and Training Academy commenced initial operating capability in August 2023, delivering Nuclear Mindset Training to Sovereign Shipbuilding Talent Pool personnel being considered for international placements.
- Build of the Skills and Training Academy primary campus in South Australia is expected to commence in Q4 2024.
- Until the primary campus is built, the Skills and Training Academy will continue to leverage and tailor existing facilities and training programs to support initial growth and development under its interim operating capability, including:
  - creating a safety and security conscious nuclear community,
  - supporting existing Commonwealth-led programs for workforce growth,
  - building training provider and trainer capabilities and awareness of nuclear training requirements, including through participation in overseas programs, and
  - exploring opportunities to utilise the Sovereign Shipbuilding Talent Pool to deliver supporting initiatives.

#### *If pressed: how will we grow the submarine and naval shipbuilding workforces?*

- The Australian Federal and South Australian governments are working together through the South Australian Defence Industry Workforce and Skills Taskforce to ensure Defence projects in South Australia will have a highly-skilled workforce to draw on.
- The South Australian Defence Industry Workforce and Skills Taskforce was announced on 2 September 2022 and brings key stakeholders across State and Territory governments together with unions, universities, training providers, business and industry to deliver solutions and challenges in growing the required workforce.

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Supporting Information

Questions on Notice

Senate: 16 June

- QoN 89, AUKUS legislation, Senator the Hon Simon Birmingham (Liberal, South Australia) asked for information on ship transfer legislation in the US Congress and Australia’s acquisition of Virginia-class submarines.

Freedom of Information (FOI) Requests

None

Recent Ministerial Comments

Relevant Media Reporting

Division: SSN Construction	
PDR No: SB23-000847	
<b>Prepared by:</b> Gavin Boyd, Assistant Director-General Sovereign Submarine Program  Mob: s47E(d) Ph: s47E(d)  Date: 6 September 2023	<b>Cleared by Division Head:</b> Kate van Hilst, First Assistant Director- General SSN Construction  Mob: s47E(d) Ph: s47E(d)  Date: 8 September 2023
Consultation: N/A	

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Budget Estimates: October 2023  
 Last updated: 16 October 2023  
 Key witness: RADM Matthew Buckley

PDR No: SB23-000820  
 SRF-West

## SRF-West

**Handling Note:** Rear Admiral Matthew Buckley to lead on SRF-West.

### Key Messages

- The success of Submarine Rotational Force – West (SRF-West) is integral to the success of the entire Optimal Pathway, given it is the first step towards Australia’s own nuclear-powered submarine fleet.
- The purpose of SRF-West is to accelerate Australia’s ability to safely own, operate, maintain and sustain its own future nuclear-powered submarine capability.
  - SRF-West also has the added strategic benefit of facilitating a flexible and enhanced United States and United Kingdom presence in the Indo-Pacific.
  - SRF-West will not constitute a permanent United Kingdom or United States base in Australia.
  - SRF-West will involve conventionally-armed, nuclear-powered submarines (SSN), **not** nuclear-armed ballistic missile (SSBN) submarines.
  - AUKUS partners' cooperation on nuclear-powered submarines will be conducted in a manner that is fully consistent with our respective international obligations, including under the Treaty of Rarotonga.

### Talking Points

- HMAS *Stirling* is central to the success of SRF-West.
- HMAS *Stirling* will be the place where we will develop our maintenance force, establish our facilities and test our policy, legal and regulatory settings to support the entire Optimal Pathway.
- It is essential that the infrastructure, workforce, regulatory and policy settings are all in place, and optimised, to ensure HMAS *Stirling* is equipped to support all aspects of SRF-West.
- Infrastructure remains the critical path to the success of the optimal pathway to Australia owning and operating our own Virginia Class Submarines.
- Phase 1 of the Optimal Pathway will involve two elements – more frequent and longer visits by United States and United Kingdom SSNs to HMAS *Stirling* and SRF-West.
- Phase 1 will ensure we can gradually build our capability, as well as test and recalibrate our policy and legal settings over time, as required.
  - The plan for more frequent and longer visits of United States and United Kingdom SSNs to HMAS *Stirling*, has already commenced.

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SRF-West

- These visits will build Australia’s capacity to host and support a rotational presence under SRF-West, which will commence from as early as 2027.
- The first of these longer and more frequent visits occurred in August, with the USS *North Carolina* visiting HMAS *Stirling*.
- The Australian Submarine Agency (ASA) will also be working towards supporting a pilot submarine tender-supported maintenance period at HMAS *Stirling* next year as its next step towards SRF-West commencing.
  - This will be a key focus over the next 12 months, as it will be the first step up from what we currently support for visiting United States and United Kingdom vessels.
  - It will be a highly visible opportunity to demonstrate the strength of the AUKUS partnership and our commitment to progress, while also testing our policy, legal and regulatory settings to support future activities of the Optimal Pathway.
- Successfully implementation of SRF-West will:
  - demonstrate the strength of the AUKUS partnership, and the interoperability, force posture benefits and deterrence effects it generates;
  - gradually increase our expertise, capability and capacity to support nuclear-powered submarines in Australia before we acquire and operate our own Virginia Class submarines under Phase 2; and
  - build our credentials and social licence with the Australian public that we are able to safely and securely operate SSNs.
- Under SRF-West, Australia will be driven by the requirements of meeting the conditions set for three distinct milestones: Initial Operating Support, Full Operating Support, and Sovereign Ready.
  - Initial Operating Support will commence following a pilot maintenance period for a United States SSN in Australia in Q1 2027, following which, one Virginia Class submarine will begin operating from HMAS *Stirling*.
  - Full Operating Support (nominally 2030) will follow the gradual build-up of the program, leading to four Virginia Class submarines and one Astute rotating from HMAS *Stirling*, with a greater degree of Australian involvement in their maintenance and through deploying on SRF-West submarines.
  - Sovereign Ready will then represent the point at which Australia has demonstrated its ability to independently own, operate, steward and maintain its own Virginia-class nuclear-powered submarine capability through its involvement in SRF-West.

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- To get to Initial Operating Support, maintaining momentum across key priorities through forums will be critical. These priorities include:
  - enabling and prioritising required infrastructure works at and around HMAS *Stirling*;
  - building an appropriately skilled workforce – uniformed, civilian and industry – to support SRF-West maintenance activities and other elements of the program; and
  - managing and addressing the wide range of Australian and United States policy and legal considerations necessary to enable the implementation of SRF-West.
    - This includes ensuring there are the appropriate legal frameworks in place internationally and domestically to support SRF-West.

### Infrastructure

- Fleet Base West at HMAS *Stirling* is already undergoing a significant program of works to support new Navy capabilities, including the Hunter Class frigates, Arafura Class offshore patrol vessels and the Supply Class auxiliary oiler replenishment vessels.
- Further infrastructure upgrades are required to enable a safe and secure operating base for the first Australian SSN Squadron, based on the Virginia Class SSN as well as enabling rotations of United States (and United Kingdom) SSNs under SRF-West.
- Around \$8 billion is required to be invested over the next decade and a half, with \$1.5bn in priority works approved over the next four years to support the initial implementation of SRF-West.
- The facilities required by Initial Operating Support (2027) comprise the minimum, achievable scope required to ensure safe and secure operation of SSNs includes:
  - SSN operational berths on the existing submarine pier;
  - Emergency Preparedness & Response capabilities;
  - reliable shore power supply;
  - licenced facilities for radiological controlled activities (including operational waste management);
  - Intermediate Maintenance Facility;
  - SSN crew certification and training; and
  - physical security uplift.
- The facilities required by Full Operating Support (by 2030) represents the maturation of priority works to support the full SRF-West capability of up to 4 x United States Navy Virginia Class SSNs and 1 x United Kingdom Astute Class SSN on rotation:
  - additional multi-user accommodation;

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- expanded training facilities for Royal Australian Navy crew;
  - additional torpedo storage and maintenance;
  - additional logistic warehouse capacity;
  - new and increased domestic support infrastructure, such as car-parking, sailor accommodation, and messing; and
  - increased engineering infrastructure capacity for power, water, sewerage and communication.
- Further tranches of work out to the late 2030's will be required to support the subsequent transition to a sovereign Australian nuclear powered submarine operating base.
  - Key risks to the infrastructure program include the lengthy and multifaceted/ overlapping approval schedules for required works.
    - mitigations are in place, but this is also dependent on Parliament passing the legislation to establish the new Regulator, as this will need to provide a key approval to commence operation of critical elements of the priority works list.
    - working through the various approval processes will be a key priority for the ASA over the next 12 months.
  - A second key risk is the constrained capacity for local industry to support the construction works required on the congested, operational Navy base given the large amount of construction already underway on the island.
    - it is a combination of constrained space to support multiple construction work-fronts without significantly compromising Navy's capability to mount and sustain operations, as well as attracting sufficient industry capacity to work at HMAS *Stirling* relative to other major construction projects close to metropolitan Perth.
    - this is why we need to ensure the most critical works for SRF-West implementation are prioritised first.
    - these include those critical to the safety and security of SSN operations, such as SSN operational berths, assured power supply, emergency response capabilities and operational waste management facilities.

## Legislation and Regulation

- There are a number of policy and legal considerations that will underpin the success of SRF-West implementation and significant progress is already being made in addressing them.

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- For example, the Defence Legislation Amendment (Naval Nuclear Propulsion) Bill 2023 (now Act) passed through Parliament in June.
  - this Act ensures that the Minister for the Environment and Water, and the CEO of the Australian Radiation Protection and Nuclear Safety Agency can perform their regulatory functions in support of the Optimal Pathway.
  - further legislation is under development that will establish the functions and powers of a dedicated and fit for purpose Regulator for Australia’s nuclear powered submarine program.

***If pressed: Nature and timing of legislation related to new regulator – the Australian Nuclear Powered Submarine Safety Regulator or “ANPSSR”***

- The Australian Nuclear Powered Submarine Safety Regulator will operate within a system of regulation, designed to ensure the nuclear safety and radiological protection of our submariners, the Australian and international community, and the environment.
- Defence is leading the development of legislation that will implement the Government’s approach to the regulation of nuclear safety and radiological protection of the submarine enterprise.
- The nature of this legislation and timing of introduction of this legislation is a matter for government.

**Social License/Community Engagement**

- SRF-West is projected to grow an Australian workforce of approximately 500-700 maintenance and support personnel by Sovereign Ready - when Australia has the necessary skills, qualifications, capabilities and capacity to independently own, maintain and operate Virginia Class submarines acquired under Phase 2.
  - This workforce will then move to support our enduring nuclear-powered submarine program and will be a key enabler for SRF-West.
- In addition to these 500-700 Australians at its height, we estimate that over 700 United States Personnel could be living and working in Western Australia to support SRF-West, with some also bringing families.
  - There will also be a small United Kingdom contingent living in Perth, though most personnel supporting SRF-West will be in Australia for shorter rotations, meaning they will not be bringing families with them.
- These United States and United Kingdom personnel will be critical to upskilling and training the Australian workforce, both on the submarines for Australian submariners, and on land for industry and the uniformed maintenance force.
  - However, with this significant uptick in both Australian and United States personnel working and living in the region, it would be remiss to ignore the

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impact this will have on the local economy, rental and housing markets, and access to schools and childcare centres.

- This will need to be proactively managed both at the local, federal and political levels.
- The ASA meets regularly with the mayors and local government officials to understand their priorities, address any issues and ensure an aligned and collaborative approach to guarantee the success of this program.
- The Perth Southwest Metropolitan Alliance is specifically referenced in the Terms of Reference for the West Australian Nuclear-Powered Submarine Program Steering Group as a source of expertise.
- The Australian and Western Australian governments have established the Nuclear Powered Submarine Program Steering Group as a sub-group of the existing Joint Henderson Taskforce to ensure the Australian and Western Australian governments remain aligned and collaborate to successfully deliver a sovereign nuclear-powered submarine capability for Australia.
- The Steering Group will initially focus on infrastructure, workforce, safety, security and social license.

***If pressed: What are the arrangements for visiting United States and United Kingdom personnel during SRF-West?***

- The ASA and AUKUS partners are preparing for serving personnel from the United Kingdom and United States and their families to relocate to WA as part of AUKUS.
- AUKUS representatives attended a workshop held at HMAS *Stirling* in early July and were able to visit the local area.
- The ASA will work closely with the United Kingdom and United States and the WA Government to facilitate the inflow of these personnel to the local area.
- These discussions will form part of the new the Nuclear Powered Submarine Program Steering Group, established by the Australian and Western Australian governments as a sub-group of the existing Joint Henderson Taskforce to ensure the Australian and Western Australian governments remain aligned and collaborate to successfully deliver a sovereign nuclear-powered submarine capability for Australia.

## Background

### Questions on Notice

Budget Estimates: 30 & 31 May

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PDR No: SB23-000820  
SRF-West

- **QoN 17, AUKUS memorandum**, Senator the Hon Linda Reynolds (Liberal, Western Australia) requested that an AUKUS memorandum between the Nuclear Powered Submarine Taskforce and the WA Government be tabled.
- **QoN 18, Key Streams for AUKUS**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked for information on infrastructure at Stirling and Henderson, workforce and the nuclear regulatory system.
- **QoN 92, AUKUS readiness**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked a list of questions relating to WA infrastructure, WA Government and community engagement, workforce, health and safety, security, and timings.

#### Supplementary Budget Estimates: 15 February 2023

- **QoN 45, Nuclear capability**, Senator Jordon Steele-John (Greens, Western Australia) sought assurances on nuclear weapons and Australia's non-proliferation obligations.

#### Freedom of Information (FOI) Requests

- On 1 August 2023 an individual sought access to documentation between the Defence Department or Australian Submarine Agency and the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) in relation to the regulation of the nuclear submarine program. Notice of practical refusal was sent to the individual on 4 Aug to refine the scope of their request. No response was received by the due date 18 August 2023

**Status: Closed on 18th August 2023. Withdrawn.**

#### Recent Ministerial Comments

- TBC

#### Relevant Media Reporting

##### Regulator

- On 18 September 2023, Andrew Hastie (Shadow Minister for Defence) and Simon Birmingham (Leader of the Opposition in the Senate, shadow Minister for Foreign Affairs) published a joint statement to mark the second anniversary of AUKUS. While AUKUS is truly multinational task, it will require political leadership across government and involve industry, the private sector and the education sector. The statement also says, "critically this should include ensuring the infrastructure and workforce across Osborne, Henderson and HMAS Stirling are developed to successfully operate, sustain and ultimately build the nuclear-powered submarine fleet."
- On 21 August 2023, The Age reported 'Unbelievable': Defence spends \$8.5m on consultants for AUKUS nuclear regulator'. The Defence Department contract with EY, also known as Ernst & Young, comes amid a growing debate about the federal public service's reliance on advice from external consultants for tasks that would previously have been performed in-house.

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- On 21 August 2023, The Guardian **reported** Greens senator David Shoebridge said it is “unbelievable” Defence has given EY an \$8.5m contract to design a new national nuclear submarine regulator “slap bang in the middle of a national scandal about outsourcing core government functions”.

<b>Division:</b> Capability	
<b>PDR No:</b> SB23-000820	
<b>Prepared by:</b> s47E(d), Director Nuclear Submarine P2, Nuclear Submarine Material Requirements Mob: s47E(d) Ph: s47E(d) Date: 8 September 2023	<b>Cleared by Division Head:</b> RADM Matthew Buckley, Head Nuclear Submarine Capability Mob: s47E(d) Ph: s47E(d) Date: 12 September 2023

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Budget Estimates: October 2023

Last updated: 24 October 2023

Key witness: FADG SSN Construction Kate van Hilst

PDR No: SB23-000843

SSN-AUKUS

## SSN-AUKUS

**Handling Note:** First Assistant Director-General SSN Construction, Kate van Hilst to lead on SSN-AUKUS.

### Key Messages

- Australia's SSN-AUKUS submarines will be built in Osborne, South Australia.
- The submarine construction yard will be almost 3 times larger than the yard forecast for the Attack class program.
- Enabling works will begin in 2023 at the site of the future submarine construction yard. Enabling works will include a carpark and pedestrian bridge, above and in-ground utility relocation, construction of a new access road and other supporting infrastructure.
- Work is ongoing with AUKUS partners to develop vendor and product qualification processes to enable Australian industry participation in United States and United Kingdom industrial bases.
- In collaboration with the Office of Defence Industry Support, the Australian Submarine Agency (formerly the Nuclear Powered Submarine Taskforce) has held a number of industry engagement activities and briefings across the country, since announcement of the Optimal Pathway in March 2023.
- Participants at industry engagement forums have been encouraged to register their interest in the program through the Industry Capability Network Gateway Portal.

### Talking Points

#### How much of SSN AUKUS will be built in Australia?

- SSN AUKUS remains in its design phase.
- We will work with the Australian shipbuilder to define the build strategy following their appointment, noting the Government's intent is to maximise opportunities for Australian industry.
- We will continually assess the capability of Australian industry, and work with our AUKUS partners to ensure the best possible investments are made to support the trilateral submarine industrial base.

#### *If pressed: How many SSN-AUKUS will Australia build?*

- We will operate a nuclear-powered submarine fleet of eight boats.
  - The acquisition of Virginia class submarines will provide Australia with a sovereign nuclear-powered submarine capability as soon as possible and ensure there is no capability gap.

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SSN-AUKUS

- Once the construction yard at the Osborne Naval Shipyard is built, Australia will have capacity to build nuclear-powered submarines into the future, beyond the initial commitment.
- It is important to remember that SSN-AUKUS is a significantly larger platform than the Attack class submarine was designed to be, with a corresponding increase in the number of components and systems which it comprises.

***If pressed: How many SSN-AUKUS will the United Kingdom build?***

- The UK Ministry of Defence is currently progressing through the standard approvals process for its SSN-AUKUS program, retaining the option to decide its force structure in the near future based on the most up to date threat picture.

***If pressed: Who is going to build SSN-AUKUS in Australia? Will ASC / BAE / General Dynamics Electric Boat / Huntington Ingalls Industries be involved?***

- As the Deputy Prime Minister said at the time of the announcement of the Optimal Pathway, a decision on this matter would be taken within 12 months.
- The Agency will be putting methodically developed and considered advice to Government.
- This is a multigenerational national endeavour, and is of significant scale and complexity – we are setting up a new industry. This takes time and careful planning to ensure it is done correctly.
- In developing this advice, we are naturally engaged with industry, including industry partners which have and will continue to have a role to play.
- They have expertise we should and must draw on to provide authoritative advice to Government for decision.

***If pressed: What will be the Australian industry content for the build?***

- Understanding the needs of the enterprise across the duration of a nuclear-powered submarine build and sustainment program allows us to make informed choices from the outset about construction and sustainment.
- This includes how submarines will be built and sustained in Australia in ways which achieve the safe and timely delivery of this critical capability, whilst developing, leveraging and maximising our sovereign industrial capability.
- There will be significant opportunities for Australian industry throughout all stages of Australia's nuclear-powered submarine program – from the delivery of the submarine construction yard to the build of the submarines, their operation, sustainment and eventual disposal.
- The opportunities for Australian industry extend beyond the Australian build and sustainment program.

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SSN-AUKUS

- There will also be opportunities for involvement in the supply chains of our AUKUS partners by contributing to the maintenance of their submarines and manufacturing components for their production lines.

***If pressed: Haven't we just signed up to BAE as the submarine builder?***

- A decision on who will build SSN-AUKUS in Australia will be the focus of further consideration by the Australian Submarine Agency and the Australian Government with support from our international partners and industry.

***If asked, does the recent awarding by the UK of the SSN-AUKUS design and infrastructure contract to BAE Systems mean Australian industry will be frozen out of SSN-AUKUS?***

- SSN-AUKUS will be a trilaterally-developed submarine based on the United Kingdom's next-generation design.
- The design of SSN-AUKUS was always going to be led by the UK.
- Engineers and designers in all partner countries will collaborate closely to ensure the SSN-AUKUS achieves key design milestones and meets Australian and UK delivery timeframes.
- The AUKUS partners will also develop a joint combat system as an expansion of the existing US-Australian combat system.
- There will be significant opportunities for Australian industry throughout all stages of Australia's nuclear-powered submarine program – from the delivery of the submarine construction yard to the build of the submarines, their operation, sustainment and eventual disposal.
- The opportunities for Australian industry extend beyond the Australian build and sustainment program, encompassing opportunities for involvement in the supply chains of our AUKUS partners by contributing to the maintenance of their submarines and manufacturing components for their production lines.
- We will work with the Australian shipbuilder to define the build strategy following their appointment, noting the Government's intent is to maximise opportunities for Australian industry.
- We are working closely with the United Kingdom and United States to identify specific opportunities and vendor qualification pathways, to enable Australian industry participation in their supply chains.

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***If pressed: What role will General Dynamics Electric Boat / Huntington Ingalls Industries have in the build / sustainment of Australia's nuclear-powered submarines?***

- A decision on who will build and sustain nuclear-powered submarines in Australia will be the focus of further consideration by the Australian Submarine Agency and the Australian Government with support from our international partners and industry.

***If pressed: How can it take so long to build the SSN-AUKUS submarines in Australia? Has the build start date been brought forward only for political reasons?***

- This is the first time that Australia has transitioned from a conventional submarine capability to a nuclear-powered submarine capability.
- This is the most technologically complex defence program in Australian history.
  - Nuclear-powered submarines are much larger than conventional submarines with hundreds of thousands of components. The qualification of products for use on a submarine platform take time and we are starting that now.
  - We are focusing on developing skills required for Australia to become sovereign ready.
- Our United Kingdom and United States partners have invested considerable effort and resources in their industrial bases over the last 70 years to reach the level of maturity, knowledge and expertise required to independently design, build and maintain fleets of nuclear-powered submarines.
  - The Pathway will allow us to progressively develop the workforce, infrastructure and supply chain needed to build, operate and maintain nuclear-powered submarines, leveraging the expertise of AUKUS partners.

### Industrial Uplift

- We are mapping our current Australian vendor base capability to known SSN supply chain demand in order to prioritise vendor qualification activities.
  - As a first step, we are validating and testing analysis that has identified early supply chain opportunities for components that are both useful for our partners and already being produced by Australian companies.
- We are working closely with the United Kingdom and United States to identify specific opportunities and vendor qualification pathways, for participation in their supply chains.
- We will continue collaboration with Defence, including the Naval Shipbuilding and Sustainment Group, to leverage existing supply chain analysis in identifying components that Australian industry can contribute, to both the nuclear-powered submarine program and naval shipbuilding as a whole.
- These processes will then be tested through our Trilateral Supply Chain Pilot, identifying areas for targeted investment in qualification of suppliers and products.

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Position: ADG Sovereign Submarine Program

Division: SSN Construction

Phone: s47E(d)

**Cleared By:**

Name: Kate van Hilst

Position: FADG SSN Construction

Group/Service: Australian Submarine Agency

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Budget Estimates: October 2023

Last updated: 24 October 2023

Key witness: FADG SSN Construction Kate van Hilst

PDR No: SB23-000843

SSN-AUKUS

- We will begin engaging with potential Australian steel manufacturers this year, to conduct qualification activities for the production of hull steel to the United Kingdom standard.
- On the basis of this and other industrial uplift analysis work, we will present initial sourcing and investment plans to Government. These plans will provide clarity on support needed to domestic suppliers, including product specific qualifications and targeted investment to sovereign industrial capabilities.

### Industrial Engagement

- Since announcement of the Optimal Pathway in March 2023, over 2,200 people have attended interactive industry engagement events we have hosted across the country.
- Responses have been positive, with much interest in:
  - trilateral programs;
  - workforce growth and development initiatives;
  - infrastructure upgrades and East Coast naval basing;
  - manufacturing, research and development opportunities; and
  - certification and security requirements to participate.
- As of last month, over 545 registrations have been received through our Industry Capability Network Gateway Portal.
- The Portal is one of our primary channels for routine communication with industry, where we will provide current information about the program and use registrations to inform our work with AUKUS partners for future Australian industry involvement.
- We will also take opportunities at international engagement events to connect with representatives from our international partners, industry thought leaders and supply chains. In the next 12 months these events include:
  - Indo Pacific International Maritime Exposition 2023: 7-9 November, Sydney.
  - Sea-Air-Space 2024: 9-10 April, Washington DC.

### Background

- At the peak, up to 4,000 workers will be employed to design and build the infrastructure for the submarine construction yard in Osborne.
- A further 4,000-5,500 direct jobs are expected to be created to build SSN-AUKUS in South Australia when the program reaches its peak in 20-30 years' time. This is almost double the workforce forecast for the Attack class program.
- The Commonwealth and South Australian Governments are working together through the South Australian Defence Industry Workforce and Skills Taskforce to ensure Defence projects in South Australia will have a highly skilled workforce to draw on.

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Budget Estimates: October 2023

Last updated: 24 October 2023

Key witness: FADG SSN Construction Kate van Hilst

PDR No: SB23-000843

SSN-AUKUS

- Workforce development has already started, including expansion of the Sovereign Shipbuilding Talent Pool to include an Early Careers Program of apprentices, graduates and undergraduates.
- The Australian Government is exploring opportunities to manufacture components at the future submarine construction yard for use by the United Kingdom and United States production lines, before construction of the first SSN-AUKUS commences.
- We will work with the Australian shipbuilder to define the build strategy following their appointment, noting the Government's intent is to maximise opportunities for Australian industry.
- At the start of October, the UK Government signed a 4 billion pound contract with BAE Systems for submarine design and infrastructure uplift to support the UK requirements for SSN-AUKUS.
  - Rex Patrick on 23 October 2023 stated "It's the wrong time to inject Australian industry components in the AUKUS submarine after it has been designed."

## Supporting Information

### Questions on Notice

#### Budget Estimates: 30 & 31 May

- **QoN 18, Key Streams for AUKUS**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked for information on infrastructure at Stirling and Henderson, workforce and the nuclear regulatory system.
- **QoN 92, AUKUS readiness**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked a list of questions relating to WA infrastructure, WA Government and community engagement, workforce, health and safety, security, and timings.

#### Senate: 3 March 2023

**QoN 65, Workforce demand and skill requirements**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked for details regarding the department's plans for acquiring the skilled workforce needed to support the program.

### Freedom of Information (FOI) Requests

None

### Recent Ministerial Comments

Nil

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Budget Estimates: October 2023  
Last updated: 24 October 2023  
Key witness: FADG SSN Construction Kate van Hilst

PDR No: SB23-000843  
SSN-AUKUS

Relevant Media Reporting

[Rex Patrick "Correction Paul Keating: AUKUS worse than just the "worst deal in all history" 23 October 2023.](#)

<b>Division:</b> SSN Construction	
<b>PDR No:</b> SB23-000843	
<b>Prepared by:</b> Gavin Boyd, Assistant Director-General Sovereign Submarine Program Mob: s47E(d) Ph: s47E(d) Date: 6 September 2023	<b>Cleared by Division Head:</b> Kate van Hilst, First Assistant Director-General General SSN Construction Mob: s47E(d) Ph: s47E(d) Date: 8 September 2023

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## Strategic Drivers

**Handling Note:** Ms Alexandra Kelton to lead on Strategic Drivers.

### Key Messages

- . Australia's acquisition of conventionally-armed, nuclear-powered submarines is a prudent response to military build-up in the region.
- . The unmatched stealth, speed and endurance of SSNs will keep maritime threats farther away from Australia's territory and people.
  - SSNs will help us to protect our maritime approaches and deter attacks against Australia.
  - This capability will provide Australia with the capacity to put the greatest question mark in the mind of any adversary.
- . In the context of the deteriorating strategic circumstances in the Indo-Pacific region, we must act decisively to ensure the security and stability of the region.
  - SSNs will enable us to contribute more effectively to this shared responsibility.

### Talking Points

***If pressed: Will AUKUS and our acquisition of nuclear-powered submarines commit Australia to conflict should the United States pursue military action in the region?***

- . Decisions on Australia participating in a conflict or in operations will always remain the prerogative of the Australian Government—AUKUS does not change this.
- . Australia's national interests and sovereignty are paramount in the Government's decisions about its strategic policy and defence capability acquisitions.
- . Australia's future nuclear-powered submarines will be owned, operated, sustained and regulated by Australia, under sovereign Australian command.
- . By leveraging expertise from the UK and the US, we are building the capability that allows us to shape, deter and respond in ways that enhance our sovereignty.
- . Nuclear-powered submarines will provide Australia with an unmatched strategic advantage in terms of protection of our maritime approaches, our ability to deter threats in our region and our ability to pursue our sovereign interests.

***If pressed: But Australia won't acquire nuclear-powered submarines until "the early 2030s" – given the evolving strategic environment, won't this be too late?***

- . The acquisition of Virginia class submarines in conjunction with the Collins life-of-type-extension program will ensure Australia has a potent and enduring submarine capability for the coming decades.

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#### Cleared By:

Name VADM Jonathan Mead  
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Budget Estimates: Strategic Drivers 2023

Last updated: 4 September 2023

Key witness: Ms Alexandra Kelton

PDR No: SB23-000841

Strategic Drivers

- The Collins class submarine is a potent submarine capability and will remain so for more than a decade as we transition to nuclear-powered submarines.
- Acquiring Virginia class submarines as early as the 2030s will mitigate a potential capability gap and ensure Australia can continue to deter threats to its national security and contribute to the stability of the region.

*If pressed: Doesn't Australia's acquisition of nuclear-powered submarines make us more of a target/contribute to an "arms race" in the region?*

- No. The AUKUS partnership is not about any one country.
- We want a region where international law and the rights of all states – big and small – are respected.
- Enhanced defence capabilities will contribute to achieving this goal through providing stronger deterrence.
- Australia's investments in defence capability are a prudent response to unprecedented military modernisation in our region.
- Australia's acquisition of conventionally-armed, nuclear-powered submarines will enable Australia to make a stronger contribution to regional security and stability.
- The AUKUS partnership is not about any one country.

## Background

- For a maritime nation like Australia, maintaining a submarine capability advantage over potential adversaries is vital.
  - Closing or blocking sea lanes would have a critical impact on Australia's economy and security; and that of partners in South East Asia, the Pacific, and globally.
- By investing in high-end capabilities, including nuclear-powered submarines, Australia is contributing to a free and open Indo-Pacific, unimpeded sea lanes, and supporting the conditions for a more stable region.
  - Australia depends on a region governed by accepted rules and norms, where all countries can cooperate, trade and thrive.
  - This includes ships and aircraft being able to take goods to market unimpeded.
- AUKUS partners are committed to ensuring the Indo-Pacific remains a region where all countries—big or small—are able to act in their sovereign interests to shape their own future free from coercion.

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Budget Estimates: Strategic Drivers 2023  
Last updated: 4 September 2023  
Key witness: Ms Alexandra Kelton

PDR No: SB23-000841  
Strategic Drivers

- We will always be better off in a world where rules are clear, mutually negotiated and consistently followed.
- But we also have to contend with the implications of a changing region.
- Amongst the biggest changes is the level of military build-up we are seeing.

**Supporting Information**

**Questions on Notice**

· No questions asked

**Freedom of Information (FOI) Requests**

· Nil

**Recent Ministerial Comments**

· TBC

**Relevant Media Reporting**

**AUKUS**

- **Amelia Adams, 60 Minutes:** [Exclusive: Inside the nuclear-powered submarine at the centre of the controversial AUKUS deal](#). Adams boarded the USS North Carolina in a report on Australia’s acquisition of nuclear-powered submarines.

<b>Division:</b> Policy Strategy and Engagement Division	
<b>PDR No:</b> SB23-000841	
<p><b>Prepared by:</b> s47E(d) [redacted], Assistant Director General, Strategic and International Policy Mob: s47E(d) [redacted] Ph: s47E(d) [redacted] Date: 1 September 2023</p>	<p><b>Cleared by Division Head:</b> Alexandra Kelton, FADG, Policy Strategy and Engagement Mob: s47E(d) [redacted] Ph: s47E(d) [redacted] Date: 4 September 2023</p>

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## Threats & Workforce Protections

**Handling Note:** First Assistant Director-General Stewardship and Security, Michele Miller to lead on Threats & Workforce Protections.

### Key Messages

- Australia's commitment to safely and securely stewarding nuclear propulsion technology is unwavering.
  - Security and safety are complementary, and underpin Australia's nuclear safeguards obligations and our commitment to our partners to protect their sensitive and classified technologies.
- Acquiring nuclear-powered submarines, or SSNs, means that Australia will have access to extremely sensitive and classified technologies that foreign powers will work hard to compromise—for commercial or military advantage.
- Australia's threat environment is complex, challenging and changing.
  - The threat of espionage and foreign interference has now supplanted terrorism as Australia's primary national security concern, and requires greater attention, resourcing and a whole-of-government approach.
- Australia is investing in the security of systems, technology, processes, people, facilities, information, and platforms to ensure these are tailored for the nuclear-powered submarine enterprise specific requirements.
- For the past two years, Australia has worked closely with domestic and international security and intelligence partners to develop a threat-informed, risk-led approach to understand the security requirements to protect the naval nuclear propulsion technology made available to us through AUKUS.

### Talking Points

#### The security threat environment

- Rapidly evolving technologies and emerging issues continue to shape Australia's threat environment, which can be grouped into three factors:
  - **complex** as the threats we face increasingly overlap and evolve from new places, and the blurring of traditional distinctions
  - **challenging** due to the sophistication of foreign adversaries who are not bound by the same resourcing and financial constraints or legal and ethical bounds as we are, and
  - **changing** due to shifts in geopolitics and rapid technology advancement.
- The Nuclear Powered Submarine Program is preparing for a threat environment that may include:
  - foreign powers and their proxies gathering intelligence in person, on location in Australia and across government as well as through our industry and academia

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- sabotage, for example, pre-positioning malicious cyber code in Australia's critical infrastructure for use at later points in time
  - potential threats to life posed by ideologically and religiously motivated violent extremists
  - cyber threats from malicious non-state actors, using crimes like extortion, espionage, ransomware and fraud, and
  - insiders using their privileged access to intentionally or unintentionally cause harm to the program.
- Three recent public examples of these threats being realised in the US military programs:
    - Jonathan Toebbe was employed as nuclear engineer from 2012 to 2021 assigned to US Naval Reactors, the Australian Submarine Agency's equivalent organisation in the United States. In November 2023, he and his wife Dianna were sentenced to 19 and 22 years respectively for conspiracy to communicate Restricted Data related to naval nuclear propulsion systems to a foreign government.
    - On 02 August 2023, two US Navy sailors were arrested and charged with espionage for transmitting sensitive military information to an intelligence officer working for the People's Republic of China. One of the sailors plead guilty on 10 October to a number of US federal felony offenses and admitted he transmitted sensitive US military information to a Chinese intelligence officer.
    - On 06 October 2023, a former US Army Sergeant was arrested and charged with two federal felonies for retention of national defence information and attempting to deliver national defence information to a Chinese intelligence officer.
  - AUKUS capabilities and our defence industry are vulnerable to a wide scale of sophisticated threats that could pose a real and enduring harm to our national security and strategic interests.
    - Foreign powers and their proxies—including foreign intelligence services—are aggressively seeking information about Australia's strategic capabilities, defence technologies, policy priorities and world-class research and development.
    - Adversaries will be looking to obtain information on AUKUS and associated initiatives through espionage, malicious cyber activity, and other means, and there has been a distinct increase in the online targeting of people working in Australia's defence industry following the AUKUS announcement.
  - In order to mitigate and reduce our vulnerability Australia is investing in the security of systems, technology, processes, people, facilities, information, and platforms to ensure these are tailored for the nuclear-powered submarine enterprise specific requirements.
  - Specific questions on the nature of current threats should be directed to the Australian Security Intelligence Organisation (ASIO).

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***If pressed: What are the primary security threats to Australia's program?***

- Acquiring nuclear-powered submarines, or SSNs, means that Australia will have access to extremely sensitive and classified technologies that foreign powers will work hard to compromise—for commercial or military advantage.
- As stated by the Director-General of ASIO in his Annual Threat Assessment, the threat of espionage and foreign interference has now supplanted terrorism as Australia's primary national security concern, and requires greater attention, resourcing and whole-of-government approach.
  - These primary security concerns (espionage and foreign interference) pose the principal threat to AUKUS capabilities, including conventionally-armed, nuclear-powered submarines.
  - The threat comes through many vectors, including through cyber (attacks and intrusions), technical collection (listening/surveillance), and through humans (in particular insiders), with adversaries targeting those people working in our organisations, the broader nuclear-powered submarine enterprise and Australian industrial base.
- We remain clear-eyed over the growing threat espionage poses to Australian defence technologies, including specifically to AUKUS decision making and capabilities.
- As a matter of good operational security practice, we do not comment on the specific details of the threat our program faces.

***If pressed: What are the main security efforts with our partners?***

- For the past two years, the Australian Submarine Agency (ASA), and its precursor, the Nuclear Powered Submarine Taskforce, have worked closely with Australian, United Kingdom and United States security and intelligence partners—including ASIO and the Australian Cyber Security Centre domestically—to develop a threat-informed, risk-led approach to understand the security requirements to protect the naval nuclear propulsion technology made available to us through AUKUS.
  - We have ASIO staff seconded to the ASA, the Taskforce prior to that, to support this effort.
- Specifically, we have developed with our partners:
  - Threat and risk assessments, including for the defence industrial base.
  - Work to understand and align Australia's mature protective security policy frameworks with our partners.
  - Information security controls that Australia will need to use unique to naval nuclear propulsion information, and sensitive and classified nuclear-powered submarine capability information.
  - The provision of cyber security oversight by the Australian Cyber Security Centre and Defence's Information Technology Security Branch utilising the full suite of

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capabilities available to both organisations in order to protect sensitive information provided to Australia by our AUKUS allies.

- Uplift of our security culture, including through the nuclear mindset, and hardening of our personnel security requirements for the NPS Program and enterprise.
  - Engagement with defence industry on expected security requirements, including under the existing Defence Industry Security Program, especially regarding the protection of sensitive allied capability information that will be handled by defence industry.
  - Uplift of protective security (physical and information, including force protection) at our future sites, including HMAS *Stirling* and the Osborne Submarine Construction Yard, to meet our nuclear safeguard obligations and to protect this sensitive capability.
- As a matter of good operational security practice, we do not comment on the detail of our security planning and assessments.

***If pressed: What protections will be in place to ensure Australia will protect the United States' and United Kingdom's nuclear-powered submarines in port?***

- Australia has a long history of robustly protecting sensitive military capabilities and information, and the nuclear-powered submarine capability is no different.
- United States and United Kingdom nuclear-powered warships have long history of visiting Australian ports, with security and safety a key focus during these visits. However, the increasing number and duration of visits of the United States' and United Kingdom's nuclear-powered submarines to Submarine Rotational Force – West means a more robust security regime will need to be implemented and embedded.
- Security uplift is occurring in a range of areas, including at HMAS *Stirling*, where Submarine Rotational Force—West will operate.
  - Improvements are planned in a range of protective security areas, including physical security, cyber resilience, and armed protection by the Australian Federal Police.
- AUKUS partners are working with their respective national intelligence communities to ensure the appropriate indicators and warnings are also in place.

***If pressed: What effect will the security requirements have on workers that are born overseas?***

- The nuclear-propulsion technology used in UK and US nuclear-powered submarines has been kept secret for over 70 years.
  - Australia must maintain the security of this information.
  - Any compromise of the information will impact our ability for our SSNs to achieve their strategic goals.

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- The majority of Program roles will require an Australian security clearance to access sensitive and classified information.
  - We expect the majority of security clearances to be at the SECRET or Negative Vetting 1 level, which requires a checkable background assessment for a period of 10 years, along with assessments of identity, criminal and policing history, finances and an ASIO security assessment.
  - Australian citizenship is one of the mandatory pre-requisites.
- However, there is not one set of broad requirements that will cover every role across the Program.
  - There will be some areas that will have additional citizenship eligibility requirements based upon United States technology transfer laws, as occurs currently for the Collins-class submarine program, as well as United States Department of Energy requirements for nuclear information access.
  - We have also developed Australian suitability requirements to access the Nuclear Powered Submarine Program's sensitive information, building upon the Program's 'Nuclear Mindset'.

***If pressed: Are the systems used by the Australian Submarine Agency secure?***

- The ASA is a consumer of ICT services provided by Defence under a service agreement.
- Questions regarding the security of Defence's ICT offerings are a matter for Defence; however, as a matter of good operational security practice, we do not comment on the specific detail of our information security measures and maturity.

***If pressed: What is the Essential Eight Maturity Assessment of the Australian Submarine Agency?***

- As a matter of good operational security practice, we do not comment on the detail of our information security measures and their maturity.

***If pressed: Does the Australian Submarine Agency consider itself safe from cyber attack?***

- The ASA is a consumer of ICT services provided by Defence under a service agreement.
- Questions regarding the security of Defence's ICT offerings are a matter for Defence; however, as a matter of good operational security practice, we do not comment on the detail of our information security measures and their maturity.

***If asked: In a recent US Navy Proceedings magazine article by a RAN Officer (Lieutenant Commander Westmoney, Navy Reserve) Australia's commitment to security for the nuclear-powered submarine program was questioned. Should we be concerned?***

- The article provides a historical basis, and there is substantial work underway by the Australian Submarine Agency with Defence and the Royal Australian Navy to understand what we need to protect, why we need to protect it and how best to do so. This is particularly relevant given the threat of espionage and foreign interference has

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now supplanted terrorism as Australia's primary national security concern, and requires greater attention, resourcing and whole-of-government approach.

- Earlier days of 'guards, guns and gates' are still needed but are insufficient to protect the sensitive resources of the Program.
- Issues surrounding the size of the Royal Australian Navy and its capabilities should be directed to Defence.
- The security ecosystem that will be developed for the nuclear-powered submarine capability will combine all types of security protections: personnel, information, physical and cyber, plus culture, and it will be layered to achieve 'defence in depth'. Supporting defence industry and research/academic institutions to achieve and maintain the requisite standards is also vital work.
- Investments are being made to upgrade the physical security of facilities for HMAS *Stirling* to protect SRF-West, and in the design for the build of the Osborne Submarine Construction Yard. Planning also includes how to incorporate information and personnel security enablers in the designs.
- The Australian Cyber Security Centre is partnered with Defence, and the Australian Submarine Agency to monitor cyber security for the Program, including for defence industry.

## Background

- Nil

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Supplementary Budget Estimates October 2023  
Last updated: 20 October 2023  
Key witness: FADG Stewardship and Security, Michele Miller

PDR No: SB23-000936  
Threats & Workforce Protections

### Supporting Information

#### Questions on Notice

- No questions asked

#### Freedom of Information (FOI) Requests

- None

#### Recent Ministerial Comments

- TBC

#### Relevant Media Reporting

- Sydney Morning Herald Thursday 19 October 2023 – *ASIO stays vigilant on AUKUS, extremism*. At a meeting in the US, Director General Security (ASIO) Mr Mike Burgess was reported as saying: “We’ve seen foreign intelligence services put AUKUS on their list of requirements. We know they’re looking at that in Australia”... “They’re looking to see: well, how did you get here? What are you thinking? What are you planning? Russian or China would be the two main countries”

<b>Division:</b> Stewardship & Security	
<b>PDR No:</b> SB23-000936	
<b>Prepared by:</b> s47E(d), A/g ADG, Threats & Workforce Protection  <b>Mob:</b> s47E(d) <b>Ph:</b> s47E(d)  <b>Date:</b> 20 October 2023	<b>Cleared by Division Head:</b> Michele Miller, FADG Stewardship and Security  <b>Mob:</b> s47E(d) <b>Ph:</b> s47E(d)  <b>Date:</b> 20 October 2023
<b>Consultation:</b> Information Control Branch Charles Bateson, ADG Information Control	<b>Date:</b> 8 September 2023 <b>Mob:</b> s47E(d) <b>Ph:</b> s47E(d)

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## ASA Travel

**Handling Note:** VADM Mead to lead on travel costs.

### Key Messages

- Travel was an essential part of the 18-month trilateral consultation period developing the optimal pathway for Australia's acquisition of nuclear-powered submarines to ensure that it was fully informed and achievable.
- It was also critical that the pathway would lead to Australia reaching the highest standards of nuclear stewardship.
- All travel was conducted in accordance with Defence travel policy.

### Talking Points

- The Nuclear-Powered Submarine Taskforce was tasked, working closely with AUKUS partners, with developing the optimal pathway for Australia's acquisition of conventionally-armed, nuclear-powered submarines over an 18 month period.
  - The Taskforce examined the full suite of requirements that underpin the delivery of the nuclear-powered submarines. It included, but wasn't limited by, submarine design, construction, safety, operation, maintenance, disposal, regulation, training, environmental protection, infrastructure, industrial base capacity, workforce, force structure, and nuclear non-proliferation commitments.
  - This was an ambitious and demanding schedule given the breadth and complexity of the work.
- The acquisition of conventionally-armed nuclear-is a highly complex program, necessitating access to the most sensitive technologies and capabilities that have never been shared before.
- Travel was an essential part of this 18-month consultation period to ensure that the pathway developed was fully informed and achievable.
  - In-person secure discussions, visits to and inspections of relevant facilities and infrastructure was a vital to building Australia's understanding of what is required to successfully deliver this complex program.
  - It was also critical that the pathway would lead to Australia reaching the highest standards of nuclear stewardship.
    - Safely stewarding nuclear-powered submarines must be done right, and without compromise.
- All travel was conducted in accordance with Defence travel policy.

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Budget Estimates: October 2023

Last updated: 23 October 2023

Key witnesses: VADM Mead, Megan Lees

PDR No: SB23-001012

### *Why did Taskforce/ASA officials need to travel so much?*

- . This is a trilateral endeavor.
  - In-person secure discussions, visits to and inspections of relevant facilities and infrastructure was a vital to building Australia's understanding of the scope and scale of this undertaking.
- . I (VADM Mead) also travelled to attend Joint Steering Group meetings with my counterparts.
  - Meetings of the nine Working Groups were generally undertaken by Video Teleconference (VTC). They would however occur in person to coincide with visits needed as part of other work necessary for the development of the Pathway.
- . VTCs with AUKUS counterparts were, and are very common. For example, I (VADM Mead) held 98 VTCs with counterparts in the period from 16 September 2021 to 30 June 2023.
- . Travel was also required as part of regular engagements with the International Atomic Energy Agency to determine a non-proliferation approach that sets the highest non-proliferation standard, and the strongest precedent for others who may follow.

### *Domestic*

- . The acquisition of conventionally armed nuclear-powered submarines is a national endeavour, with extensive domestic travel requirements, to Adelaide, SA, and Perth, WA in particular.
- . Domestic travel included establishing the baseline for Australia's maturity across the suite of build, maintenance, and stewardship requirements.
  - This was an important element to informing the pathway for Australia's acquisition.
  - This included visits by US and UK delegations, partnering with Australian officials.

### *Why was information on travel withheld under the FOI request?*

- . The Australian Submarine Agency is open and transparent. The committee will understand that this does not mean we are able to provide all information that is requested, and this includes specific travel details.
- . Information was identified within the documents, and exempted under section 33(a)(i) of the FOI Act, as if released it could reasonably be expected to damage security of the Commonwealth.

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Budget Estimates: October 2023

Last updated: 23 October 2023

Key witnesses: VADM Mead, Megan Lees

PDR No: SB23-001012

- More specifically, the release could reasonably be expected to:
  - disclose patterns of travel;
  - allow anticipation of future patterns of movement, thereby placing at risk the personal safety of employees of the Commonwealth; and,
  - individuals may be targets of adverse action and therefore and increase the potential threat to these individuals.
- Threat actors may also seek to identify and target locations frequented by Commonwealth employees, in a way that poses a safety and security risk to other persons (including members of the public) and property at those locations. This would adversely impact and cause damage to the security of the Commonwealth.
- Commonwealth staff may also be able to be targeted by foreign powers and their proxies gathering intelligence.
- Acquiring nuclear-powered submarines means that Australia will have access to extremely sensitive and classified technologies that foreign powers will work hard to compromise - for commercial or military advantage.
  - Australia's threat environment is complex, challenging and changing.
  - The threat of espionage and foreign interference has now supplanted terrorism as Australia's primary national security concern, and requires greater attention, resourcing and a whole-of-government approach.

### Questions on Notice

#### Senate: 9 August

- **Senate QoN 2336, Payments made to the US in relation to AUKUS**, Senator Jacqui Lambie (Jacqui Lambie Network, Tasmania) asked a Question on Notice relating to payments made to AUKUS partners, and International travel.

### Freedom of Information (FOI) Requests

- On 5 August 2023 s47F (individual) sought access to documentation relating to the costs associated with AUKUS travel, itineraries and costs of each trip for each of VADM Mead's overseas trips. ASA stakeholders have identified nine (9) documents in scope of the request. The response was provided to the applicant on 4 October 2023.

### Recent Ministerial Comments

- Minister Pat Conroy MP – Interview with Matt Doran, ABC Afternoon Briefing (6 October 2023)

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**DORAN:** Staying with the issue of AUKUS, there has been reporting about just how much money officials are spending travelling to and from Australia, the UK and the US to discuss the AUKUS packed between the three countries to get the deal over the line. \$15 million over the past two years, is that money well spent?

**MINISTER CONROY:** Again, I have no information as to the validity of the claim figure. What I can say to you is this - this has been an exhaustive 18 month process where people have been working on how to design, construct, operate, build a nuclear powered submarine, how to run it safely, how to deal with environmental issues, how to dispose of it at the end of its life.

This is a huge national endeavour an industrial endeavour this country has never attempted before. It is natural that this will require considerable overseas travel to meet with our AUKUS partners to get the information we need and to undertake those dates.

I have been assured that all travel has been in accordance with defence guidelines and I myself have travelled to Washington to meet with my counterparts about the AUKUS submarine. I have travelled to the UK shipyard as well. I think the Australian public would be critical if we had not travelled to get the fact, to get the information on what is a very significant acquisition for the Australian Defence Force.

**Relevant Media Reporting**

- [AUKUS Gravy Plane: \\$633k a month in flights with the taxpayer picking up the tab](#), Rex Patrick, Michael West Media, 5 October 2023

In response to a Freedom of Information request made on behalf of Senator Jacqui Lambie, the Australian Submarine Agency has revealed that it has spent \$15.2 million taxpayer dollars on travel over the past two years. That’s \$633K per month, or \$21K per day. Talk about a gravy plane. In that same period, Vice Admiral Jonathon Mead, the head of the AUKUS program, spent \$197K on six trips to Washington DC and two trips to London. Three of those trips came in at more than \$30K a piece.

- [Jacqui Lambies nuclear response to secret flights for submarine project](#), Sam Maiden, News.com.au, 5 October 2023

Independent Senator Jacqui Lambie has slammed the decision to slug taxpayers \$630,000 a month in “secret” travel costs for bureaucrats working on Australia’s nuclear submarine project. Despite the fact that the first submarine won’t be delivered to Australia under the deal until 2040, new documents reveal scheme has already blown up \$15 million in travel costs alone in two years. But bizarrely, the Defence Department has redacted the commercial airline departure times “for security reasons” suggesting it might reveal patterns of travel and put bureaucrats lives and safety at risk.

<b>Division:</b> Chief Operating Officer	
<b>PDR No:</b> SB23-001012	
<p><b>Prepared by:</b> s47E(d), Executive Director – Strategic Communications</p> <p>Mob: s47E(d) Ph: s47E(d)</p> <p>Date: 23 October 2023</p>	<p><b>Cleared by Division Head:</b> Candice Meszes, ADG Government, Media and Communications</p> <p>Mob: s47E(d) Ph: s47E(d)</p> <p>Date: 23 October 2023</p>

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## United States Congress

**Handling Note:** Ms Alexandra Kelton to lead on United States Congress.

### Key Messages

- . As a co-equal branch of the US government, Congress plays an important role to ensure we have the necessary frameworks to enable AUKUS cooperation.
- . **Pleased to see legislative proposals to enable AUKUS submarine cooperation are being considered by Congress.** The four key pieces of legislation include:
  - Authorising transfer of up to two in-service US Virginia class submarines to Australia.
  - Establishing a mechanism for Australia's investment in the US industrial base.
  - Enabling Australian contractors to conduct maintenance on US submarines in US shipyards.
  - Enabling the maintenance of US submarines in Australia by Australians.
- . As per the 14 March (AEDT) Leaders announcement, the sale of in-service Virginias to Australia is subject to Congressional approval.
  - Ship transfer legislation to enable the transfer of in service Virginias to Australia is vital to implementing the pathway and will ensure no capability gap for Australia.
- . The Australian Government has also committed to a fair and proportionate investment in the US industrial base to accommodate the Pathway. This will:
  - secure delivery of Virginias for Australia – critical to mitigate a capability gap; and
  - bolster industrial capacity and resilience for all AUKUS partners – getting more AUKUS submarines in the water quicker.
- . This investment will complement the significant investment Australia has committed our own industrial base (\$30 billion to 2055).
- . Also welcome the announcement of the US Administration's additional investment (USD 3.4 billion) in the US domestic submarine industrial base through a supplemental spending package.
  - This investment will bolster the United States' maintenance and production capacity for nuclear-powered submarines and boost the resilience of the submarine supply chain.
- . The legislative proposals are in draft form and may evolve as Congress works through its consideration processes.

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## Talking Points

### *Detail on AUKUS submarine legislative proposals*

- . Congress is considering a number of legislative proposals that are critical to enable early elements of the AUKUS nuclear-powered submarine pathway.
- . As AUKUS Leaders noted in the Optimal Pathway announcement on 14 March, the sale of in-service Virginias to Australia is subject to Congressional approval.
  - Australia is keen to see legislation passed this year that would authorise this. We are engaging closely with Congress and the Administration on this.
  - A third submarine would be sold off the production line, using the standard foreign military sales case process (and therefore does not require explicit Congressional ship transfer approval).
  - As announced, Australia also has the option to purchase an additional two Virginia class submarines off the production line if required.
- . Congress is also considering legislation that would enable the maintenance of US submarines in Australia (and the United Kingdom) under Submarine Rotational Force – West.
  - This is critical to upskill the maintenance capacity of the Australian workforce and ensure we are ready to receive our Virginia class submarines from the early 2030s.
- . As we have said previously, the Australian Government has committed to a fair and proportionate investment in the US industrial base.
  - The proposed Submarine Security Activities Account is a mechanism that would enable this investment.
  - Through this Account, our contribution will support increased US production, maintenance capacity and force structure to the benefit of both of our nations.
  - This investment will secure timely delivery of Virginias for Australia.
  - This will ensure Australia has a sovereign nuclear-powered submarine capability in the early 2030s, as we look to commence retiring the Collins class.
- . Also pleased to see the introduction of draft legislation to enable training of Australian contractors under the foreign military sales program.
  - This will enable Australia to grow the sovereign industrial base workforce at the pace we need to become sovereign ready.

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- It will ensure the right people are getting the right training.

### *How much is Australia investing in the US industrial base?*

- The 18 month consultation period involved extensive engagement with AUKUS partners.
  - Officials across Australia, the United Kingdom and United States examined the full suite of requirements for the optimal pathway for Australia to acquire nuclear-powered submarines.
- This examination included consideration of the capacity and constraints of respective submarine industrial bases, and what investments may be required to deliver the Optimal Pathway.
  - All AUKUS partners have committed to making investments in their respective industrial bases to achieve AUKUS.
- Australia has committed to invest USD 3 billion in the US submarine industrial base.
  - This figure recognises the lift the United States is making to supporting Australia's acquisition of nuclear-powered submarines.
  - Our contribution will increase US submarine maintenance and production capacity to directly support Australia's acquisition of Virginia class submarines and avoid a capability gap.
    - Our investment will help bolster the resilience of our collective industrial bases, to accommodate our AUKUS objectives.
  - It will also ensure there is no capability gap for Australia and we will have an operational nuclear-powered submarine capability in the 2030s.
    - This means all the AUKUS partners will be operating SSNs in the 2030s, which is strategically significant.
- We recognise we cannot deliver AUKUS Pillar One without a sufficiently robust sovereign industrial base.
- This contribution should be considered alongside the significant investment we will make in our domestic infrastructure, supply chains and industrial workforce to support the construction and maintenance of conventionally armed, nuclear-powered submarines – approximately \$30 billion to 2055.
  - Appropriately, investment in our own production and maintenance capacity is an order of magnitude larger.

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- Investment in Australian infrastructure, workforce and skilling commenced this year (2023).
- Investment in Western Australia and South Australia will include significant and wide-ranging infrastructure works, including at HMAS *Stirling* (home to Submarine Rotational Force – West) and at Osborne (the location of the future Submarine Construction Yard).
- These will include maintenance, shipbuilding and training facilities as well as additional live-in and office accommodation.
- Australia’s significant investment in our own industrial base, and fair and proportionate investment in the US submarine industrial base, demonstrates our commitment to the success of the AUKUS undertaking and sustaining a stable and secure region.
- The recently announced US domestic investment USD 3.4 billion is separate to Australia’s commitment to invest in the US submarine industrial base.

#### *Why is Australia paying the same as the US to uplift its own industrial base?*

- US investment in its submarine industrial base is a multi-decade enterprise.
- The US Administration has already requested upwards of USD 28.4 billion in additional investment in the US submarine industrial base to be expended between 2023-2028.
  - Congress has already authorised USD 14.4 billion to execute this investment.
  - This doesn’t even take into account the full construction costs of Virginia and Columbia class submarines.
- The Administration’s request for an additional USD 3.4 billion to supplement existing investment in the US submarine industrial base represents a small but important fraction of the total US commitment to strengthen its industrial capacity and comes at a critical time.
  - It will bolster the United States’ maintenance and production capacity for nuclear-powered submarines and boost the resilience of the submarine supply chain.
  - This will have positive flow-on effects for the AUKUS partnership and help get boats into the water faster for both Australia and the United States.

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- We appreciate the United States’ commitment to partnering with Australia to deliver the capability we need to deter and respond to the challenges of our strategic environment.
- Australia’s commitment to invest in the US submarine industrial base recognises the lift the United States is making to supporting Australia’s acquisition of nuclear-powered submarines.
  - Our investment will help bolster the resilience of our collective industrial bases, to accommodate our AUKUS objectives.
  - It will also ensure there is no capability gap for Australia and we will have an operational nuclear powered submarine capability in the 2030s.
  - This contribution should be considered alongside the significant investment we will make in our domestic infrastructure, supply chains and industrial workforce to support the construction and maintenance of conventionally armed, nuclear-powered submarines – approximately \$30 billion to 2055.

#### *What will Australia’s investment be used for?*

- Australia’s investment will expand the US industrial base to increase submarine maintenance and production capacity.
- The legislation currently being considered by Congress would establish a ‘Submarine Security Activities Account’, which would enable Australia to contribute to expansion activities (both through our investment and the purchase of Virginia class submarines), such as:
  - Enhancing deep and intermediate-level maintenance facilities to mitigate the force structure reduction from transferring Virginia class submarines to Australia.
  - Pre-purchasing submarine components and materials, so they are on hand at the start of the maintenance period – saving time.
  - Outsourcing less complex sustainment and expanding planning efforts for private sector overhauls, to reduce backlog.
  - Increasing the Virginia class production rate to replace the transfers to Australia and build additional submarines Australia can buy off the line.
  - Supporting technology transfer and design for SSN-AUKUS.
  - Increasing workforce capacity – which will benefit all AUKUS partners.
- The United States has confirmed that Australia’s investment will not be used to fund the US Strategic Weapons regime.

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- . The exact allocation of Australia's contribution will ultimately depend on the legislation that is passed by Congress.
- . In the short term, the investment will secure early delivery of Virginias for Australia and mitigate a capability gap.
- . In the longer-term, these activities will significantly bolster industrial capacity and resilience for all AUKUS partners – getting more AUKUS submarines in the water faster.

### *What is included in the President's supplemental request?*

- . The President's supplemental request includes up to USD 3.4 billion for the US submarine industrial base, including:
  - . \$558 million for improvements for the Navy's four public shipyards.
  - . \$2.1 billion to increase production rates and submarine availability through initiatives in supplier development, shipbuilder and supplier infrastructure, workforce development, technology advancements, and strategic outsourcing.
  - . \$394 million for other procurement to increase production rates and submarine availability.
  - . \$7 million for research, development, test and evaluation.
  - . \$282 million for military construction to support infrastructure work at Navy shipyards to improve the ability to maintain the readiness of the fleet.
  - . \$98 million to Naval Reactors to support hiring and infrastructure expansion at Government-Owned, Contractor-Operated Naval Nuclear Laboratory sites in order to meet growing mission demands to provide the AUKUS partnership with nuclear propulsion plants.

### *Why does Australia need to invest in the US industrial base when the United States has the far larger defence budget?*

- . The United States' commitment to sell Virginia class submarines to Australia is significant.
  - The transfer of in-service Virginias to Australia will impact the US industrial base and force structure.
- . Our investment will ensure the US can accommodate this critical phase of the Optimal Pathway, and Australia has no capability gap.

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- It will bolster the US maintenance and production capacity for nuclear-powered submarines and boost the resilience of the submarine supply chain.
- This will help get boats into the water faster for all AUKUS partners.
- Boosting US capacity benefits Australia by giving us the space to progress work early to grow and uplift Australian industry, so that we can deliver Australian-built SSN-AUKUS submarines to schedule and cost.
- Australia is also investing significantly in our domestic industrial capacity, workforce and infrastructure, approximately \$30 billion to 2055.
  - This planned investment is informed by extensive engagement with AUKUS partners during the 18 month consultation period, and tailored to the unique Australian context.
  - This will deliver a major boost to Australian industry, jobs, infrastructure and capability to keep our nation safe.
- Australia's significant investment in our own industrial base, and fair and proportionate investment in the US submarine industrial base, demonstrates our commitment to the success of the AUKUS undertaking and sustaining a stable and secure region.
- As stated, the US has also committed significant funding domestically to bolster its submarine industrial base.
- The Administration's request for an additional USD 3.4 billion to supplement existing investment in the US submarine industrial base represents a small but important fraction of the total US commitment to strengthen its industrial capacity and comes at a critical time.

### *Response to CRS report – last updated 23 October*

- The Congressional Research Service is non-partisan and supports Congressional committees and Congress members.
  - It is a research and analysis service that prepares reports examining issues from a variety of perspectives.
  - It does not necessarily reflect the views of the Administration nor Congressional members.
  - As its own disclaimer states, CRS reports should not be relied upon for purposes other than public understanding of information.

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- The CRS report ‘Navy Virginia-Class Submarine Program’ is a report that is periodically updated.
- As per the 14 March Leaders announcement, Congressional approval is required for one aspect of the pathway (transfer of in-service Virginias to Australia).
  - We are working with Congress on this and in ensuring seamless implementation of the pathway.
  - This includes ship transfer legislation, which will enable the transfer of in-service Virginias to Australia.

***Senator/Member X has raised concerns about the legislation, are you worried?***

- A key benefit of the democratic process is freedom of debate.
  - Raising questions and contesting proposals is a normal part of US government processes.
- The US system is moving quickly to support implementation of the AUKUS Optimal Pathway.
  - We welcome the strong Congressional support for the optimal pathway and AUKUS more broadly.
  - We appreciate the US’ commitment to ensuring Australia has the capability we need to respond to the challenges of our strategic environment.

***In announcement you said Virginias are subject to Congressional approval, what if Congress says no?***

- Australia, the United Kingdom and United States are seriously committed to the AUKUS Optimal Pathway, as reflected in the Leaders announcement on 14 March (AEDT).
- As seen through public statements from a number of US Congress Members and Senators, the AUKUS pathway, including the transfer of US Virginia class submarines to Australia, has strong support in Congress.
  - There is a lot of momentum for AUKUS in the US system.
- We will continue to work closely with Congress and the Administration to ensure we have the necessary legislative reform and frameworks required to implement the pathway.

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***What binding agreements are in place to keep our partners accountable for the Optimal Pathway? How will Australia be protected from any changes in direction resulting from changes of government?***

- There is strong bipartisan support for AUKUS and the nuclear-powered submarine pathway in all three countries.
  - AUKUS partners are working together to progress the necessary legal frameworks to support the pathway.
  - We are confident the support and commitment to the pathway will continue should there be a change in leadership in any nation.
- The Exchange of Naval Nuclear Propulsion Information Agreement (the ENNPIA) which enables AUKUS partners to share naval nuclear propulsion information, will continue to remain in force until 31 December 2025.
  - We are working with the United Kingdom and United States to progress discussions on the required follow-on legal frameworks to underpin the Optimal Pathway.

***Export control reforms***

- *[Handling note: Refer to Defence – Defence Industry Policy Division lead].*
- Seamless transfer of technology and information between Australia and the United States is key to the success of AUKUS, across both submarine cooperation and Advanced Capabilities.

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<b>PDR No:</b> SB23-000836	
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## Virginia Class Submarine

**Handling Note:** AVM Philip Tammen to lead on acquisition of Virginia Class Submarine

### Key Messages

- As AUKUS Leaders noted in the Pathway announcement on 14 March, Australia's first nuclear-powered submarines will be of the United States designed and built Virginia class.
- Australia will acquire three Virginia class submarines from the United States, subject to Congressional approval, with the option of two more if needed.
- Australia's Virginia class nuclear-powered submarines will be sovereign Australian submarines operated by the Royal Australian Navy and under the command of the Australian Government.
- The commonality in systems between the Virginia class and SSN-AUKUS will help with the transition to SSN-AUKUS and enhance interoperability and interchangeability among the AUKUS partners.
- Commonality across the design, components and performance of Virginia class SSNs and SSN-AUKUS will assist in the training and transition of the Australian workforce, including sailors, towards SSN-AUKUS.

### Talking Points

#### *If pressed: Will Australia own and operate the Virginia Class submarines?*

- Australia's first nuclear-powered submarines will be the United States designed and built Virginia class SSN.
- These are arguably the world's best, contemporary nuclear-powered submarines and are operated in the region by our United States ally.
- Australia's Virginia class SSNs will be sovereign Australian submarines operated by the Royal Australian Navy and under the command of the Australian Government.
- Decisions on the deployment, missions and operations of Australia's Virginia class SSNs will be matters for the Australian Government, as with all of Australia's sovereign defence capabilities.

#### *If pressed: How many Virginia Class SSN submarines will Australia buy?*

- As AUKUS Leaders noted in the Pathway announcement on 14 March, Australia will operate a nuclear-powered submarine fleet of eight boats.
- Australia will acquire three Virginia class SSN submarines from the United States, subject to Congressional approval, with the option of two more if needed. This includes:
  - The transfer of up to two in-service Virginias to Australia.
  - The third submarine would be sold off the production line.
- As announced, Australia also has the option to purchase an additional two Virginia class SSN submarines off the production line if required.

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***If pressed: Why the Virginia Class submarines?***

- The future security environment of the Indo-Pacific region means that over time the ability of diesel-powered submarines to meet Australia's capability needs will diminish.
- Only conventionally-armed, nuclear-powered submarines will meet Australia's defence requirements in the decades ahead.
- The acquisition of Virginia class submarines under the phased approach will provide Australia with a sovereign nuclear-powered submarine capability as soon as possible and ensure there is no capability gap during the retirement of Australia's existing Collins-class submarine fleet.
- No other platform matches the stealth, endurance, mobility and mix of capabilities a nuclear-powered submarine provides. They offer virtually unlimited range and increased stealth because they do not need to regularly rise to the surface to recharge the batteries.
- The range and endurance of Virginia class SSNs will keep maritime threats farther away from Australia's territory and people. Nuclear-powered submarines can deter a potential aggressor by holding their ships and submarines at risk at distance from Australia and creating uncertainty in the mind of adversaries.
- There will be considerable synergies as we operate these submarines with our partners, maximising interoperability and enhancing industry sustainment and supply chain opportunities.

***If pressed: If the Virginia Class SSN is seen as a suitable solution for the Royal Australian Navy from the early 2030s, why not build Virginia class submarines for Australia so we have just one class of submarine?***

- The reality is the Virginia class SSN submarine is projected to cease production in the US in the 2040s which will see the US reorient its supply chain and production for its next generation fast attack submarine (SSN-X).
- If Australia were to be building Virginia class SSN submarines long after the US has finished production and reoriented to SSN-X, we could be facing supply chain, industrial base and design upgrade challenges.
- Australia will follow the UK in its production of the first SSN-AUKUS and both countries will be building the same submarine for several decades thereby realising efficiencies in supply chain, industrial base and design for upgrades as required.

***If pressed: How is there commonality between Virginia class SSN submarines and SSN-AUKUS?***

- There will be a high degree of commonality between the Virginia class SSNs and SSN-AUKUS which includes sharing elements of the propulsion and platform systems, with the combat system and conventional weapons being an evolved system over the two classes.

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Supplementary Budget Estimates October 2023  
Last updated: 16 October 2023  
Key witnesses: AVM Philip Tammen

PDR No: SB23-000822  
Virginia Class Submarine

- The commonality in components between the Virginia class SSN and SSN-AUKUS will help with the transition to SSN-AUKUS and enhance interoperability and interchangeability among the AUKUS partners.
- Increased embedding of Australian sailors on United Kingdom and United States SSNs (including Virginia class SSN) from this year, above what was already occurring and in wider roles, will increase familiarity with these shared systems, enhancing Australia's capability to operate, maintain and regulate our sovereign capabilities from the early 2030s.
- Commonality across the design, components and performance of Virginia class SSNs and SSN-AUKUS will assist in the training and transition of the Australian workforce, including sailors, towards SSN-AUKUS.

### Questions on Notice

#### Senate: 16 June

- **QoN 89, AUKUS legislation**, Senator the Hon Simon Birmingham (Liberal, South Australia) asked for information on ship transfer legislation in the US Congress and Australia's acquisition of Virginia-class submarines.

### Freedom of Information (FOI) Requests

None

### Recent Ministerial Comments

- TBC

### Relevant Media Reporting

- On 12 October 2023, **Peter Briggs, ASPI The Strategist** [wrote](#) about 'How many nuclear-powered submarines for Australia? He says its problematic whether Australia can achieve an operational, sustainable and deployable SSN capability from eight boats made up of a mix of Virginia and AUKUS designs. The mix of classes adds to the complexity, cost and risk because it entails two supply chains and differing major onboard equipment, spares, and training systems and simulators.
- On 10 October 2023, **Mack Williams, Pearls and Wisdom** [wrote](#) about the US Congressional Research Service (CRS) independent analysis. The article mentions the costs, capability, Controls implications of the Virginia-Class Submarine sale to Australia.
- On 7 October 2023, **Greg Sheridan, the Australian** [wrote](#) an article 'Hamas attack on Israel points up sheer folly of Australia's lack of defence capabilities'. He mentions the US Congressional Research Service report on the Virginia-Class nuclear submarines. He says, "Australia might have an accident and discredit the whole program, it said. Worse, the US didn't have enough and couldn't produce any more. It takes seven years to build a Virginia. Any Virginia not yet in production won't exist by 2030."

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Supplementary Budget Estimates October 2023

Last updated: 16 October 2023

Key witnesses: AVM Philip Tammen

PDR No: SB23-000822

Virginia Class Submarine

<b>Division:</b> Virginia Acquisition and Commercial	
<b>PDR No:</b> SB23-000822	
<b>Prepared by:</b> s47E(d) , Director Virginia Program Integration, Virginia Acquisition Branch Mob: s47E(d) Ph: s47E(d) Date: 1 September 2023	<b>Cleared by Division Head:</b> AVM Philip Tammen, Head Virginia and Commercial Division Mob: s47E(d) Ph: s47E(d) Date: 7 September 2023

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Budget Estimates: October 2023  
Last updated: 16 October 2023  
Key witness: RADM Matthew Buckley

PDR No: SB23-000823  
Western Australia

## Western Australia

**Handling Note:** Rear Admiral Matthew Buckley to lead on Western Australia.

### Key Messages

- The Australian Government will invest up to \$8 billion over the next decade to expand HMAS *Stirling*, supporting around 3,000 direct jobs, and in turn the local economy.
- This investment will include wharf upgrades; operational maintenance, logistics and training facilities; and opportunities for supporting infrastructure outside of HMAS *Stirling*.
- Western Australia will be at the forefront of the Optimal Pathway for Australia's acquisition of a conventionally armed nuclear-powered submarine capability, continuing its proud tradition as the home of Australian submarines.
  - Beginning in 2023, United States nuclear-powered submarines are expected to increase port visits to Western Australia with Australian sailors joining United States crews for training and development. The United Kingdom will increase visits from 2026 providing similar opportunities for our Australian sailors.
  - From as early as 2027, United Kingdom and United States nuclear-powered submarines will begin a rotational presence. This initiative, known as 'Submarine Rotational Force-West', will develop Australia's ability to operate, maintain and safely steward our future SSNs by deploying our Navy personnel on visiting United Kingdom and United States submarines where they will gain at-sea experience with naval nuclear propulsion.
  - And then from the early 2030s HMAS *Stirling* will house Australia's first sovereign SSN capability – the United States Virginia class submarines.

### Talking Points

- The Federal and Western Australian governments have established the Nuclear Powered Submarine Program Steering Group as a sub-group of the existing Joint Henderson Taskforce to ensure the Australian and Western Australian governments remain aligned and collaborate to successfully deliver a sovereign nuclear-powered submarine capability for Australia.

### Western Australia Nuclear Powered Submarine Program Steering Group

- A Commonwealth, Western Australia Government Nuclear Powered Submarine Program Steering Group has been established as a sub-group of the existing Joint Henderson Taskforce to provide a structured forum for coordination on issues relation to the implementation of the Optimal Pathway.

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Budget Estimates: October 2023  
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Western Australia

- The inaugural steering group meeting was held on 22 August 2023.
- The Steering Group is initially focusing on infrastructure, workforce, safety, security and social licence.
- The community engagement and social licence working group is an area of immediate focus.
- This working group is already undertaking detailed discussions based on a supported visit from United States representatives in mid-September. These United States working level delegates provided the working group with an understanding of how they can support families and United States members that will be in Western Australia as part of Submarine Rotational Force-West.
  - Housing arrangements are a significant focus.
- An additional 500-700 direct jobs are expected to support the sustainment of the Submarine Rotational Force-West (SRF-West) over 2027-2032.
- Western Australia's education institutions will also play a key role in developing skilling programs to support workforce growth.

### Social licence

- Developing and maintaining a social licence for Australian conventionally-armed, nuclear-powered submarines will underpin the success of the program.
- While this is a whole-of-nation undertaking, considered and ongoing engagement with Western Australia and South Australia is critical given the role each of these states play in the Australian nuclear-powered submarine program.
- The Director-General Australian Submarine Agency recently met with Western Australian Premier Roger Cook and we look forward to continuing engagement.
- We (ASA representatives) meet regularly with the responsible Western Australian Minister (Papalia) mayors and local government officials to understand their priorities, address any issues and ensure an aligned and collaborative approach to guarantee the success of this program.

### What is happening in Western Australia?

- Increased United States SSN port visits to HMAS *Stirling* in Western Australia have begun this year, enabling Australia to develop critical experience with nuclear powered submarines at sea and port.
  - The United Kingdom will increase SSN port visits to HMAS *Stirling* from 2026, providing similar experience for Australian sailors on United Kingdom submarines.
- The Government will invest \$8 billion across this decade on expansion of HMAS *Stirling*.

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- This investment, including wharf upgrades, operational maintenance, and other supporting infrastructure, will be critical in supporting this increase in port visits, as well as the rotational presence of United Kingdom and United States submarines for SRF-West and Australia's fleet of SSN-AUKUS.

***If pressed: What role are Australian Naval Infrastructure currently playing in developing the Henderson Maritime Precinct?***

- The Henderson Maritime Precinct is one of Australia's two principal shipbuilding hubs. As such, the Western Australian defence industry will play a critical role in the future maintenance, operating and basing requirements for Australia's future fleet of nuclear-powered submarines.
- Australian Naval Infrastructure is working with the Department of Defence and the Western Australian Government to progress planning for the delivery of Large Vessel Infrastructure at Henderson.

***If pressed: What level of community engagement has taken place in Western Australia?***

- The Australian Submarine Agency has been engaging with local councils in Western Australia to learn about their priorities and concerns and ensure the work to deliver our nuclear-powered submarines is mindful of and benefits their local communities.
- The Australian Submarine Agency has met with the Cities of Rockingham, Cockburn, Kwinana and Fremantle.
- These meetings have been productive, with all councils thus far expressing excitement about the opportunities that lie ahead with this endeavour
- Defence plans to undertake a social and economic impact assessment to ensure the local community is equipped to manage any potential impacts of SRF-West.
- The Perth Southwest Metropolitan Alliance is specifically referenced in the Terms of Reference for the West Australian Nuclear-Powered Submarine Program Steering Group as a source of expertise.

**Questions on Notice**

**Budget Estimates: 30 & 31 May**

- **QoN 17, AUKUS memorandum**, Senator the Hon Linda Reynolds (Liberal, Western Australia) requested that an AUKUS memorandum between the Nuclear Powered Submarine Taskforce and the WA Government be tabled.
- **QoN 18, Key Streams for AUKUS**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked for information on infrastructure at *Stirling* and Henderson, workforce and the nuclear regulatory system.

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- **QoN 29, Pillar One MoU**, Senator the Hon Linda Reynolds (Liberal, Western Australia) requested the exchange of letters relating to AUKUS Pillar One between the Commonwealth and State Governments be tabled.
- **QoN 92, AUKUS readiness**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked a list of questions relating to WA infrastructure, WA Government and community engagement, workforce, health and safety, security, and timings.

**Senate: 3 March 2023**

- **QoN 65, Workforce demand and skill requirements**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked for details regarding the department’s plans for acquiring the skilled workforce needed to support the nuclear-powered submarine program.

**Freedom of Information (FOI) Requests**

- None

**Recent Ministerial Comments**

- TBC

**Relevant Media Reporting**

- On 18 September 2023, Andrew Hastie (Shadow Minister for Defence) and Simon Birmingham (Leader of the Opposition in the Senate, shadow Minister for Foreign Affairs) published a joint statement to mark the second anniversary of AUKUS. While AUKUS is truly multinational task, it will require political leadership across government and involve industry, the private sector and the education sector. The statement also says, “critically this should include ensuring the infrastructure and workforce across Osborne, Henderson and HMAS Stirling are developed to successfully operate, sustain and ultimately build the nuclear-powered submarine fleet.”

<b>Division:</b>	Capability Division
<b>PDR No:</b>	SB23-000823
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Date: 8 September 2023	

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### Supporting Information – Congress fast facts

- Seeking passage of legislation that:
  1. Authorises the transfer of up to two in-service US Virginia class submarines to Australia.
  2. Establishes a mechanism for Australia’s investment in the US industrial base.
  3. Enables Australian contractors to conduct maintenance on US submarines in US shipyards.
  4. Enables the maintenance of US submarines in Australia by Australians.

#### Key proposals being considered by Congress

Legislative proposal	Key Sponsor/s	What does the legislation enable?	Status
<b>House</b>			
HR4619: AUKUS Submarine Transfer Authorization Act	Reps Bill Huizenga (R-Michigan), Michael McCaul (R-Texas) and Joe Courtney (D-Connecticut)	<ul style="list-style-type: none"> <li>• All four AUKUS submarine proposals</li> </ul>	<p><b>Passed by HFAC on 26 July.</b></p> <p>Despite not yet being passed by the full House, we understand the House is trying to use these bills to represent their negotiating position during 2024 National Defense Authorization Act (NDAA) conference discussions.</p>
<b>Senate</b>			
NDAA Amendment through State Authorization Act	Compromise bill from Senators Robert Menendez (D-New Jersey)/ Jim Risch (D-Idaho)	<ul style="list-style-type: none"> <li>• Ship transfer</li> <li>• Industrial base investment mechanism</li> </ul>	Passed by voice vote in SFRC on 13 July. <b>To be discussed in NDAA negotiations.</b>
NDAA Amendment through State Authorization Act	Compromise bill from Senators Robert Menendez (D-New Jersey)/ Jim Risch (D-Idaho)	<ul style="list-style-type: none"> <li>• Australian contractors to work in US shipyards</li> <li>• Maintenance in Australia</li> </ul>	Passed by voice vote in SFRC on 13 July. <b>Included in draft Senate NDAA (around 26 July).</b>
NDAA Amendment through State Authorization Act	Senator Tim Kaine (D-Virginia)	<ul style="list-style-type: none"> <li>• Repair/refurbishment of US subs in Australia for AUKUS activities, or as Presidentially authorized.</li> </ul>	Passed by voice vote in SFRC on 13 July. <b>Included in draft Senate NDAA (around 26 July) (linked to provision in row above)</b>
<b>Other key proposals</b>			



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<p>“AUKUS Undersea Defense Act”</p>	<p>Rep Gregory Meeks (D-New York) with Rep Joe Courtney (D-Connecticut) and Rep Ami Bera (D-California)</p>	<ul style="list-style-type: none"> <li>• All four AUKUS submarine proposals.</li> <li>• Was updated to include export control reform proposal.</li> </ul>	<p>First introduced on 9 June. Updated on 29 June with export control proposal. <b>Did not proceed through House consideration of NDAA.</b></p>
<p>Truncating Onerous Regulations for Partners and Enhancing Deterrence Operations Act  “TORPEDO Act”</p>	<p>Senator Jim Risch (D-Idaho)</p>	<ul style="list-style-type: none"> <li>• <b>Refer to Defence.</b></li> <li>• Export control reform.</li> </ul>	<p>Amended version included in NDAA (around 26 July).</p>
<p>HR4716: Keeping our Allies Leading in Advancement Act “KOALA Act”</p>	<p>Michael McCaul (R-Texas)</p>	<ul style="list-style-type: none"> <li>• <b>Refer to Defence.</b></li> <li>• Export control reform for Australia.</li> </ul>	<p>Passed out of committee by HFAC on 26 July, but not yet considered on the floor</p>
<p>Bilateral Resilience in Industry Trade Security Act “BRITS Act”</p>	<p>Michael McCaul (R-Texas)</p>	<ul style="list-style-type: none"> <li>• <b>Refer to Defence.</b></li> <li>• Export control reform for United Kingdom.</li> </ul>	<p>Passed out of committee by HFAC on 26 July, but not yet considered on the floor</p>
<p>AUKUS Oversight and Accountability Act “AOA Act”</p>		<ul style="list-style-type: none"> <li>• Oversight for Congress.</li> </ul>	<p>Passed out of committee by HFAC on 26 July, but not yet considered on the floor</p>

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Key Congress players

HOUSE OF REPRESENTATIVES		SENATE	
<p><b>Speaker of the House: (Interim)</b> Patrick McHenry (R-North Carolina) <b>House Majority Leader:</b> Steve Scalise (R-Louisiana) <b>Majority Whip:</b> Tom Emmer (R-Minnesota) <b>House Minority Leader:</b> Hakeem Jeffries (D-New York) <b>Minority Whip:</b> Katherine Clark (D-Massachusetts)</p>		<p><b>President of the Senate:</b> Kamala Harris (D) <b>Senate Majority Leader:</b> Chuck Schumer (D-New York) <b>Majority Whip:</b> Richard Durbin (D-Illinois) <b>Senate Minority Leader:</b> Mitch McConnell (R-Kentucky) <b>Minority Whip:</b> John Thune (R-South Dakota)</p>	
House Armed Services Committee		Senate Armed Services Committee	
<p><b>Chair</b> Mike Rogers (R-Alabama)</p>	<p><b>Ranking Member</b> Adam Smith (D-Washington)</p>	<p><b>Chair</b> Jack Reed (D-Rhode Island)</p>	<p><b>Ranking Member</b> Roger Wicker (R-Mississippi)</p>
House Foreign Affairs Committee		Senate Foreign Relations Committee	
<p><b>Chair</b> Michael McCaul (R-Texas)</p>	<p><b>Ranking Member</b> Gregory Meeks (D-New York)</p>	<p><b>Chair</b> Ben Cardin (D-Maryland)</p>	<p><b>Ranking Member</b> James Risch (R-Idaho)</p>
APPROPRIATIONS COMMITTEES			
<p><b>Chair</b> Kay Granger (R-Texas)</p>	<p><b>Ranking Member</b> Rosa DeLauro (D-Connecticut)</p>	<p><b>Chair</b> Patty Murray (D-Washington)</p>	<p><b>Vice Chair</b> Susan Collins (R-Maine)</p>
Defense Subcommittees			
<p><b>Chair</b> Ken Calvert (R-California)</p>	<p><b>Ranking Member</b> Betty McCollum (D-Minnesota)</p>	<p><b>Chair</b> Jon Tester (D-Montana)</p>	<p><b>Ranking Member</b> Susan Collins (R-Maine)</p>