

2022–23 Major Projects Report

Handling Note:

- Deputy Secretary, Capability Acquisition and Sustainment Group, Chris Deeble, to lead on overall outcomes and the process for production of the Major Projects Report.
- Acting Vice Chief of the Defence Force, Major General Anthony Rawlins, to support regarding information withheld from publication.
- Respective division heads or capability managers will lead on project-specific questions.

Key Messages

- The Australian National Audit Office tabled the 2022–23 Major Projects Report, developed jointly with Defence, on 9 February 2024.
- The 2022–23 Major Projects Report confirmed that, within the review period, the 20 projects valued at \$58.6 billion performed strongly and steadily against the measures of scope and cost.
- Defence sets ambitious schedules to drive performance and efficiencies, to deliver capability safely to the war-fighter as soon as possible. We should recognise this as a feature of the process.
- Schedule performance continues to be an area for improvement. However, the Major Projects Report did not identify any performance issues that were not already being managed by Defence.
- Defence remains committed to working collaboratively with the Australian National Audit Office, ensuring that the Major Projects Report remains contemporary and supports public transparency of Defence's project performance within the context of the current security environment.

Talking Points

Why has Defence withheld from publication some information in this report?

- Some project performance information on 12 projects has been withheld for security reasons.
- The Australian National Audit Office was provided all information – including information deemed not suitable for publication – to conduct its assurance review.
- Defence continues to publicly report on key acquisition and sustainment projects in the Portfolio Budget Statements, Portfolio Additional Estimates Statements, and the Defence Annual Report.

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Why have some projects not reported forecast Final Operational Capability dates?

- Forecast Final Operational Capability dates for eight projects were withheld due to national security considerations.
- Two projects did not report a forecast Final Operational Capability date for other reasons.
 - The Hunter Class Frigate project (SEA 5000 Phase 1) does not have Final Operational Capability milestones approved by Government as at 30 June 2023.
 - In agreement with the Capability Manager, Final Operational Capability will not be declared for the MRH90 project (AIR 9000 Phase 2/4/6).

Has there been a ‘cost blowout’ for the projects in the Major Projects Report?

- There has not been a ‘cost blowout’. All 20 projects in the 2022–23 Major Projects Report operated within their total approved budget.
- None of the 20 projects had a real cost increase in the 2022–23 Major Projects Report.
- Budget variations occur as a result of Government-endorsed changes to scope, real cost changes, scope transfers between projects, and foreign exchange adjustments.
- Budget increases for some projects in previous financial years were primarily related to approved scope increases, such as the additional 58 Joint Strike Fighters.

Which projects had significant approved budget variance in 2022–23 that were not related to foreign exchange adjustments?

- The budget variation of approximately \$2.672 billion for the Advanced Growler (AIR 5349 Phase 6) was due to the provision of Second Pass approval of Tranche 1 funding for the development of aircraft upgrades, Next Generation Jammers, AGM-88G missiles acquisition, electronic warfare range upgrades, and associated sustainment costs.
- The MQ-4C Triton (AIR 7000 Phase 1B) budget variation of \$270.1 million was for an additional air vehicle.
- The JORN Mid-Life Upgrade (AIR 2025 Phase 6) budget variation of approximately \$142 million was due to a funding transfer for the High Power Amplifier Replacement project.

How are the projects tracking against schedule?

- Many Defence projects are complex undertakings at the cutting edge of technological, engineering and industrial capability, and inevitably involve risk.
- Defence’s ambitious schedules are a feature of this process, aiming to drive performance and efficiency in delivering capability to the war-fighter.
- The 2022–23 Major Projects Report did not find any specific schedule issues that Defence was not already managing.

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- The Australian National Audit Office assessed the aggregate schedule performance of the 2022–23 projects is 453 months when compared to the initial schedule; with an average schedule slippage of 25 months and an in-year slippage of 101 months.
- The majority of aggregated delay relates to long-standing key projects, including MRH 90 Helicopters, MQ-4C Triton and the Civil Military Air Traffic Management System. These projects have been subject to concerted management attention.

Why did the Australian National Audit Office raise a qualification regarding Battlefield Command System (LAND 200 Tranche 2)?

- The Australian National Audit Office assessed that the project scope should be reduced
- Since project approval in 2017, the Battlefield Command System has experienced delays in both the Battle Management System and Tactical Communications Network components.
- In 2023, the project closed the Battle Management System contract, which did not materially impact scope in year, leaving the Tactical Communications Network element as the remaining component of the Battlefield Command System to be delivered.
- Defence continues to work with L3Harris Technologies to resolve issues affecting the contracted milestones for the Tactical Communications Network.
- As a result, in the 2022–23 review period, the overall capability and scope assessment remained similar to last year's report.
- Once commercial issues are resolved, Defence will conduct an overall assessment of the Battle Command System capability and the Capability Managers' requirements, and provide a report in the respective Project's 2023–24 Major Projects Report Project Data Summary Sheet.

Why did the Australian National Audit Office raise a qualification regarding the reporting of Defence lessons in the report?

- The Joint Committee of Public Accounts and Audit endorse the guidelines used by Defence and the Australian National Audit Office to create the report. The guidelines require disclosure of a description of the project lessons learnt.
- In an effort to improve the quality, relevance and readability of the report, and to ensure consistency with its updated 2022 Lessons Policy, Defence refined the way it captures lessons learned to clearly identify systemic lessons.
- Defence's reporting of project lessons complies with the requirements of the guidelines and is necessary to improve the quality of the report.

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Background**Recommendations of the Joint Committee of Public Accounts and Audit Report 496**

- On 29 June 2023, the Chair of the Joint Committee of Public Accounts and Audit released *Report 496: Inquiry into the Defence Projects Report 2020–21 and 2021–22* and Procurement of Hunter Class Frigates. Defence is on track to respond to all three recommendations.
- Recommendation One:** The Committee recommends that the Department of Defence updates internal governance to require decisions for projects to enter the Projects of Interest or Projects of Concern list be actioned in a timely manner, taking no more than three months between decision and implementation.

 - Defence implemented a revised policy on the management of Projects and Products of Concern and Interest in February 2023, subsequently updated in October 2023. The policy provides specific guidance on timeframes both to action advice on elevation and to develop remediation plans for Projects of Interest or Concern. Advice to the Group Head must be provided within one month of the need for consideration of elevation being identified.
 - In the case of Projects of Interest, the Group Head is the decision-maker. Should the Group Head determine that the project be elevated to a Project of Concern, advice is to be provided to the Minister for Defence Industry within two weeks. A remediation plan is to be in place within three months of the decision.
- Recommendation Two:** The Committee recommends that the Department of Defence provide a detailed update on the implementation of and compliance with internal policies for contingency funding and lessons learned for Major Projects.

 - Defence has been supporting its major project teams with additional guidance and assistance to improve their compliance with policies and processes associated with project management
 - Defence is seeing positive signs that the contingency funding and lessons learnt policies are being adhered to across the projects in the Major Projects Report, and continues to assess compliance across all major projects.
 - In accordance with the existing Defence contingency management policy, if a major project is unable to manage a contingency event within its approved budget allocation, it must enter a formal process to access contingency provisions.
 - The Capability Acquisition and Sustainment Group Risk Management Manual specifies the requirement for a major project to maintain a contingency budget log, an artefact required for the contingency application process.
 - The Australian National Audit Office observed that in 2022–23 each Major Project had complied with Defence’s financial policy relating to contingency funding. However, it also judged that a clear relationship between contingency allocation and identified risks is an issue Defence continues to manage.

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- **Recommendation Three:** The Committee recommends that the Department of Defence provides an update on the requirements and consideration process to close recommendations from the Australian National Audit Office and the Joint Committee of Public Accounts and Audit, including an explanation as to why Recommendation Four of *Report 489: Defence Major Projects Report 2019–20* has been closed without meeting its intended purpose.
 - Recommendation Four from Report 489 referred to the requirement for Defence to define terms associated with delay or deviation from a project milestone achievement. Defence introduced the terms ‘caveat’ and ‘deficiency’ when used in relation to project milestones in December 2022. The Joint Committee of Public Accounts and Audit and the Australian National Audit Office believed further definitional work should have been completed.
- Defence remains committed to working with the Australian National Audit Office to ensure that the Major Projects Report remains contemporary and supports public transparency of Defence's project performance.
- Defence acknowledges no major changes will occur to the Major Projects Report process until the Committee considers a more detailed review of the requirements in consultation with Defence and the Australian National Audit Office.

COVID-19 impacts on 2022–23 Major Projects

- Defence reported that 13 major projects suffered disruptions to project delivery caused by the COVID-19 pandemic.
- Nine projects reported disruptions affecting schedule, with another four projects reporting impacts across multiple domains of cost, schedule and capability:
 - SEA 1180 Phase 1 Offshore Patrol Vessel (capability/scope; schedule)
 - AIR 6000 Phase 2A/2B New Air Combat Capability (capability/scope; schedule)
 - JOINT 2072 Phase 2B Battlespace Communications Systems (cost; schedule)
 - LAND 19 Phase 7B Short Range Ground Based Air Defence (cost; schedule).

Supporting Information

Questions on Notice

2023-24 Budget Estimates: 31 May 2023

- **QoN 1**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked how to further assist Defence with the capability approvals process. **TABLED**
- **QoN 2**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked for the number of Projects of Concern and Interest, and when Defence listed the Jindalee Operational Radar Network project as a Project of Interest. **TABLED**

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- **QoN 3**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked for a timeline of events regarding Defence elevating the Civil-Military Air Traffic Management System project to a Project of Concern. **TABLED**
- **QoN 4**, Senator Karen Grogan (Labor, South Australia) asked a question related to COVID-19 impacts on major projects. **TABLED**
- The Committee submitted 34 written questions in addition to the questions taken on notice during the hearing relating to: COVID-19 impacts on projects; the Projects of Concern and Interest process, and MRH90 as a Project of Concern; risks and challenges associated with capability delivery for projects within the *2021–22 Major Projects Report*; Defence's response on the Australian National Audit Office findings related to risk management practices for major projects; and the treatment of classified information in the Major Projects Report.

2022–23 Supplementary Budget Estimates – 15-16 February 2023

- In **QoN 32**, Senator David Shoebridge (Greens, New South Wales) asked for a table that identifies the different projects against the \$6.5 million cost blow out.

Freedom of Information (FOI) Requests

- No recent FOI requests.

Recent Ministerial Comments

- No recent comments.

Relevant Media Reporting

- On 12 February 2024, the Australian Defence Magazine [reported](#) on the release of the Major Projects Report, not for publication data, schedule and cost.
- On 12 February 2024, The Australian Financial Review [reported](#) on the 10 biggest projects being delayed and how much the costs have blown out over time.

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Division: Strategy, Planning and Independent Assurance	
PDR No: SB24-000333	
Prepared by: Myles Mahood Acting Assistant Secretary Independent Project and Portfolio Management Office Strategy, Planning and Independent Assurance Division Mob: s22 Ph: s47E(d) Date: 10 April 2024	Cleared by Division Head: Suzanne Kerrigan Acting First Assistant Secretary Strategy, Planning and Independent Assurance Capability Acquisition Sustainment Group Mob: s22 Ph: s47E(d) Date: 15 April 2024
Cleared by CFO / DPG / DSR: N/A	
Cleared by Deputy Secretary: Date: 17 April 2024 Chris Deeble Deputy Secretary Capability Acquisition and Sustainment Group	

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Project performance and reporting

Handling Note:

- Deputy Secretary, Capability Acquisition and Sustainment Group, Mr Chris Deeble.

Key Messages

- On 10 October 2022, the Deputy Prime Minister and the Minister for Defence Industry announced six measures to strengthen and revitalise the oversight of project performance, including the Projects of Concern process.
- Defence has progressed implementation of all six measures.
- There has been a noticeable improvement in senior management's vigilance and oversight of projects and sustainment products experiencing performance issues and challenges.

Talking Points

Measure 1 – Establishing an independent projects and portfolio management office within Defence

- The Independent Project and Portfolio Management Office was established on 6 March 2023. It provides independent decision support and assurance functions, key elements of which are the Smart Buyer and Independent Assurance processes. The Independent Project and Portfolio Management Office also offers consolidated performance assessment and reporting to all Defence delivery groups.

Measure 2 – Requiring monthly reports on Projects of Concern and Projects of Interest to the Deputy Prime Minister and Minister for Defence Industry

- Since October 2022, monthly capability acquisition performance reports, including detailed reports on Projects of Concern and Projects of Interest, have been provided to the Deputy Prime Minister and Minister for Defence Industry.
- The Independent Project and Portfolio Management Office has produced ten monthly performance reports and three Defence Acquisition and Sustainment Quarterly Performance Reports.
- The reporting covers the following Groups:
 - Capability Acquisition and Sustainment;
 - Naval Shipbuilding and Sustainment;
 - Security and Estate;
 - Guided Weapons and Explosive Ordnance;
 - Defence Digital;

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- Defence Science and Technology; and
- Defence Intelligence.

Measure 3 – Establishing formal processes and ‘early warning’ criteria for placing projects on the Projects of Concern and Projects of Interest lists

- . A revised policy on the Projects and Products of Interest and Concern regime was published on 28 February 2023 and updated in October 2023. The policy includes more vigilant line management oversight of performance; risk identification, management and mitigation in project and product delivery; and implements the requirement for agreed remediation plans as methods for early identification of project risks.
- . There is now a tiered process for placing projects and products with significant risks, issues or challenges on a Group Watch List, from which they may be elevated to the Projects/Products of Interest or Projects/Products of Concern Lists.
- . For more substantial risks, issues or significant deviations (actual or anticipated) from project parameters (scope, schedule or budget), Group Heads may place projects or products on the Project/Product of Interest List. Alternatively, a recommendation may be made to the Minister for Defence Industry they be placed on the Project/Product of Concern List.
- . There are currently three Projects of Concern:
 - Civil Military Air Traffic Management System (OneSKY) (AIR 5431 Phase 3), declared a Project of Concern in October 2022 due to significant schedule, technical and cost challenges.
 - Satellite Ground Station East and Wideband SATCOM Network Management System (JOINT 2008 Phase 5B2), elevated to the Projects of Concern list in May 2023 due to ongoing schedule delays to the software development of the network management system.
 - Offshore Patrol Vessel (SEA 1180 Phase 1), elevated to the Projects of Concern list in October 2023 due to significant delays to the delivery of vessels and the associated support system.
- . There are 14 Projects of Interest and 2 Products of Interest.

Measure 4 – Fostering a culture in Defence of raising attention to emerging problems and encouraging and enabling early response

- . The updated policy reinforces the need for honesty, openness and transparency in reporting on performance; provides visibility of current and emerging issues; and elevates matters for senior-level or external assistance, while reinforcing that accountable line managers have primary responsibility for performance and delivery.

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Senate Estimates June 2024
Last updated: 12 April 2024
Key witness: Chris Deeble

PDR No: SB24-000334
Project Performance and Reporting

Measure 5 – Providing troubled projects with extra resources and skills

- The revised policy reinforces the availability of specialist resources, including from the Independent Assurance Review team, and the willingness of senior managers to assist with troubled projects.
- The Independent Project and Portfolio Management Office's support and assurance processes will consider providing additional support or specialist skills to project and product teams.
- Projects of Concern have been provided access to additional support or specialist skills in developing their remediation plans.

Measure 6 – Convening regular Ministerial summits to discuss remediation plans

- Projects of Concern Summits were held on 2 December 2022, 31 March 2023 and 19 September 2023, with a further two held on 8 December 2023.
 - Of these five Summits, four featured the OneSKY-CMATS project and one focussed on the Offshore Patrol Vessel project.
- Projects of Concern Summits have been effective at establishing common intent among leadership teams and increasing engagement and alignment between Defence and industry partners, contributing to improved efforts to remediate project performance issues and concerns.

Supporting Information

Questions on Notice

2022-23 Supplementary Senate Estimates: 15 February 2023

- **QoN 8, Capability sustainment reporting**, Senator Linda White (Labor, Victoria) asked several performance reporting questions. **TABLED**

2022-23 October Budget Estimates: 8 November 2022

- **QoN 46, Program governance**, Senator Jim Molan (Liberal, New South Wales) asked several performance reporting questions. **TABLED**

Freedom of Information (FOI) Requests

- On 10 September 2023, an individual made a request for access to information regarding top 30 capital equipment projects managed by the Capability Acquisition and Sustainment Group and the Naval Shipbuilding and Sustainment Group.
- **Documents were released on 16 November 2023.**

Recent Ministerial Comments

- On 8 December 2023, the Minister for Defence Industry issued two media releases regarding the Projects of Concern Summits held in Canberra about the [OneSKY-CMATS project](#) and [Offshore Patrol Vessel project](#).

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- On 27 September 2023, the Minister for Defence Industry issued a [media release](#) regarding the Projects of Concern Summit in Canberra on 19 September 2023, about the OneSKY-CMATS project.
- On 22 May 2023, the Minister for Defence Industry issued a [media release](#) regarding the elevation of Satellite Ground Station East and Wideband SATCOM Network Management System to a Project of Concern.
- On 31 March 2023, the Minister for Defence Industry issued a [media release](#) regarding the Projects of Concern Summit in Canberra on the OneSKY-CMATS project.
- On 2 December 2022, the Minister for Defence Industry issued a [media release](#) regarding the Projects of Concern Summit on the OneSKY-CMATS project.

Relevant Media Reporting

- On 20 October 2023, Defence published a [media release](#) regarding the elevation of Offshore Patrol Vessel to a Project of Concern.
- On 27 September 2023, Defence Connect published an article titled [Conroy hosts Projects of Concern Summit](#), in which journalist Liam Garman reported that the summit had agreed to milestones to be reached by the end of the year.
- On 5 October 2023, The Age published [Navy firepower boost: Review wants more destroyers, fewer frigates](#) in which journalist Matthew Knott discussed the plan considered by Government.

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Senate Estimates June 2024
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PDR No: SB24-000334
 Project Performance and Reporting

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Enhanced Lethality Surface Combatant Fleet

Handling Note:

- Chief of Navy, Vice Admiral Mark Hammond, to lead.
- Deputy Secretary Defence Strategic Review Implementation, Tom Hamilton, to support.

Key Messages

- The Government's response to the Independent Analysis of Navy's Surface Combatant Fleet, including \$11.1 billion dollars in additional funding over the next decade, is embedded in the 2024 National Defence Strategy and 2024 Integrated Investment Program.
- The Government accepted the Defence Strategic Review recommendation and initiated an independent analysis of Navy's surface combatant fleet capability in Quarter 1 2023.
- The Independent Analysis Team provided its report to the Government at the end of Quarter 3 2023 and the Government responded in Quarter 1 2024.
- On 20 February 2024, the Government released its blueprint for a larger and more lethal surface combatant fleet for Navy.
- This larger surface combatant fleet will increase Australia's ability to participate in operations and exercises, and deepen our relationship with our regional neighbours.
- Navy's enhanced lethality surface combatant fleet will be optimised for operating in Australia's immediate region and contributing to the strategy of denial.

Talking Points

Independent Analysis of the Surface Combatant Fleet

- In response to the Defence Strategic Review, the Government agreed to conduct an independent analysis of Navy's surface combatant fleet to ensure its size, structure and composition complement the capabilities provided by the forthcoming conventionally-armed, nuclear-powered submarines.
- The Analysis was led by retired United States Navy Vice Admiral William Hilarides, and assisted by the former Secretary of the Department of Finance Ms Rosemary Huxtable AO PSM, and former Commander Australian Fleet Vice Admiral Stuart Mayer AO CSC & Bar.
- The Analysis was handed to the Government on 29 September 2023.

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Independent Analysis – Findings

- The Independent Analysis concurred with the Defence Strategic Review's assessment that an enhanced lethality surface combatant fleet is required to provide increased strike, air defence, presence operations and undersea warfare to address the breadth of maritime missions.
- The public Enhanced Lethality Surface Combatant Fleet report is available on the Defence website, and lists the recommendations made by the Independent Analysis Team and the Government's response to each recommendation.
- The remainder of the Independent Analysis is classified.

Independent Analysis – Government Response

- The Government agreed, or agreed in principle, to each of the recommendations made by the Independent Analysis Team and announced the blueprint for Navy's future surface combatant fleet in response.
- The enhanced lethality surface combatant fleet will comprise:
 - three Hobart Class air warfare destroyers with upgraded strike capabilities;
 - six Hunter Class frigates to boost Navy's undersea warfare and strike capabilities;
 - 11 general purpose frigates to provide maritime and land strike, air defence and force protection capabilities and replace the ageing Anzac Class frigates; and
 - six Large Optionally Crewed Surface Vessels to boost Navy's long-range strike capacity and introduce autonomy to Navy's fleet.
- The Enhanced Lethality Surface Combatant Fleet boosts Navy's multi-domain strike, integrated air and missile defence and undersea warfare capabilities.
- The introduction into service of the Hunter Class frigates, general purpose frigates and Large Optionally Crewed Surface Vessels will allow a higher degree of operational flexibility to perform concurrent tasks and sustain higher-risk tasks for longer durations.

Why was the scope of the Hunter Class frigate program reduced from nine to six vessels?

- The Independent Analysis recommended, and the Government agreed, that six Hunter Class frigates of a single baseline design will provide the required capability in the required timeline.
- The Independent Analysis confirmed there is no capability substitute for the effect delivered by a surface combatant with high-end undersea warfare capabilities.
- The Hunter Class frigate will provide essential advanced air defence, long-range strike, presence and undersea warfare. The undersea warfare capabilities of the Hunter Class frigate proved decisive in the assessment by the Independent Analysis.

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- The risks in the Hunter program have been identified and are well understood, with management plans in place. Any new project would introduce these same – and potentially new – risks.

What will happen to the Anzac Class frigates?

- Commencing with HMAS *Anzac*, which was decommissioned on 18 May 2024, the first two Anzac Class frigates are scheduled to decommission in accordance with their planned service life.
- Defence and Navy will acknowledge the service of the decommissioned vessels and their crews in the appropriate manner.

If pressed: Why is Australia building up military capabilities?

- This is a reasonable response to the strategic circumstances identified in the Defence Strategic Review.
- Navy's future surface combatant fleet will be an integral component of Australia's joint integrated force for operations in our immediate region to ensure the safety and security of our sea lines of communication and maritime trade.
- This larger surface combatant fleet will increase Australia's ability to participate in operations and exercises and deepen our relationship with our regional neighbours.
- Navy's Enhanced Lethality Surface Combatant Fleet will make a greater contribution to the stability, peace and prosperity of our region.

If pressed: What did Navy's fleet look like before this decision?

- Navy's current surface combatant fleet is comprised of:
 - three Hobart Class destroyers; and
 - eight Anzac Class frigates.
- The plan prior to the enhanced lethality surface combatant fleet, was for a surface combatant fleet comprised of:
 - three Hobart Class destroyers, and
 - nine Hunter Class frigates.

If pressed: How were the members of the Independent Analysis Team chosen?

- The membership of the Independent Analysis Team was recommended by the Secretary of Defence to the Deputy Prime Minister, in consultation with the Defence Strategic Review Independent Leads.
- The Independent Analysis Team had extensive experience in naval ship design, construction and delivery, maritime operations, force design, complex procurement and national level project management.

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Background

- The Independent Analysis Team members comprised of:
 - Chair, Vice Admiral William Hilarides, United States Navy (Retired), former Commander, United States Naval Sea Systems Command (United States citizen);
 - Ms Rosemary Huxtable AO PSM, former Secretary of the Department of Finance (Australian citizen); and
 - Vice Admiral Stuart Mayer AO CSC & Bar, Royal Australian Navy, former Deputy Commander, United Nations Command and previous Commander of the Australian Fleet (Australian citizen).
- The Strategic Advisor, the current Deputy Secretary, Naval Shipbuilding and Sustainment Group, was Jim McDowell, former Chief Executive Officer of Nova Systems, who served in this role until 28 July 2023. Following this, he commenced as the Deputy Secretary, Naval Shipbuilding and Sustainment on 31 July 2023.
- As at 30 March 2024, total expenditure for the Independent Analysis Team members’ services and reimbursable costs was approximately \$0.44 million (GST exclusive).
- A further \$1.33 million (GST exclusive) was spent on other contractor/consultant support.

Description	Estimated contract value (GST exclusive)	Total expenditure as at 30 March 2024 (GST exclusive)
Independent Analysis Team members	\$0.51 million	\$0.44 million
Other contractor or consultant support	\$1.64 million	\$1.33 million
Total	\$2.15 million	\$1.77 million

Timeline

Date	Action
20 February 2024	The Government announced its response to the Independent Analysis.
6 November 2023	The Independent Analysis Team disbanded.
29 September 2023	The Independent Analysis Report submitted to the Deputy Prime Minister.
9 June 2023	The Independent analysis Team conducted a Defence Industry Engagement Session.
24 April 2023	The Government publicly released the Defence Strategic Review and advised of the independent analysis of Navy’s surface combatant fleet.
22 March 2023	The Independent Analysis Team Secretariat established.
22 March 2023	The classified Independent Analysis Team Terms of Reference signed by the Secretary and the Chief of Defence Force.
14 February 2023	Defence Strategic Review submitted to Government.

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Budget Estimates June 2024

Last updated: 28 April 2024

Key witnesses: Vice Admiral Mark Hammond; Tom Hamilton

Enhanced Lethality Surface Combatant Fleet

SB24-000335

Supporting Information

Questions on Notice

2023-24 Additional Estimates: 23 February 2024

- **QoN 108, Enhanced Lethality Surface Combatant Fleet Announcements**, Senator the Hon James Paterson (Liberal, Victoria) lodged a number of questions regarding the Independent Analysis of Navy's surface combatant fleet. **TABLED**

2023-24 Supplementary Budget Estimates: 25 October 2023

- **QoN 105, Defence planning and review publications**, Senator the Hon Simon Birmingham (Liberal, South Australia) asked a number of questions regarding the development of the report Independent Analysis of Navy's surface combatant fleet. **TABLED**

2023-24 Budget Estimates: 31 May 2023

- **QoN 63, Surface Fleet Review Terms of Reference**, Senator the Hon Simon Birmingham (Liberal, South Australia) asked if public version of the Independent Analysis Team's Terms of Reference was available. **TABLED**
- **QoN 64, Surface Fleet Review**, Senator the Hon Simon Birmingham (Liberal, South Australia) requested a cost breakdown of contractors and consultants supporting the independent analysis activity. **TABLED**

Freedom of Information (FOI) Requests

- No FOIs requested.

Recent Ministerial Comments

- On 17 April 2024, the Deputy Prime Minister and the Minister for Defence Industry launched the [2024 Integrated Investment Program](#) that included an additional \$11.1 billion over the next decade to deliver the Government's response to the independent analysis of Navy's surface combatant fleet.
- On 20 February 2024, the Deputy Prime Minister and Minister for Defence Industry [announced](#) the blueprint for Navy's future surface combatant fleet in response to the Independent Analysis.
- On 24 April 2023, the Prime Minister, Deputy Prime Minister and Minister for Defence Industry outlined the independent analysis into Navy's surface combatant fleet at the [launch of the Defence Strategic Review](#).

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Relevant Media Reporting

- On 17 April 2024, the Asia Pacific Defence Reporter published an article by Kym Bergmann titled [Navy surface fleet facing worrying fall in numbers later this decade](#).
- On 9 April 2024, the Asia Pacific Defence Reporter published an article by Kym Bergmann titled [Government bungles future frigate choices](#).
- On 22 March 2024, [DPM Marles gave an interview to ABC Insiders](#) and mentioned the surface fleet review in the context of AUKUS.
- On 14 March 2024, The Australian published an opinion piece by former Deputy Prime Minister John Anderson titled [Mr Albanese, your first priority must be national security](#) and includes criticism of the Government's response to the Surface Fleet Review.
- On 22 February 2024, the Australian Financial Review published [It's Europe v Asia in race for navy's new ships](#). Andrew Tillett writes that the Japanese and Spanish designs are regarded as the early frontrunners for the navy's proposed new fleet of general purpose frigates because they share key US-sourced weapons that Australia uses.
- On 21 February 2024, The Australian published [These plans are simply a dismal cross between a damp squib and a routine con job](#) by Greg Sheridan. The article notes that the announcement by Defence Minister Richard Marles offers almost no new money and no immediate acquisition of new capabilities.
- On 21 February 2024, The West Australian published [The Albo robot navy](#). The article notes that Australia's naval fleet will more than double in size and become more lethal to counter the threat by China. Western Australian shipbuilders will construct most of the new boats.
- On 21 February 2024, The Australian published [Labor's drone ship gamble](#) which notes government is gambling on a new generation of drone ships to support a new class of 11 frigates as the navy's core response to the rise of China.
- On 20 February 2024, The Australian published [Navy overhaul: focus on enhanced lethality and speed](#) which notes that navy's surface fleet announcement is the inflection point for national strategy.

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Consultation:	
Cleared by DSR/NDS: Mr Cyril Karo Date: 22 April 2024 First Assistant Secretary Defence Strategic Review Implementation	
Cleared by CFO: Jen Makunde Date: 17 April 2024 Acting Assistant Secretary Finance – Enabling Groups	
Cleared by 3 Star: Rear Admiral JP Earley CSC RAN Date: 24 April 2024 Chief of Navy Navy	

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General Purpose Frigates

Handling Note:

- Chief of Navy, Vice Admiral Mark Hammond AO to lead on capability.
- Deputy Secretary Naval Shipbuilding and Sustainment, Jim McDowell, to support.

Key Messages

- The 2024 Integrated Investment Program provides a total planned investment of \$7-10 billion for general purpose frigates from 2024-25 to 2033-34.
- On 20 February 2024, the Government released its blueprint for a larger and more lethal surface combatant fleet for Navy.
- Navy's future fleet includes 11 new general purpose frigates to provide maritime and land strike, air defence and force protection capabilities.
- A larger and more lethal Navy surface combatant fleet is integral to the safety and security of our sea lines of communication and maritime trade, through operations in our immediate region.
- In mid-May 2023, Defence released a formal approach to market for the general purpose frigates which means we must be sensitive to diplomatic, commercial and probity considerations.

Talking Points

- In its response to the Independent Analysis of Navy's Surface Combatant Fleet, the Government directed Defence to accelerate acquiring 11 new general purpose frigates to replace the ageing Anzac Class frigates.
- The Independent Analysis identified four exemplars of the capability sought for the Australian general purpose frigate:
 - Meko A-200 (Germany);
 - Mogami 30FFM (Japan);
 - Daegu Class FFX Batch II and Chungnam Class FFX Batch III (Republic of Korea); and
 - Navantia ALFA3000 (Spain).
- The Government directed Defence to assess the four exemplar ships against the strategic objectives of (in priority order):
 - speed to capability;
 - suitability to transfer the design and build to Australia;
 - sustainability and maintainability in Australia through life;

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Key witnesses: Vice Admiral Mark Hammond; Jim McDowell.

- compliance or risk management measures and controls; and
 - level of interoperability with Australian and allied warfighting weapons, sensors and systems.
- Defence will pursue a hybrid offshore-then-onshore build strategy with ships one to three built overseas and ships four to eleven built at the Henderson Shipyard in Western Australia provided the shipyard satisfies the condition based assessment.
 - The first general purpose frigate will be delivered by the end of 2029 and operational in 2030.

How is Defence implementing Government's direction?

- Project SEA 3000 – General Purpose Frigate has been established.
- Navy and the Naval Shipbuilding and Sustainment Group have stood up an Integrated Project Team with a diarchy-led governance structure which reflects lessons identified from recent reviews.
- Defence has conducted high-level Defence and industry counterpart engagement and commenced a formal approach to market for the general purpose frigates.

How has Defence engaged with the exemplar nations and shipbuilders?

- In late March 2024, Defence officials engaged with exemplar ship countries' defence ministries and industry.
- A formal approach to market was released to the exemplar shipbuilders in May 2024.
- Ship and site visits will take place over the next few months in support of the formal approach to market.
- Defence, Navy and the Naval Shipbuilding and Sustainment Group continue to maintain positive relationships and frequent engagement with each of the exemplar nations.

If pressed: will Hanwha's pursuit of Austal impact the acquisition of the general purpose frigates?

- The approach to market was released in May to the exemplar companies. The companies will determine if they will respond to the approach to market.
- The Department has no further comment on this matter.

If pressed: Which companies will participate in the approach to market for the general purpose frigate?

- The exemplar companies are:
 - Hanwha Ocean Pty Ltd, Republic of Korea
 - Hyundai Heavy Industries, Republic of Korea
 - Thyssenkrupp Marine Systems, Germany

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Key witnesses: Vice Admiral Mark Hammond; Jim McDowell.

- Mitsubishi Heavy Industries Ltd, Japan
- Navantia Australia Pty Ltd, Spain.

If pressed: What did the Independent Analysis recommend regarding general purpose frigates?

- The Independent Analysis identified the four exemplars through analysis of light frigate and large corvette designs in use by navies around the world.
- The analysis applied a number of capability principles including design maturity and in operational service.
- None of the existing Australian shipbuilders offered a general purpose frigate design that met the capability principles.

Why Australia needs general purpose frigates

- The general purpose frigates provide essential advanced air defence, long-range strike, presence and undersea warfare.
- General purpose frigates, optimised for undersea warfare, operate both independently and in conjunction with the Hobart Class destroyers and Hunter Class frigates to secure maritime trade routes, northern approaches and escort military assets.
- It is essential these vessels include the ability to:
 - operate a Maritime Combat Helicopter;
 - provide undersea warfare through a depressed active/passive towed array sonar and have the ability to store, handle and employ lightweight torpedoes;
 - provide air defence through a limited number of point and self-defence systems;
 - provide maritime and land strike; and
 - provide force protection.

Background

- The Government accepted the Defence Strategic Review recommendation and initiated an independent analysis of Navy's surface combatant fleet capability in Quarter One 2023.
- The Independent Analysis Team provided its report to the Government at the end of Quarter Three 2023 and the Government responded in Quarter One 2024.
- On 20 February 2024, the Government released its blueprint for a larger and more lethal surface combatant fleet for Navy.
- The Independent Analysis concurred with the Defence Strategic Review's assessment that an enhanced lethality surface combatant fleet is required to provide increased strike, air defence, presence operations and undersea warfare to address the breadth of maritime missions.

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- The Executive Summary of the Independent Analysis is available on the Defence website. The Executive Summary lists the recommendations made by the Independent Analysis Team and the Government's response to each recommendation.
- The remainder of the Independent Analysis is classified.

Supporting Information

Questions on Notice

- No QoNs asked.

Freedom of Information (FOI) Requests

- No FOIs requested.

Recent Ministerial Comments

- On 1 May 2024, in a [press conference](#), the Deputy Prime Minister responded to [questions](#) about Hanwha's bid to purchase Austal, saying the Government had no concerns.
- On 20 February 2024, the Deputy Prime Minister and the Minister for Defence Industry held a press conference to announce the blueprint for Navy's future surface combatant fleet in response to the Independent Analysis.

Relevant Media Reporting

There is widespread coverage of Hanwha's bid to purchase Austal, Australia's strategic shipbuilder at Henderson Shipyard.

- On 3 May 2024, the Australian Financial Review published an article by Andrew Tillett titled [Hanwha faces long wait for answer on Austal](#). The article notes Hanwha's multiple bids to buy Austal.
- On 3 May 2024, The Australian published an article by Ben Packham titled [Marles hit over shipbuild 'conflict'](#). The article notes intellectual property concerns and quotes unnamed industry sources stating they would pull out of the general purpose frigate race if Hanwha (a competitor) was allowed to build its ship.
- On 2 May 2024, The Australian Financial Review published an article by Andrew Tillett and Brad Thompson titled ['No concerns' with South Korean takeover bid for Austal: Marles](#). The article notes Hanwha's increasing confidence the Foreign Investment Review Board will approve its request to buy Austal.
- On 2 May 2024, The Australian published an article by Ben Packham titled ['Korea bid for shipbuilder is ok'](#), quoting the Deputy Prime Minister as saying he would not stand in the way of Hanwha's bid for Austal.

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- On 9 April 2024, the *Asia-Pacific Defence Reporter* published an article by Kym Bergmann titled [Australian government bungles future frigate choices](#) which refers to the general purpose frigate exemplars Daegu Class FFX Batch II and III.
- On 23 March 2024, Defence Technology Review published two articles [Navantia gearing up for frigate contest](#) and [RAN fighting ship expansion – a summary](#) which mention the acquisition of the general purpose frigates.
- On 5 March 2024, Defence Connect published an article by Stephen Kuper titled [‘Success leave clues: US Navy Secretary looks to Japan, South Korea to help revive ‘idle’ US shipyards’](#). Article is relevant to offshore shipbuilding for the general purpose frigates.
- On 22 February 2024, the Australian Financial Review published an article by Andrew Tillett titled [It’s Europe v Asia in race for navy’s new ships](#). The article notes that the Japanese and Spanish designs are regarded as the early frontrunners for the navy’s proposed new fleet of general purpose frigates because they share key US-sourced weapons that Australia uses.

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Cleared by CFO: Leonie Neiberding Assistant Secretary Finance - Navy Date: 15 April 2024	
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Nuclear-Powered Submarines

Handling Note:

- Secretary of Defence, Greg Moriarty, to refer questions to the Australian Submarine Agency.
- Deputy Secretary Governance, John Reid PSM, to support on the passage of the primary legislation – the Australian Naval Nuclear Power Safety Bill 2023.

Key Messages

- The acquisition of conventionally-armed nuclear-powered submarines is the single biggest leap in our military capability since World War II, and work to acquire this capability is continuing at pace.

Talking Points

Legislation to establish the Nuclear-Powered Submarines Regulator

- On 16 November 2023, the Government introduced legislation to establish a regulatory framework for nuclear safety for the nuclear-powered submarine enterprise.
- The Associate Secretary Group is leading the development of this legislation and the establishment of the new independent statutory regulator.

Radioactive Waste

- Australia will manage all radioactive waste from its nuclear-powered submarines, including:
 - low-level, operational waste generated by day-to-day submarine operations and sustainment; and
 - intermediate and high-level waste, including spent fuel, that will be produced once Australia's submarines reach end-of-life.
- Rotation of United Kingdom and United States submarines at HMAS *Stirling* as part of Submarine Rotational Force-West will involve the management of low-level radioactive waste from routine sustainment operations.
- No decision has been made on the location for the disposal of any form of radioactive waste from the submarine program.
- On 19 March 2024, the Deputy Prime Minister said the Government would not rule out any state or territory as a location for waste disposal, and that disposal of the reactors and spent fuel will happen on current or future Defence estate.
- Australia will not dispose of spent nuclear fuel or other high-level radioactive waste from the United Kingdom, the United States, or other countries.

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- The Australian Submarine Agency and Defence, with the Australian Radioactive Waste Agency, conducted a review in 2023 to consider locations suitable for the storage and disposal of intermediate and high-level radioactive waste, including spent fuel.
 - The Australian Submarine Agency is now considering thier advice to government in response to the review.

United States personnel based in Perth

- United States personnel will commence in-country work on Submarine Rotational Force–West in Perth from mid-2025.
 - Initially, this will include up to 50 personnel and their families. At its peak in 2030, around 1100 US and UK personnel and their families.

Australia’s financial contribution to UK and US nuclear submarine enterprises

- All AUKUS partners are investing significantly to ensure success of the Optimal Pathway and are working at pace to transform and integrate our trilateral industrial bases to support SSN cooperation.
- Australia is making proportionate financial contributions to the submarine industrial bases of the United Kingdom and the United States. These contributions will directly support the additional capacity needed to deliver Australia’s nuclear-powered submarines.
- Australia’s financial contribution to the United States submarine industrial base is about lifting United States maintenance and production capacity for Virginia class submarines to accommodate a critical phase of the pathway.
- Australia’s arrangements with the United Kingdom will cover a broader scope of activities over a longer timeframe to enable Australia to manufacture a new class of nuclear-powered submarines, that are still being designed by the trilateral partners.
 - To meet Australia’s demand for naval nuclear propulsion systems for our SSN-AUKUS program, Australia is making a proportionate contribution to enhance the production output of Rolls-Royce Submarines in Derby.
 - As a trilaterally developed submarine based on the United Kingdom’s next generation design, Australia’s proportionate contribution to the United Kingdom also includes elements relating to SSN-AUKUS design costs.
- The United Kingdom and the United States have both confirmed that Australia’s contributions to the submarine industrial base uplift will not be used to fund their Strategic Weapons Programs.

AUKUS legislation passed by US Congress

- On 15 December 2023, the United States Congress passed the National Defense Authorization Act for Fiscal Year 2024 authorising key AUKUS requirements.
 - The National Defence Authorization Act included the transfer of up to three Virginia class submarines to Australia and an exemption for United States export control licencing requirements for Australia and the United Kingdom.

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Sustainment

- On 22 March 2024, the Government announced that ASC Pty Ltd had been selected as the Sovereign Submarine Partner for the sustainment of our nuclear-powered submarines.
 - ASC has a long history and expertise in the sustainment of submarines in Australia, in addition to its established workforce and supply chain network.

Sovereign build and sustainment partner

- On 22 March 2024, the Government announced the selection of ASC Pty Ltd and BAE Systems to build and sustain Australia's SSN-AUKUS submarines.
 - This establishes a collaborative partnership between ASC and BAE systems, both established and proven entities committed to leading edge technology in submarine design and development.

Submarine Construction Yard

- The Australian Submarine Agency is working closely with Australian Naval Infrastructure Pty Ltd, the Government's appointed design and delivery partner for the Submarine Construction Yard at Osborne, to progress design and early delivery activities.

Australian steel qualification

- The Australian Submarine Agency has entered into a contract with Australian steel manufacturer, Bisalloy Steels, for the qualification of Australian steel for use on Australia's future SSN-AUKUS submarines.

Land exchange

- The Australian and South Australian Government executed a Project Deed on 10 November 2023 that outlines the terms to facilitate the transfer of land for the Submarine Construction Yard and Skills and Training Academy at Osborne.
- In exchange for the land required at Osborne, the South Australian Government will progressively take ownership of Defence-owned and leased land at Keswick and Smithfield to support future urban renewal projects in Adelaide and parts of Cultana Training Area to facilitate future renewable energy initiatives.
- The first stage of land transfer at Osborne, which includes the area immediately north of the previous Attack class yard, was transferred to Australian Naval Infrastructure on 14 March 2024.

University Commonwealth supported places

- As part of the 2023-24 Budget, the Government is providing \$128.5 million over four years from 2023-24 to establish the Nuclear-Powered Submarine Student Pathways Program, a targeted national competitive program providing an additional 4,000 Commonwealth Supported Places in science, technology, engineering and mathematics-related courses.

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If pressed: When are students expected to commence in Australian Submarine Agency-supported university places?

- The first students for this program commenced studies in 2024. The Department of Education is currently working with the 16 successful universities to track the uptake of the Nuclear-Powered Submarine Student Pathways places.

Background**Timeline of significant events**

- 22 March 2024, the Australian Government announced the selection of Australia's Sovereign Submarine Build Partner and Sovereign Submarine Sustainment Partner
- 15 December 2023, United States Congress passed the National Defense Authorization Act for Fiscal Year 2024, including all AUKUS provisions.
- 15 March 2023, the Australian and South Australian Governments signed a cooperation agreement outlining a commitment to support construction of nuclear-powered submarines.
- 14 March 2023, AUKUS leaders announced the Optimal Pathway for Australia's acquisition of nuclear-powered submarines in San Diego, California, United States.

Supporting Information**Questions on Notice****2023-24 Additional Estimates 14 February 2024**

- In **QoN 2**, Senator the Hon David Fawcett (Liberal, South Australia) asked about the Public Works Committee's approval for the expansion of HMAS *Stirling*.
- In **QoNs 3 and 87**, Senator David Shoebridge (Australian Greens, New South Wales) asked about Australia's financial contribution to the US industrial uplift relative to program funding over the forward estimates.
- In **QoN 4**, Senator David Shoebridge (Australian Greens, New South Wales) asked about whether intermediate and high-level radioactive waste from United States and United Kingdom submarines will be stored in Australia.
- In **QoN 6**, Senator Jordon Steele-John (Australian Greens, Western Australia) asked about the Australian Submarine Agency's engagement with GHD regarding a September 2023 environment and heritage study.
- In **QoN 7**, Senator Jordon Steele-John (Australian Greens, Western Australia) asked whether United States and United Kingdom submarines visiting Australia on rotation will be nuclear-armed.
- In **QoN 8**, Senator Jordon Steele-John (Australian Greens, Western Australia) asked a list of questions about the types of nuclear waste planned for storage at HMAS *Stirling*.
- In **QoN 88**, Senator the Hon Simon Birmingham (Liberal, South Australia) asked a list of questions about the details of the proposed nuclear waste facility at HMAS *Stirling*.

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- In **QoN 89**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked a list of questions about what preparations had taken place to support an increase in operations and personnel at HMAS *Stirling*.
- In **QoN 90**, Senator Matt O’Sullivan (Liberal, Western Australia) asked about the progress made on the AUKUS Submarine Workforce and Industry Strategy.
- In **QoN 91**, Senator Matt O’Sullivan (Liberal, Western Australia), asked about progress on the delivery for the Skills and Training Academy.

Freedom of Information (FOI) Requests

- On 7 March 2024, an individual sought access to documentation relating to a contract on waste review. **The decision to release documents is pending.**
- On 27 March 2024, a media organisation sought access to documentation relating to the UK and UK Industrial Uplift funding. **The decision to release documents is pending.**
- On 15 April 2024, an individual sought access to documentation relating to disposal of nuclear reactor on Defence land. **The decision to release documents is pending.**

Recent Ministerial Comments

- On 22 March 2024, the Deputy Prime Minister and Minister for Defence Industry [announced the AUKUS build and sustainment partners](#).
- On 16 November 2023, the Deputy Prime Minister [introduced the Australian Naval Nuclear Power Safety Bill 2023 to Parliament](#).

Relevant Media Reporting

- On 2 April 2024, The Guardian, in an article titled [‘Poison portal’: US and UK could send nuclear waste to Australia under AUKUS, inquiry told](#), Tory Shepherd reported that Australia could become a “poison portal” for international radioactive waste under the Aukus deal, a parliamentary inquiry into nuclear safety legislation has heard.
- On 28 March 2024, The Perth Voice, in an article titled [AUKUS under the microscope](#), reported The Medical Association for Prevention of War is hosting a panel on how AUKUS will impact Western Australians as part of a global trend of “rising militarism”.
- On 14 March 2024, The Australian, in an article titled [AUKUS deal still on track, says PM](#), reported that the PM has given an assurance that Australia's acquisition of nuclear-powered submarines will not be set back after the US Defence Department halved production of Virginia-class submarines for 2025.
- On 19 February 2024, The West Australian, in an article titled [Don't try to torpedo this dream](#), reported that Minister Papalia believes the torpedoes used in AUKUS submarines should be made in Collie and is dedicating hundreds of millions to it.
- On 17 February 2024, The Advertiser, an article titled [boosting defences](#), reported that Defence companies need to think more broadly about where they source the workers

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of the future as Australia faces an unprecedented uplift in naval shipbuilding, with lessons to be learned about how Britain has attacked the problem, Babcock International chief executive David Lockwood says.

- On 18 December 2023, the ABC, in an article titled [Perth nuclear waste storage facility planned for AUKUS submarines at HMAS Stirling on Garden Island](#), Rebecca Trigger reported Federal Government briefing notes reveal details of a nuclear waste storage facility at the HMAS *Stirling* defence base on Garden Island.
- On 9 December 2023, The Mirage News, in an article titled [Australia to Supply Hull Steel for AUKUS Nuclear Subs](#), reported, the Australian Submarine Agency has entered into a contract with Australian steel manufacturer, Bisalloy Steels, for the qualification of Australian steel for use on Australia's future SSN-AUKUS submarines.
- On 29 November 2023, The Canberra Times, in an article titled [Thousands of STEM spots to be funded in AUKUS push](#), Kat Wong reported that thousands of scientifically-inclined students will have their university courses financially covered as the government attempts to nurture the workforce needed to build the long-awaited AUKUS nuclear submarine fleet.
- On 10 November 2023, Defence Connect, in an article titled [Defence Minister, SA Premier announce land agreement for SSN-AUKUS sub yard](#), reported, Under the agreement, the appointed design and construction partner, Australian Naval Infrastructure, will progressively take ownership of key land parcels for the submarine construction yard at Osborne from December 2023.
- On 21 August 2023, The Guardian reported on its Australian politics live blog [EY's \\$8.5 million nuclear contract should be 'torn up', says Greens' David Shoebridge](#).

Division: Australian Submarine Agency	
PDR No: SB24-000337	
Prepared by: David Hallinan Deputy Director-General Program and Policy Australian Submarine Agency Mob: s22 [redacted] Ph: s47E(d) [redacted] Date: 22 April 2024	Cleared by Agency Head: Vice Admiral Jonathan Mead Director-General Australian Submarine Agency Ph: s47E(d) [redacted] Date: 23 April 2024
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Collins Class Submarines

Handling Note:

- Chief of Navy, Vice Admiral Mark Hammond AO, to lead on Collins Class submarine requirements, capability and operational employment.
- Deputy Secretary Naval Shipbuilding and Sustainment Group, Jim McDowell and First Assistant Secretary Submarines Division, John Chandler to support on sustainment, capability upgrade insertion and Life-of-Type Extension project preparation.

Key Messages

- An enduring, potent and credible submarine capability is critical to Australia's national security. The Collins Class submarines remain one of the most capable conventionally-powered submarines in the world, having been specifically designed to meet Australian requirements.
- The Collins Class submarine Life-of-Type Extension supports continuity of Australia's submarine capability and creates options that best support Australia's transition from a conventional to nuclear-powered submarine capability.
- The Government's intention remains to extend the life of all six Collins Class submarines, commencing with HMAS *Farncomb* in mid-2026.
- The Government has made the necessary decisions to provide certainty to industry for the Life-of-Type Extension, and optimise availability of Collins Class submarines during the transition to nuclear-powered submarines.

Talking Points

What is the current plan for the Life-of-Type Extension?

- The service life extension of the Collins Class submarines will involve a combination of ongoing sustainment, selected capability enhancements and a Life-of-Type Extension project.
- The scope approved for the Life-of-Type Extension project is for the design and acquisition of long-lead items to enable installation during the Life-of-Type Extension Full Cycle Dockings, and the conduct of the first Life-of-Type Extension Full Cycle Docking in HMAS *Farncomb*, commencing in mid-2026.

What work will be delivered through the Life-of-Type Extension project?

- The Life-of-Type Extension project is part of the long-term plan to assure an enduring, potent and credible submarine capability. When integrated with effective ongoing sustainment and selected capability enhancements, the Collins Class can be extended by a 10-year operating cycle per platform. The Life-of-Type Extension project is scoped to remediate a number of the highest technical risks to successful life extension.

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Collins Class submarine program cost

- In the 2024 Integrated Investment Program, the Government committed \$4-5 billion over the next 10 years in the Collins Class submarines, including the Life-of-Type Extension project, upgrades to the Collins Class sonar suite, and ongoing sustainment of the Collins Class including cooperative capability assurance programs with the United States.
- Further questions on the 2024 Integrated Investment Program should be referred to the Acting Vice Chief of the Defence Force.

What is the risk profile of the Life-of-Type Extension?

- Defence assesses the risks of extending the life of the Collins Class submarines to be significant, but manageable. While this assessment has not substantially changed over time, our confidence in the assessment has improved.
- The scope of HMAS *Farncomb's* Life-of-Type Extension Full Cycle Docking will underpin its ability to operate safely for a further 10-year operating cycle.
- Defence continues to work closely with ASC Pty Ltd to manage the planned activities for all Collins Class depot-level maintenance activities within the approved resources and docking windows.

Collins Class Life-of-Type Extension Independent Assurance Activity

- Independent assurance of the Collins Class Life-of-Type Extension is prudent to inform current and future plans to extend the service life of the Collins Class submarines.
- The assurance activity has concluded with a report delivered to Government. Gloria Valdez, a former member of the Naval Shipbuilding Expert Advisory Panel, led the assurance activity.
- The Government has considered the report in making decisions regarding delivery of the Life-of-Type Extension project.

How will ASC Pty Ltd deliver both Collins Class and nuclear-powered submarine sustainment?

- Defence and the Australian Submarine Agency are working closely together and with ASC Pty Ltd to manage workforce and schedule requirements for sustainment of Australia's current and future submarine capabilities.

Is Defence equipping Collins Class submarines with Tomahawk missiles?

- The Government will not proceed further with the installation of Tomahawk missiles in the Collins Class submarines.
- The Virginia Class submarines being acquired through the nuclear-powered submarine optimal pathway will be equipped with Tomahawk cruise missiles, as will Australia's Hobart Class destroyers.

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Is Defence equipping Collins Class submarines with optronics periscopes?

- The Government has accepted Defence's advice to not proceed further with the installation of optronics periscopes in the Collins Class submarines.
 - These optronics periscopes would have used a different technology to that used in the Virginia Class submarines, reducing the long-term benefits that might have been realised by this project.

Submarine Enterprise Workforce

- Defence acknowledges current challenges with the submarine enterprise workforce, including Navy submariner, APS, and sovereign industrial workforce recruiting and retention – particularly in light of the growth required to support the Optimal Pathway to Australia's future nuclear-powered submarine fleet.
- For APS and industry elements of the enterprise workforce, Defence continues to manage risks to the Collins Class workforce. Aside from some isolated instances, the Collins Class program seeks to manage its workforce in order to maximise opportunities for the growth of a 'sustainment and build workforce' for nuclear-powered submarines.
- ASC Pty Ltd is negotiating new enterprise bargaining agreements with employees and unions associated with industrial support to the Collins Class. As part of this process, unions commenced protected industrial action on 6 May 2024.
 - Although not a party to the negotiations, Defence respects that enterprise bargaining and protected industrial action are a part of Australia's industrial relations system, and we continue to engage constructively to optimise Collins Class delivery outcomes.

Background

- The Collins Class submarine budget as per the 2024-25 Portfolio Budget Statement is:
 - Collins sustainment (CN10): \$769 million;
 - Collins Life-of-Type Extension (SEA1450 Phase 1): \$317.9 million; and
 - Capability projects: \$103.6 million (six Collins related major projects).
- Based on the current contractual reporting of the Collins Class submarine industry partners, around 90 per cent of the ongoing platform sustainment budget is spent in Australia.
- As at 31 March 2024, the total ASC Pty Ltd in-service support contract workforce headcount was 1,641 and the ASC Pty Ltd Life-of-Type Extension project full-time-equivalent workforce was 276 (which is included in the overall headcount).
- Following the Government's announcement on 14 March 2023 on the Optimal Pathway, the successful execution of the Collins Class Life-of-Type Extension remains a priority.

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- Substantive work on the Life-of-Type Extension project commenced in 2016-17 supported by funding from the Future Submarine Program. This work informed development of the Future Submarine Program and further requirements being funded under separate Government approvals.
- Funding for the Life-of-Type Extension project has been transferred to an acquisition project known as SEA1450 Phase 1.
 - The Collins Class Life-of-Type Extension project achieved First Pass Government approval in June 2021.
- At the appropriate time, the Australian Submarine Agency will assume responsibility for the ongoing materiel delivery of Australia’s Collins Class submarine capability. The Navy will continue operating both conventional and nuclear-powered Australian submarines.

Timeline of Significant Events

Date	Action
Quarter 2 2024	Collins Class submarine Life-of-Type Extension Independent Assurance report delivered.
25 October 2023	The Government announced an independent assurance activity to inform the Life-of-Type Extension of the Collins Class submarine fleet.
18 April 2022	The former Government announced the Collins Class submarine periscope upgrade (optronics) during a press conference at Osborne in South Australia.
16 September 2021	The former Government announced the Life-of-Type Extension project will be conducted on all six Collins Class submarines at Osborne in South Australia.
June 2021	Government First Pass approval for the Collins Life-of-Type Extension project.

Supporting Information

Questions on Notice

2023-24 Additional Estimates: 14 February 2024

- **QoN 14, Optronic equipment spend**, Senator Jacqui Lambie (Jacqui Lambie Network, Tasmania) asked for the amount spent on the French optronic masts. **TABLED**
- **QoN 15, Quantity of acquired optronic equipment**, Senator Jacqui Lambie (Jacqui Lambie Network, Tasmania) asked for the amount of optronics masts bought so far, and that are here in Australia. **TABLED**
- **QoN 31, Breakdown of LOTE expenditure**, Senator David Pocock (Independent, ACT) asked for the breakdown of what the \$48 million has been spent on so far. **TABLED**

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2023-24 Supplementary Budget Estimates: 25 October 2023

- **QoN 03, Collins-Class LOTE Independent assurance activity**, Senator the Hon Linda White (Labor, Victoria) asked when the Government directed the assurance activity. **TABLED**
- **QoN 04, Full Cycle Docking**, Senator the Hon Linda White (Labor, Victoria) asked when was the last time a Full Cycle Docking was concluded within a 24-month period. **TABLED**
- **QoN 05, list of Full Cycle Dockings**, Senator the Hon Linda White (Labor, Victoria) asked for a historical list of Full Cycle Dockings. **TABLED**
- **QoN 114, Collins Class Life of Type Extension**, Senator the Hon David Fawcett (Liberal, South Australia) asked for details on the scope of the Life-of-Type Extension. **TABLED**

2023-24 Budget Estimates: 31 May 2023

- **QoN 47, AUKUS Remuneration Arrangement**, Senator the Hon David Fawcett (Liberal, South Australia) asked for details about Submarine Force critical trades. **TABLED**
- **QoN 48, Collins Class Life of Type Extension**, Senator the Hon David Fawcett (Liberal, South Australia) asked about Collins Class Life-of-Type Extension project documentation. **TABLED**
- **QoN 82, Life of Type Extension**, Senator the Hon David Fawcett (Liberal, South Australia) asked for details on Collins Class Life-of-Type Extension project long lead items and design milestone dates. **TABLED**

Freedom of Information (FOI) Requests

- In March 2024, an individual sought access to documents relating to the planned installation of Safran optronics masts on Collins Class submarines as part of the Life-of-Type Extension project. **The decision to release documents is pending.**
- On 5 March 2024, an individual made a request seeking a copy of Defence's finalised estimates briefing pack, including an index of back pocket briefs, for the 2023-24 Additional estimates. **The decision to release documents is pending.**
- In January 2024, an individual sought information on the number of critical incidents and emergency surfacing involving Collins Class submarines from 2013 to end 2023. **No documents were identified as in-scope.**
- On 30 October 2023, a media organisation requested Defence's finalised estimates briefing pack for the 2023-24 Supplementary Budget Estimates. **The decision to release documents is pending.**

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- In March 2023, an individual sought access to documents relating to Collins Class Full Cycle Docking/Life-of-Type Extension requirements, schedule and planning activity resulting from the AUKUS announcement, as part of a broader request for documents related to the nuclear-powered submarine pathway. **No documents were identified as in-scope.**
- In September 2022, a media organisation sought access to documents relating to at-sea incidents involving Collins Class submarines over the last ten years. **Documents were released on 14 November 2022.**

Recent Ministerial Comments

- On 7 November 2023, the Deputy Prime Minister made comment in a [doorstop interview](#) relating to National Security at the Indo Pacific Sea Power Conference.
- On 7 November 2023, the Deputy Prime Minister [responded to questions](#) in conversation with Chief of Navy, Vice Admiral Mark Hammond at the Indo Pacific Sea Power Conference.
- On 25 October 2023, the Minister for Defence Industry [announced](#) the Collins Class submarine Life-of-Type Extension independent assurance activity.
- On the 19 September 2023, the Deputy Prime Minister [responded to questions](#) relating to the Collins submarine Life-of-Type extension.
- On 14 March 2023, the Deputy Prime Minister [responded to questions](#) relating to the Collins Class submarine Life-of-Type Extension.
- On 14 March 2023, the Minister for Foreign Affairs [responded to questions](#) relating to the Collins Class submarine Life-of-Type Extension.

Relevant Media Reporting

- On 7 May 2024, the Australian Manufacturing Workers' Union published a media release titled [Hundreds Of Critical Aukus Submarine Workers Strike Over South Australian Pay Disparity](#) outlining the Protected Industrial Action by ASC Pty Ltd's.
- On 7 May 2024, the Australian Financial Review published an article titled [FWC, government face pressure to step in over submarines pay stoush](#). The article relates to the ongoing Protected Industrial Action by ASC Pty Ltd's production workforce and its possible interference to navy's ability to deploy the ageing Collins-Class submarines.
- On 6 May 2024, the Herald Sun published an article titled [Adelaide submarine workers to strike for better pay deal, conditions](#) relating to the commencement of Protected Industrial Action by ASC Pty Ltd's production workforce who are members of the Australian Manufacturing Workers' Union and Communications, Electrical and Plumbing Union.

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- On 19 April 2024, The Herald Sun published an article titled [Adelaide jobs warning in feared \\$1bn Collins subs cut](#). The article references Senator Birmingham's comments to The Advertiser on the supposed 20 per cent cut to the Collins upgrade and scale back of scope negatively impacting defence capability and South Australian jobs.
- On 11 April 2024, Janes Defence Weekly published an article by Julian Kerr titled [Collins concerns](#). It discusses the Life of Type Extension, AUKUS and the independent assurance activity.
- On 25 October 2023, The Australian published an article by Ben Packham titled [ADF numbers slump amid warnings on ageing sub](#), where Ben Packham suggested the time frame for the Life-of-Type extension was likely to overrun.
- On 26 September 2023, The Australian published an article by Andrew Greene titled [Collins-Class submarine suffers on-board electrical fire](#). It discusses an incident on board HMAS *Farncomb*.
- On 22 August 2023, The Australian published an article by Greg Sheridan titled [All at sea when it comes to dire state of defence](#), discussing equipping Collins Class with Tomahawk missiles, following the Government announcement to fit Tomahawk to the Hobart Class.
- On 21 August 2023, The Mandarin published an article by Julian Bajkowski titled [Tomahawks for Hobart class destroyers confirmed, Collins class sub capability still at sea](#), discussing references the feasibility study being undertaken into equipping Collins Class with Tomahawk.
- On 4 August 2023, the Australian Strategic Policy Institute published an article by Raelene Lockhorst titled [Planning defence projects for a new submarine era](#), which outlines the importance of Collins Class submarines and future challenges, including the need to investment in Osborne Naval Shipyard to manage Life-of-Type Extension.
- On 4 August 2023, The Australian published an article by Peter Briggs titled [Forging a truly national submarine capability](#), describing Collins Class submarine availability and the percentage of sustainment undertaken within Australia.
- On 16 June 2023, Defence Industry Europe published an article titled [Sweden to transfer technology for Australian submarine fleet modernization](#). The article outlines that Sweden and Australia have reached an agreement for the use of Swedish submarine technology in Australia's efforts to modernise its Collins Class submarines.
- On 1 May 2023, ABC's Four Corners aired the report [Going Nuclear: Australia's high-risk submarine gamble](#). Journalist Angus Griggs investigated Australia's nuclear ambitions. The report criticised the availability of the Collins Class submarines.

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Division: Submarines	
PDR No: SB24-000338	
Jointly Prepared by: Commodore Daniel LeRaye Director General Collins Submarine Program Mob: s22 Ph: s47E(d) Date: 15 April 2024	Jointly Cleared by Division Head: John Chandler First Assistant Secretary Submarines Mob: s22 Ph: s47E(d) Date: 10 May 2024
Commodore Micheal Jacobson Acting Head Navy Capability Mob: s22 Ph: s47E(d) Date: 13 May 2024	Commodore Micheal Jacobson Acting Head Navy Capability Mob: s22 Ph: s47E(d) Date: 13 May 2024
Consultation: Rear Admiral Matthew Buckley Head Nuclear Submarine Capability Australian Submarine Agency Date: 18 April 2024	
Cleared by CFO: Leonie Neiberding Assistant Secretary Finance – Navy and Naval Shipbuilding & Sustainment Defence Finance Group Date: 22 April 2024	
Cleared by Deputy Secretary: Jim McDowell Deputy Secretary Naval Shipbuilding and Sustainment Date: 24 April 2024	
Cleared by 3 Star: Rear Admiral JP Earley CSC RAN Acting Chief of Navy Navy Date: 24 April 2024	

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Hunter Class Frigates

Handling Note:

- Deputy Secretary Naval Shipbuilding and Sustainment Group, Jim McDowell to lead
- First Assistant Secretary, Major Surface Combatants and Combat Systems, Sheryl Lutz, to support.

Key Messages

- On 29 September 2023, the Government received the report into the Independent Analysis of Navy's surface combatant fleet and, following careful consideration, delivered the Government's response on 20 February 2024.
- As part of the response, the Government announced that the Hunter class frigate program would be reduced from nine to six ships of a single design baseline which will provide the required capability in the required timeframe. Navy's enhanced lethality surface combatant fleet will comprise three Hobart class air warfare destroyers, six Hunter class frigates, 11 new general purpose frigates (to replace the remaining seven Anzac class frigates), six new large optionally crewed surface vessels and 25 minor war vessels, to provide essential advanced air defence, long range strike, and undersea warfare.
- The Independent Analysis confirmed there is no capability substitute for the effect delivered by a surface combatant with the high-end undersea warfare capabilities that will be delivered by the Hunter class frigate.
- BAE Systems Maritime Australia provided a formal board approved offer for the build of the first three ships, as well as a 6-ship cost model.
- Approval of the Batch 1 build for the first three ships is subject to further consideration.
- Lifting Australian industry capability is a key objective of the project, with an aim to have over 60 per cent of the total value of the prime contract invested in Australia over the life of the project.

Talking Points

Why does Australia need the Hunter class frigate?

- The Hunter class frigate will provide the ADF with high levels of lethality and deterrence in a time of increased global uncertainty.
- Optimised for anti-submarine warfare, the frigates will have the capability to conduct a variety of missions independently or as part of a task group. They will have sufficient

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range and endurance to operate effectively throughout the region and the flexibility to support other roles, such as humanitarian assistance and disaster relief.

- The project is key to developing a globally competitive and effective naval shipbuilding and sustainment industry, significantly expanding and upskilling Australia's workforce.

What is the current cost forecast and approved budget?

- The current out-turned total acquisition provision is \$46.4 billion (2024-25 Portfolio Budget Statement Out-turned Price and Exchange).
- Defence has approval to undertake the design and productionisation phase only. The approved budget for this phase is \$7.26 billion which covers design and production, ordering of long-lead time equipment including the first three Aegis combat systems, and \$986 million (including contingency funding) for infrastructure. The contract value for this phase with BAE Systems Maritime Australia is \$3.6 billion.

Schedule

- In June 2018, when the project was approved, the indicative schedule had prototyping commencing by the end of 2020, 'cut steel' on Ship 1 by the end of 2022, and delivery before the end of 2029. Delivery of the ninth ship was anticipated between 2045 and 2047.
- Prototyping commenced on schedule in 2020 at the upgraded Osborne shipyard. In July 2021, the former Government agreed to an extended prototyping period and an 18-month delay to commencement of Ship 1 from December 2022 to no later than June 2024 to manage risks associated with design maturity of the Type 26 reference ship design in the United Kingdom and the impact of the COVID-19 pandemic.
- Subject to Government approval, the project will cut steel on Ship 1 by mid year, with delivery scheduled for mid-2032. Defence anticipates the sixth ship will be delivered by Quarter 4 2042.

Transition from Design and Productionisation Phase to Construction Phase

- The design and productionisation phase commenced in December 2018 when BAE Systems Maritime Australia signed the Head contract.
- The 18-month delay in construction from the end of 2022 to mid-2024 has allowed the trained workforce to further expand and prototyping to extend, producing six Schedule Protection Blocks that will be used in Ship 1.
- In Quarter 1 2024, BAE Systems Maritime Australia provided a tender quality cost estimate for the first three ships (Batch One) along with a cost estimate for six ships.
- The project has concluded negotiations with BAE Systems Maritime Australia with respect to terms for the first three ship. Advice has now been provided for Government consideration. Following this, the program expects to soon transition to the construction phase.

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Sustainment

- The Hunter class frigate fleet sustainment will use the future maritime sustainment model which is being introduced under Plan Galileo.
- Western Australia will be home to a new Hunter class frigate training and capability centre, known as 'Ship Zero', to support the new frigate's introduction into service and operation thereafter.

Recent achievements and milestones

- The Preliminary Design Review has been completed.
- The Production Readiness Review event was held in Quarter 1 2024, with actions arising from the review completed in May 2024.
- Negotiations of contractual terms for the first three ships concluded in Quarter 2 2024.
- All twelve design zones are now under Australian configuration management. Six of the 12 zones have completed detailed design, six zones are undergoing detailed design.
- Eleven units from the six schedule protection blocks are in production.

Background

- The Hunter class frigate project will acquire and deliver to the Navy six new anti-submarine warfare frigates and an associated support system. The Hunter class frigates will provide the Navy with the critical capability to defend Australia into the future. The ships will contribute to air and surface warfare defence, as well as serving the primary mission of anti-submarine warfare.
- The Hunter class frigates will be built at the Osborne South Naval Shipyard in South Australia. Construction is planned to occur from 2024 to 2042.
- The design and productionisation scope now includes the construction of six Hunter class frigate schedule protection blocks, in addition to the five Type 26 blocks that were approved by the Government in 2018. The project will use the six schedule protection blocks in the construction of Ship 1.

Hunter class frigate review, Defence Strategic Review and Independent Analysis of Navy's surface combatant fleet

- In April 2023, the Government agreed with the recommendation in the Defence Strategic Review to undertake an independent analysis of the Navy's surface combatant fleet capability. United States Vice Admiral William Hilarides (Ret'd), Ms Rosemary Huxtable AO PSM and Vice Admiral (Ret'd) Stuart Mayer AO CSC & Bar, conducted the analysis.
- The Surface Ship Advisory Committee conducted an independent review of the Hunter class frigate project between September 2022 and January 2023. The review team

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examined progress made on ship design, and evaluated the project's performance to date on cost, schedule and scope. The review team provided a report on their findings to the Defence Strategic Review Independent Leads for consideration.

- The Government received the report on 29 September 2023 and delivered their response on 20 February 2024.

Joint Committee of Public Accounts and Audit and Australian National Audit Office's performance audit into Defence's procurement and management of the Hunter class frigates

- On 11 May 2023, the Joint Committee of Public Accounts and Audit announced the extension of its inquiry into the Major Projects Report to include an inquiry into the procurement of Hunter class frigates. This followed the tabling of the Australian National Audit Office's performance audit into Defence's procurement and management of the Hunter class frigates, tabled on 10 May 2023.
- On 19 May 2023, Defence officials appeared at the Joint Committee of Public Accounts and Audit public hearing. Having reviewed the Australian National Audit Office report, Defence conducted a further independent review to determine the factors leading to the Second Pass decision in 2018.
- The Secretary of Defence and the Chief of the Defence Force, having considered the outcomes from the independent review, commenced a program of work addressing the findings of to ensure Defence learns lessons and updates its processes as required.
- The Joint Committee of Public Accounts and Audit reconvened a public hearing on 20 November 2023.
- Defence responded to 45 questions on notice following the two public hearings.

Order to Produce Documents – Senator David Shoebridge

- On 27 November 2023, Senator David Shoebridge (Greens, New South Wales) successfully moved a motion for an order for the production of documents of the independent review report.
- In response to this motion, a redacted version of the report was tabled in the Senate on 30 November 2023. Other documents tabled included:
 - the Terms of Reference of the review; and
 - documents relating to the appointment of the review team members.

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Supporting Information

Questions on Notice

2023-24 Additional Estimates: 14 February 2024

- **QoN No. 17 and 18, Sustainment budget provisions**, Senator Nita Green (Labor, Queensland) asked about the cost pressures and sustainment provisions in relation to the Hunter class frigates. **TABLED**

2023-24 Supplementary Budget Estimates: 25 October 2023

- **QoN No. 26, Remarks on Hunter class program**, Senator the Hon Simon Birmingham (Liberal, South Australia) asked Mr Deeble's recollection of Mr Smith's remarks about the Hunter class program. **TABLED**

2022-23 Supplementary Budget Estimates: 15 February 2023

- **QoN No. 37, Hunter class frigates review**, Senator the Hon Simon Birmingham (Liberal, South Australia) asked for a copy of the terms of reference for the independent Hunter class frigate review. **TABLED**

2022-23 October Budget Estimates: 9 November 2022

- **QoN No. 86, Hunter class frigate**, Senator Nita Green (Labor, Queensland) sought details regarding integration of Australian design requirements into the Type 26 frigate. **TABLED**

Freedom of Information (FOI) Requests

- On 5 March 2024, an individual made a request seeking a copy of Defence's finalised estimates briefing pack, including an index of back pocket briefs, for the 2023-24 Additional estimates. **The decision to release documents is pending.**
- On 9 January 2024, an individual made a request seeking any document that includes Defence's total current estimated acquisition cost for the Hunter Frigates program as a whole; and the total cost currently spent on the Hunter Frigates program as of 1 January 2024. **Documents were not released. A Response was provided to the applicant on 4 March 2024.**
- On 15 December 2023, an individual made a request seeking access to All public funding provided to the ASC Shipbuilding Pty Ltd from its establishment to December 2023 [by year]. **Documents were released on 14 March 2024.**
- On 30 October 2023, a media organisation requested Defence's finalised estimates briefing pack for the 2023-24 Supplementary Budget Estimates. **The decision to release documents is pending.**

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Recent Ministerial Comments

- On 20 February 2024, the Deputy Prime Minister and the Minister for Defence Industry released the Government's blueprint for [Navy's enhanced lethality surface combatant fleet](#), in response to the Independent Analysis. This included the announcement to reduce the Hunter class frigate project from nine to six ships.

Relevant Media Reporting

- On 7 April 2024, the Asia-Pacific Defence Reporter wrote an article titled '[Chess Dynamics to provide surveillance systems for Hunter class frigates](#)', following BAE Systems Maritime Australia awarding a contract to Chess Dynamics to supply its SeaEagle FCEO surveillance systems for the first batch of three ships.
- On 2 and 3 April 2024, The Advertiser, @AuManufacturing and the Asia-Pacific Defence Reporter published an article titled '[Airspeed joins Hunter class frigate program](#)', following BAE Systems Australia awarding a contract to Airspeed to manufacture and supply Replenishment At Sea Stump Masts for the first batch of three ships.
- On 22 February 2024, ABC News published an article by Andrew Greene titled '[Australia could get the world's most expensive anti-submarine warship, but the numbers are as complex as shipbuilding](#)', following the Government's response to the Independent Analysis on 20 February 2024.
- On 21 February 2024, The Herald Sun and The Advertiser published articles by Paul Starick titled '[Hunter frigate chief Craig Lockhart warns of another workforce valley of death](#)' and '[Frigate build an Osborne supremacy](#)', following the Government's announcement to reduce the Hunter class frigates from nine to six ships.
- On 21 February 2024, The Australian published an article by Cameron Stewart titled '[The builder of the Hunter frigates says the project budget has not blown out by \\$20 billion](#)', following Government announcements on 20 February 2024.
- On 20 February 2024, InDaily reported '[Six frigates confirmed for SA under naval fleet shake-up](#)', and The Saturday Paper reported '[Naval fleet boost as Hunter-class program cut](#)', following the Government's response to the Independent Analysis.

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Division: Major Surface Combatants and Combat Systems	
PDR No: SB24-000339	
Prepared by: Commodore Scott Lockey Director General Hunter Class Frigate Mob: s22 Ph: s47E(d) Date: 28 May 2024	Cleared by Division Head: Ms Sheryl Lutz First Assistant Secretary Major Surface Combatants and Combat Systems Mob: s22 Ph: s47E(d) Date: 28 May 2024
Consultation: Commodore Anita Williams Date: 17 April 2024 Acting Head Navy Capability	
Cleared by CFO: Leonie Neiberding Date: 19 April 2024 Assistant Secretary Finance - Navy	
Cleared by Deputy Secretary: Mr Jim McDowell Date: 23 April 2024 Deputy Secretary Naval Shipbuilding and Sustainment	

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Naval Shipbuilding and Sustainment Infrastructure

Handling Note:

- Deputy Secretary Naval Shipbuilding and Sustainment Group, Mr Jim McDowell to lead.
- Head Patrol Boats and Specialist Ships, Rear Admiral Wendy Malcolm to support on Henderson consolidation and large vessel infrastructure in WA.
- First Assistant Secretary Waterfront and Continuous Naval Shipbuilding and Sustainment, Mr Andy Cann to support on continuous naval shipbuilding infrastructure enablers.
- Questions regarding nuclear-powered submarine infrastructure should be referred to the Australian Submarine Agency.

Key Messages

- The Government supports continuous naval shipbuilding through two principal naval shipyards: Osborne in South Australia and Henderson in Western Australia.
- The construction of complex warships and submarines is centred at Osborne, South Australia where the Government funded a purpose-built, vertically-integrated and digitally-enabled shipyard. It currently supports the Hunter class frigate program.
- Australia's SSN-AUKUS submarines will be constructed at a new, purpose-built shipyard at Osborne North. Enabling works commenced at Osborne North in late 2023.
- Over the forward estimates, the Government will invest at least \$2 billion in South Australian infrastructure to support the nuclear-powered submarine program.
- The Government will invest up to \$8 billion over the next decade to expand HMAS *Stirling* with the infrastructure required for both visiting and rotational nuclear-powered submarines, as well as for Australia's own nuclear-powered submarines.
- The Henderson shipbuilding precinct in Western Australia is an asset of national importance and vital to the build and sustainment of vessels for the Australian Defence Force.

Prepared By:

Name: Laura Arnott
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Cleared By:

Name: Jim McDowell
 Position: Deputy Secretary
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Talking Points

- On 20 February 2024, the Government announced that the size of Australia's Naval Fleet would be doubling, accompanied by an increase in Defence spending. Preliminary study on consolidation of the Henderson precinct is underway, as recommended by the Defence Strategic Review.
- Henderson's critical role in Australia's naval shipbuilding and maintenance is key to delivering on Government priorities. The Government will need to work closely with the Western Australian Government to ensure that Henderson continues to support maritime requirements.
- On 23 November 2023, the Government announced a new strategic partnership between Defence and Austal Limited at the Henderson shipyard. This partnership was in response to the Defence Strategic Review recommendation that industry consolidation options for the Henderson shipyard be examined as a matter of urgency.
- This approach will streamline and consolidate naval shipbuilding projects to form a continuum of work and encourage much needed industry investment in infrastructure and workforce at the Henderson shipyard.

South Australia

- Through Australian Naval Infrastructure, the Government has invested \$558 million in a state-of-the-art shipyard at Osborne South in support of continuous naval shipbuilding.
- Australian Naval Infrastructure is working closely with the Australian Submarine Agency to support its future infrastructure requirements, including the commencement of enabling works and planning for the Nuclear Powered Submarine Construction Yard at Osborne.
- On 10 November 2023, under the South Australian Government Cooperation Agreement, the South Australian and the Australian Government reached agreement on a land swap in Adelaide.
 - The South Australian Government acquired Defence-owned land at Keswick and Smithfield.
 - In return, Defence acquired land at Osborne to accommodate the Nuclear Powered Submarine Construction Yard and the Skills and Training Academy.
 - Security and Estate Group representatives are finalising due diligence requirements to comply with *Environment Protection and Biodiversity Conservation Act 1999* requirements that will enable stage two settlement to occur in accordance with the terms of the Land Transfer Deed.
 - The Cultana Training Area land parcels will be transferred in two tranches and is scheduled to be completed in June 2024.

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Western Australia

- Over the next decade and a half, around \$8 billion will be invested in infrastructure at HMAS *Stirling* to support the nuclear-powered submarine program, which is forecast to create around 3,000 direct jobs.
- The Parliamentary Standing Committee on Public Works has approved \$1.5 billion in priority works over the next four years to support the Initial Operating Support of Submarine Rotational Force-West in 2027.
- The facilities required for the Submarine Rotational Force-West Initial Operating Support comprises the achievable scope necessary to ensure safe and secure operation of SSN, including:
 - SSN operational berths on the existing submarine pier;
 - Emergency Preparedness and 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.
- On 15 March 2022, the former Government announced investment of up to \$4.3 billion in large vessel infrastructure at Henderson, Western Australia to support continuous naval shipbuilding and sustainment.
- The Western Australian Government is working closely with Defence to make available the required support, infrastructure and skilled workforce. This will allow an increased tempo of visits from allied submarines, enable their extended presence from 2027 under Submarine Rotational Force–West, and facilitate the homeporting of Australian submarines from the 2030s.

Supporting Information

Questions on Notice

2023-24 Supplementary Budget Estimates: 25 October 2023

- In QoN 171, Henderson precinct, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked for information related to Western Australian infrastructure. **TABLED**

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2023-24 Budget Estimates: 30 and 31 May 2023

- In **QoN 91, AUKUS readiness**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked for an update on Defence's engagement with local stakeholders in the development of naval shipbuilding capabilities at Henderson. **TABLED**

Senate Finance and Public Administration References Committee Public Hearing - Inquiry into the management and assurance of integrity by consulting services: 23 March 2023

- In **QoN 13, Consulting services**, Senator Barbara Pocock (Greens, South Australia) asked if any partners from the "Big 7" are appointed to any boards of sub-committees of Defence. **TABLED**

2022-23 Additional Estimates: 15 February 2023

- **QoN No. 63, Henderson Dry Dock Project**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked about funding and capital for the Henderson Dry Dock Project. **TABLED**
- **QoN No. 55, Joint Defence and WA Government Henderson Task Force**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked why the Task Force has not been included in the Defence Strategic Review.
- **QoN No. 53, Joint Defence and WA Government Henderson Task Force**, Senator the Hon Linda Reynolds (Liberal, Western Australia) requested the minutes of these meetings or any information on what specific action is taken from these meetings. **TABLED**
- **QoN No. 54, Henderson and AMC** Senator the Hon Linda Reynolds (Liberal, Western Australia) asked if there are any other studies or plans on infrastructure deficiencies or updates on Henderson and the Australian Marine Complex.

2022-23 October Budget Estimates: 9 November 2022

- **QoN No. 13, Infrastructure Upgrades at the Henderson Precinct**, Senator the Hon Linda Reynolds (Liberal, Western Australia) requested a list of spending under the Western Australian Government's \$89 million in fast-tracked infrastructure projects in the Henderson precinct. Senator Reynolds also requested a list of Defence's planned expenditure on Henderson precinct projects of \$47 million in 2021-22, and \$65 million in 2022-23.
- **QoN No. 14, Taskforce reporting effects**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked about the Henderson task force, impacts to delivery timeframes, and funding amounts and timings.
- **QoN No. 40, WA Naval Infrastructure**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked about Western Australian Naval Infrastructure and Defence's engagement with the Western Australian government.

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- **QoN No .62, WA Naval Infrastructure**, Senator Claire Chandler (Liberal, Tasmania) asked questions relating to the funding for the large vessel dry berth and Australian Naval Infrastructure's involvement in the project.

Finance Portfolio: 7–8 November 2022

QoN No. 61 and 62, Henderson Infrastructure, Senator the Hon Simon Birmingham (Liberal, South Australia) asked Australian Naval Infrastructure about funding for large ship infrastructure.

Freedom of Information (FOI) Requests

- On 3 January 2023, an individual made a request seeking information regarding Defence's infrastructure spending at Osborne. **Documents were released on 1 March 2023 as part of the release of the Senate Estimates briefing pack from November 2022.**
- On 5 March 2024 an individual made a request seeking a copy of Defence's finalised estimates briefing pack, including an index of back pocket briefs, for the 2023-24 Additional estimates. The decision to release documents is pending.
- On 30 October 2023 a media organisation requested Defence's finalised estimates briefing pack for the 2023-24 Supplementary Budget Estimates. **The decision to release documents is pending.**

Recent Ministerial Comments

- On 25 March 2024, [Sky News](#) broadcast the Deputy Prime Minister's remarks in Question Time about the Sovereign Submarine Build.
- On 22 November 2023, the Minister for Defence Industry [announced](#) the Government is supporting defence industry jobs and strengthening national security with a new \$2 billion contract to maintain and sustain Australia's naval fleet in Sydney.

Relevant Media Reporting

- On 27 March 2024, the [Daily Telegraph](#) reported the Deputy Prime Minister announcing that the Osborne Naval Shipyard would employ between 4,000 and 5,000 people building Australia's future submarines.
- On 6 March 2024, a senior US official expressed concern about Australia's preparedness for AUKUS in the [Augusta Margaret River Times](#), mainly focusing on the infrastructure needed for WA base for nuclear-powered submarines. The need of a dry dock is critical.
- On 20 February 2024, in a Business News article titled '[WA wins in \\$11bn Navy investment: PM](#),' Jack McGinn reported Western Australia would be a significant beneficiary of investment to double Navy's surface combatant fleet.

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- On 3 February 2024, The West Australian published an opinion piece by Peter Hudson titled [‘Revive plans for Henderson dry dock or get out of the way,’](#) saying dry dock infrastructure was lagging.
- On 24 December 2023, The Herald Sun published an article by Paul Starick titled [N-sub shipyard project begins](#) that reported construction had commenced at the Osborne submarine yard.
- On 21 December 2023, The West Australian published an article by Katina Curtis which highlighted government briefings reveal that wharf upgrades to the [Henderson Precinct have be put on hold indefinitely](#). This includes the Henderson dry dock.
- On 14 December 2023, The Australian published an article by Ben Packham titled [Industry forced to wait for strategy in another Defence delay](#) criticising the delays within the AUKUS pact due to export control legislation between Australian firms and the United States Defence Industry.
- On 12 December 2023, The Australian published an article by Ben Packham titled [Women, migrants key to AUKUS workforce](#) stating Australia is unprepared in developing a workforce to support a sovereign fleet of nuclear powered submarines.
- On 11 December 2023, The Canberra Times published an article by John Sandilands titled [Labor’s landmines](#) which criticised expenditure on AUKUS in the face of other national issues such as cost of living, housing affordability and climate change.
- On 6 December 2023, The Australian published an article by Philip Spedding titled [WA has a vital role in AUKUS security deal](#) outlining the importance of developing supporting workforce and infrastructure in WA for nuclear propelled submarines.
- On 1 December 2023, The Canberra Times published an article by Karen Barlow, titled [Subs base call delay till 2030](#) in which the Deputy Prime Minister announced delays to the decision for the location of the east-coast nuclear submarine base, which will not be made until the end of the decade.

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Division: Naval Shipbuilding and Sustainment Group	
PDR No: SB24-000340	
Prepared by: Laura Arnott Acting First Assistant Secretary, Naval Shipbuilding and Sustainment, Headquarters Mob: s22 Ph: s47E(d) Date: 17 April 2024	Cleared by Group Head: Jim McDowell Deputy Secretary Naval Shipbuilding and Sustainment Group Mob: s22 Ph: s47E(d) Date 23 April 2024
Consultation: Australian Submarine Agency Rear Admiral Matt Buckley CSC Date: 17 April 2024	
Cleared by DSR/NDS: Major General Christopher Field Deputy DSR Task Force - ADF Integration Date: 1 April 2024	
Cleared by Deputy Secretary: Jim McDowell Deputy Secretary Naval Shipbuilding and Sustainment Group Date: 23 April 2024	

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Naval Shipbuilding Expert Advisory Panel Administration

Handling Note:

- Greg Moriarty, Secretary of Defence to lead.
- Matt Yannopoulos PSM, Associate Secretary to support.

Key Messages

- The Naval Shipbuilding Expert Advisory Panel (the Panel) provides independent, expert advice to the Government on the performance of the naval shipbuilding enterprise, including nuclear-powered submarines and other issues relevant to naval acquisition, build and sustainment.
- In February 2024, the Panel composition was refreshed and reduced to a Panel of four members.
- The Deputy Prime Minister approved the revised Panel for a 12-month term ending on 28 February 2025.
- The Panel engages regularly across the Government, industry, and Defence to inform their independent expert advice to the Government.
- The Panel is not a decision making body and its advice in support of Government decision making is confidential.

Talking Points

What advice has the Panel provided to the Government?

- The Panel provides advice to the Government via an After Action Report. The advice provided by the Panel to support decision making is presented to Cabinet and therefore confidential.

What activities do the Panel members undertake?

- The Panel conducted five visits to Australia in 2023 (February, April, July, October and December) and one visit in 2024 (February).
- The Panel met with Defence Portfolio Ministers, defence industry and senior Government representatives.
- The next visit is scheduled for May 2024 (subsequent visits are scheduled for July and October 2024 and February 2025).

Prepared By:

Name: s47E(d)

Position: Acting Director

Division: Naval Shipbuilding Expert Advisory Panel Secretariat

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Cleared By:

Name: Mr Matt Yannopoulos PSM

Position: Associate Secretary

Group: Associate Secretary Group

Phone: s47E(d) s22

What is the purpose of reducing and refreshing the Panel composition?

- The Panel was reduced from six to four members to ensure the continued currency and relevance of advice provided to the Government, by provision of continuity with the opportunity to add new expertise and perspectives.
- The Chair and two members were extended and one new member was engaged.

What are the general costs related to the Panel?

- The total 'not to exceed amount' is \$7.20 million (including GST) over the life of the contracts, including panel services and reimbursable costs. This is inclusive of the contract extension up to February 2025.
- Expenditure against the six contracts from 1 February 2021 to 31 March 2024 for services and reimbursable was approximately \$4.72 million (GST exclusive).
- There is no expenditure invoiced for the current four members for the period 29 February to 31 March 2024.
- Individual consultancy rates are reflective of the level of expertise each member brings to their role on the Panel; the members are engaged through individual contracts.
- Reporting of Panel member contracts on AusTender is currently being updated to include the contract extension up to February 2025. It will reflect the maximum 'not to exceed' contract value and includes services and reimbursable costs.

Are the Panel members advising and/or connected with recent strategic announcements in the Defence capability, Naval shipbuilding industry?

- With the release of the Defence Strategic Review and Naval Combatant Surface Fleet Review, the Panel are an integral component in providing expert advice to the Government, ensuring the effective implementation of the recommendations agreed by the Government.
- Vice Admiral William Hilarides, United States Navy (Retired.) was the Chair of the Independent Analysis Team that conducted the Naval Surface Combatant Fleet Review.
- Ms Rosemary Huxtable, PSM, is a member of the Expert Advisory Panel on the implementation of the Defence Strategic Review. Ms Huxtable was a member of the Independent Analysis Team that conducted the Naval Surface Combatant Fleet Review.

Background**Transition from Naval Shipbuilding Advisory Board to Naval Shipbuilding Expert Advisory Panel**

- The former Minister for Defence Industry appointed the Naval Shipbuilding Advisory Board in December 2016, for an initial three-year tenure to provide independent expert advice.

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Position: Acting Director

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Position: Associate Secretary

Group: Associate Secretary Group

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- In February 2024, the Deputy Prime Minister approved the revised Panel, which is now in place for a 12-month tenure, to continue providing expert, independent advice to the Government.

The Panel Administration

- Defence manages secretariat functions and costs associated with supporting the operation of the Panel.

The Panel Membership

- The current Panel members are:
 - Chair: Vice Admiral William Hilarides, United States Navy (Retired.), former Commander, United States Naval Sea Systems Command (United States citizen);
 - Rear Admiral Thomas Eccles, United States Navy (Retired.), Chief Executive Officer, Trident Maritime Systems (United States citizen);
 - Mr Murray Easton, CBE, former Chair of Babcock Facilities Management (British citizen); and
 - Ms Rosemary Huxtable, PSM, former Secretary of the Department of Finance.

Advice to the Government

- The Panel's advice to the Government is in the form of After Action Reports.
- The Panel's advice supports the identification of emerging challenges, risks and opportunities, and helps inform decisions required to achieve capability outcomes.

Supporting Information

Questions on Notice

- No QoNs submitted.

Freedom of Information (FOI) Requests

- On 5 March 2024, an individual made a request seeking a copy of Defence's finalised estimates briefing pack, including an index of back pocket briefs, for the 2023-24 Additional estimates. **The decision to release documents is pending.**
- On 30 October 2023, a media organisation requested Defence's finalised estimates briefing pack for the 2023-24 Supplementary Budget Estimates. **The decision to release documents is pending.**

Recent Ministerial Comments

- No recent comments.

Relevant Media Reporting

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Name: s47E(d)

Position: Acting Director

Division: Naval Shipbuilding Expert Advisory Panel Secretariat

Phone: s47E(d) / s22

Cleared By:

Name: Mr Matt Yannopoulos PSM

Position: Associate Secretary

Group: Associate Secretary Group

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· None identified.

Division: Associate Secretary Group	
PDR No: SB24-000341	
Prepared by: s47E(d) Acting Director Naval Shipbuilding Expert Advisory Panel Mob: s22 Ph: s47E(d) Date: 15 April 2024	Cleared by Division Head: Matt Yannopoulos PSM Associate Secretary Associate Secretary Group Mob: s22 Ph: s47E(d) Date: 24 April 2024
Consultation: Nil	
Cleared by CFO: Jennifer Makunde Date: 22 April 2024 Acting Assistant Secretary Finance, Enabling Groups	
Cleared by Associate Secretary: Matt Yannopoulos PSM Date: 24 April 2024 Associate Secretary Associate Secretary Group	

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Position: Associate Secretary
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MRH90 Taipan

Handling Note:

- Chief of Army, Lieutenant General Simon Stuart, to lead on MRH90 incidents and Army's utility helicopter capability.
- Head Joint Aviation Systems Division, Major General Jeremy King, to support on MRH90 disposal and gifting considerations.

Key Messages

- On 22 March 2023, an Australian Army MRH90 Taipan helicopter ditched into Jervis Bay, New South Wales while conducting water insertion and extraction training with Special Forces.
- On the evening of 28 July 2023, in the vicinity of Lindeman Island, Queensland, an Australian Army MRH90 helicopter impacted into deep water during a night training activity as part of Exercise TALISMAN SABRE 2023.
- The Defence Flight Safety Bureau is conducting aviation safety investigations into both incidents, with the investigations ongoing.
- Defence is also supporting inquiries by the Inspector-General of the Australian Defence Force, the Queensland Coroner and Comcare.
- Defence is focussed on an accelerated introduction into service of the UH-60M Black Hawk helicopter to replace the MRH90 capability.

Talking Points

- The Defence Flight Safety Bureau is responsible for investigating all military aircraft accidents.
- The purpose of these investigations is to determine what happened from an aviation safety perspective and make recommendations that reduce the probability of reoccurrence.
- Defence is committed to a thorough investigation into both incidents.
- Six UH-60M Black Hawk helicopters have been delivered as at April 2024 and a further six are scheduled for delivery in 2024. All 40 aircraft are scheduled for delivery by 2029.

Status of investigations into the MRH90 Taipan incidents

- Jervis Bay Incident - 22 March 2023: An Aviation Safety Investigation is being conducted by the Defence Flight Safety Bureau, with the final report now due to be delivered by the end of June 2024.

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Position: Deputy Commander Aviation Command

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Cleared By:

Name: Major General Chris Smith

Position: Acting Chief of Army

Service: Army

Phone: s47E(d) /s22

- Lindeman Island Incident - 28 July 2023: An Aviation Safety Investigation is being conducted by the Defence Flight Safety Bureau, s47C [REDACTED]
- The Inspector-General of the Australian Defence Force Inquiry Directions for the incident were signed on 31 October 2023 and the inquiry has commenced. The Inquiry's first public hearing occurred on 27 February 2024 at the Brisbane Convention Centre.
- Defence is also supporting investigations by both the Queensland Coroner and Comcare, which are ongoing.
- An Aviation Safety Investigation differs from an Inspector-General of the Australian Defence Force Inquiry in that it does not seek to apportion blame or determine liability.

If pressed: What is the nature of the Inspector-General of the Australian Defence Force Inquiry?

- The Inspector-General has a responsibility to inquire into the cause of deaths of Australian Defence Force members. Finding out what happened, and making recommendations to avoid or limit the risk of such an event occurring again, are important outcomes of this Inquiry.
- The Inquiry will examine the circumstances and causes of the deaths to determine whether actions or inactions by ADF personnel or other personnel – including compliance or non-compliance with policies and procedures – were contributing factors to the crash.
- The Inspector-General has invited family members of those who died to be involved in the inquiry process, ensuring their perspectives are considered.

If pressed: Why did Defence resume flying the MRH90 Taipan following the incident at Jervis Bay on 22 March 2023?

- MRH90 Taipan flying operations were suspended immediately following the ditching incident at Jervis Bay on 22 March 2023. Flying operations resumed in April 2023 after extensive risk analysis and the implementation of additional risk mitigation controls.
- Defence is confident it understood the issues that contributed to this incident.
- Army's decision to return the MRH90 to flying operations was based on technical advice that the aircraft remained safe to fly. This was supported by the Original Equipment Manufacturer of the aircraft and the engines.

If pressed: Why did Government decide that the MRH90 Taipan fleet would not return to flying operations following the incident at Lindeman Island on 28 July 2023?

- On 29 September 2023, the Government announced that the MRH90 Taipan fleet would not return to flying operations. The Government made this decision on the advice that the MRH90 Taipan fleet was already going to be withdrawn from service in line with the approved End of Service Strategy and the investigation would take longer.

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Division: Headquarters Aviation Command

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Cleared By:

Name: Major General Chris Smith

Position: Acting Chief of Army

Service: Army

Phone: s47E(d) / s22 [REDACTED]

- Defence is focussed on an accelerated introduction into service of the UH-60M Black Hawk to replace the MRH90 capability.

Capability gap mitigation

- Defence considered several capability bridging options to address the utility helicopter capability gap.
- Options that offer the most effective means to mitigate the utility helicopter capability gap include further acceleration of Black Hawk deliveries, increased international and domestic helicopter training, and increased commercial aircraft supplementation.
- Army will continue to operate its expanded fleet of CH-47F Chinook cargo helicopters and its legacy fleet of Tiger Armed Reconnaissance Helicopters (ARH). Navy will also continue to operate its growing fleet of MH-60R Seahawk helicopters.
- Army is also leasing fixed and rotary wing aircraft to supplement the Army aviation capability during transition.

If pressed: Why did Australia not gift MRH90 Taipans to Ukraine?

- Australia did not support gifting of the MRH90 Taipans to Ukraine due to the complexity of the platform and longstanding, well-documented availability issues.
- The MRH90 Taipan was managed as a project of concern from 2011 and was unable to meet Defence's capability, availability and affordability requirements.

MRH90 Taipan costs

- The cost to procure the MRH90 was \$3.66 billion.
- The cost of operating the MRH90 was high and unsustainable.
 - The cost of operating the MRH90 for financial year 2022-23 was \$55,205 per hour. This is an increase from financial year 2021-22 where operating costs were \$48,752 per hour.
- The total sustainment cost as at 31 March 2024 was \$2.51 billion.

Status of the MRH90 Taipan fleet

- None of the aircraft is in flying condition. Disassembly of Australia's MRH90 Taipans commenced in October 2023.

Current delivery schedule for the UH-60M Black Hawk fleet

- Project LAND 4507 is acquiring 40 UH-60M Black Hawk aircraft through a Foreign Military Sales case with the United States Army.
- Australia continues to receive extraordinary levels of support from the United States Government and Army to deliver the Black Hawk capability.

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Division: Headquarters Aviation Command

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Position: Acting Chief of Army

Service: Army

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- On 31 October 2023, the United States Secretary of Defense announced the United States would support Australia's request for accelerated Black Hawk deliveries.
- Six have been delivered as at April 2024 with a further six scheduled for delivery in 2024. All 40 aircraft are scheduled for delivery by 2029.

Workforce impact from the MRH90 Taipan early withdrawal

- Airbus Australia Pacific supported the MRH 90 as the industry partner.
- Defence has enacted a proactive plan to support the skilled workforce transition from the MRH90 Taipan to Army's current and future fleet of helicopters.

Supporting Information

Questions on Notice

2023-24 Additional Estimates: 23 February 2024

- QoN No. 164, Talisman Sabre Black Box Recording**, Senator David Shoebridge (Greens, New South Wales) asked does Defence have a transcript of the Black Box recording from the Taipan crash on 28 July 2023 during Talisman Sabre? Does Defence have the voice recordings? **TABLED**
- QoN No. 165, AATES Flight Safety Reports on TopOwl and Forward-Looking InfraRed**, Senator David Shoebridge (Greens, New South Wales) asked did Defence receive flight safety reports from AATES concerning risk with the TopOwl and Forward-Looking InfraRed used on the Taipans? If so, when were concerns raised, and what concerns were raised? **TABLED**

2023-24 Supplementary Budget Estimates: 25 October 2023

- QoN No. 17, HMSD Airworthiness Standards**, Senator David Shoebridge (Greens, New South Wales) asked questions related to systemic problems with the helmet mounted sight display, the TopOwl image intensifier and the forward-looking infrared system for the Taipan helicopters. **TABLED**
- QoN No. 18, Risk of Terrain Collision with Heads Up Display (HUD)**, Senator David Shoebridge (Greens, New South Wales) asked questions related to the risk of collision with terrain when aircraft are using HUD and flying low, with poor illumination and without a visual horizon. **TABLED**
- QoN No. 19, Helmet-Mounted Sight and Display (HMSD) configuration 5.1**, Senator David Fawcett (Liberal Party, South Australia) asked questions related to whether the configuration 5.1 of the TopOwl HMSD was found deficient, particularly in off-axis use. **TABLED**
- QoN No. 21, Reports/Briefings on the Taipan platform**, Senator Malcolm Roberts (One Nation, Queensland) asked for a list, including the dates and titles, of every report or briefing provided to Defence or created internally raising issues with the Taipan platform. **TABLED**

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Division: Headquarters Aviation Command

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Name: Major General Chris Smith

Position: Acting Chief of Army

Service: Army

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- **QoN No. 28, Treated Risks – Configuration 5.1 and Thermal Imager**, Senator David Fawcett (Liberal Party, South Australia) asked questions relating to what treatments were applied to software configuration 5.1 and thermal imager and its mode of use. **TABLED**
- **QoN No. 77, Grounding of the MRH90 Taipan**, Senator Jacqui Lambie (Jacqui Lambie Network, Tasmania) asked questions relating to the grounding of the MRH90 Taipan and what it means for the capability assessment and management of the platform. **TABLED**
- **QoN No. 111, Black Hawk**, Senator Simon Birmingham (Liberal Party, South Australia) asked questions related to Black Hawk helicopters, the numbers received, the operations they will conduct, where they will be based and what they will be used for. **TABLED**
- **QoN No. 172, Army Aviation Equipment**, Senator David Shoebridge (Greens, New South Wales) asked who in Army Aviation provided the assurance that equipment was able to be used and what the assurance was. **TABLED**

Freedom of Information (FOI) Requests

- Defence has received a number of requests from individuals and media outlets seeking access under Freedom of Information to documentation relating to the MRH90 incident in March 2023 and historical documentation. **Access to documents was denied.**

Recent Ministerial Comments

- On 7 February 2024, the Deputy Prime Minister issued a [media release](#) regarding the acquisition of UH-60M Black Hawk and H-135 Juno helicopters and, in a [joint release](#) with the Minister for Defence Industry, announced that Australian industry workers would support Army's future helicopter fleet.
- On 7 February 2024, the Deputy Prime Minister conducted an [interview](#) with ABC Afternoon Briefing to discuss Army's helicopter fleet, the capability gap left by the withdrawal of the MRH90 and the acquisition of UH-60M Black Hawk and H-135 Juno helicopters.
- On 16 January 2024, the Minister for Defence Industry responded to questions on MRH90 Taipan disposal, referencing replacement by the UH-60M Black Hawk, during a [press conference](#) announcing updates to the ADF's long range fires capabilities.
- On 31 October 2023, the Deputy Prime Minister and US Defence Secretary Lloyd Austin [announced](#) the accelerated delivery of Black Hawk helicopters to Australia.
- On 29 September 2023, the Deputy Prime Minister [announced](#) that the ADF's MRH90 Taipan helicopters will not return to flying operations before their planned withdrawal date of December 2024.

Prepared By:

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Relevant Media Reporting

- Australian media has reported extensively on the disposal of the MRH90 Taipan fleet and the planned acquisition of Army's future helicopter fleet.
- On 4 April 2024, Defence Technology Review published two articles ([More Black Hawks Inbound](#) and [Nothing But Off-the-Shelf](#)) on the acquisition of the AH-64E Apache and UH-60M Black Hawk.
- On 18 March 2024, Asia Pacific Defence Reporter (APDR) published an article titled [Australian Army blocks Taipan helicopters for Ukraine to cover up their own failures](#), discussing the disposal of the MRH90 Taipan fleet and the decision not to gift the aircraft to Ukraine. ADPR have also released several podcasts discussing the withdrawal of the MRH90 fleet.
- On 13 February 2024, The Age published an article by Matthew Knott titled [Australia to push on with helicopters despite fears](#), which discusses Australia's acquisition of the AH-64E Apache and the United States' decision to focus on uncrewed aircraft.
- On 7 February 2024, Sky News published an article and interview with the Deputy Prime Minister titled [Additional three Black Hawks to arrive in Australia in 2024](#), which discusses the accelerated delivery of UH-60M Black Hawks.
- On 6 February 2024, 7 News produced news bulletins titled [Fleet Boost](#), which discusses the acquisition of UH-60M Black Hawks and H135 Junos, as well as the support contracts awarded to Lockheed Martin Australian and Boeing Defence Australia.

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Division: Army	
PDR No: SB24-000342	
Prepared by: Brigadier David Hafner Deputy Commander Aviation Command Mob: s22 Ph: s47E(d) Date: 18 April 2024	Cleared by Division Head: Major General Richard Vagg Head Land Capability Army Mob: s22 Ph: s47E(d) Date: 19 April 2024
Consultation: Brigadier Andrew Thomas Director General Army Aviation Systems Branch Joint Aviation Systems Division Date: 18 April 2024 Ph: s47E(d)	
Cleared by CFO Name: Ariana Kornek Position: Assistant Secretary Finance – Army Financial Performance and Management Division, Defence Finance Group Date: 30 April 2024	
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LAND 400 Phase 3 - Infantry Fighting Vehicle

Handling Note:

- Head Land Systems, Major General Jason Blain.

Key Messages

- The LAND 400 Phase 3 – Infantry Fighting Vehicle project is a critical component of the integrated, focused force. The project, as part of the ADF Land Combat Vehicles, allows our forces to fight in close combat against threats to Australia and its immediate littoral regions.
- Australia’s ability to conduct close combat is a crucial element of our overall deterrence posture.
- To meet the most demanding land challenges in our region, the Government has accepted the Defence Strategic Review’s recommendation to acquire 129 Infantry Fighting Vehicles to equip one mechanised battalion. This is reduced from the original scope of up to 450 Infantry Fighting Vehicles.
- Defence has signed contracts with Hanwha Defence Australia for the acquisition and support of 129 Redback Infantry Fighting Vehicles. This work remains on track.
- The Redback Infantry Fighting Vehicle will be delivered concurrently with littoral manoeuvre vessels and long-range fires, as Army transforms and optimises for littoral manoeuvre operations.

Talking Points

- The acquisition of Infantry Fighting Vehicles under LAND 400 Phase 3 to replace the ageing M113 Armoured Personnel Carriers will provide soldiers with a modern close combat vehicle with significantly improved survivability, lethality and communications.
- When delivered, the capability will allow Army to sustain mounted combat operations against emerging and future threats as part of the Integrated Force.
- In line with Defence Strategic Review recommendations, Defence will bring forward the introduction of the Infantry Fighting Vehicle.
- 129 Redback Infantry Fighting Vehicles will be built in Australia at the Hanwha Armoured Vehicle Centre of Excellence in Avalon, Victoria.
- The combined value of the acquisition and initial support contracts is approximately \$4.5 billion. The total value of the project is approximately \$7 billion, representing the single largest investment in Army capability to date.

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- Hanwha Defence Australia are performing to expectations, with significant efforts made to mobilise workforce, finalise contractual arrangements with their subcontractors and construction of the Hanwha Armoured Vehicle Centre of Excellence, which is currently ahead of schedule.
- Defence expects the first vehicles to be delivered in 2027 with final deliveries to be completed by the end of 2028.

Redback Infantry Fighting Vehicle capability

- The Redback Infantry Fighting Vehicle is the most modern and capable Infantry Fighting Vehicle available today. The capability is world-leading and has future growth potential to ensure it can maintain its capability edge against evolving threats.
- The Redback is an information-enabled capability that will be connected and networked across the ADF.
- The Redback will be crewed by a team of three and can carry an additional six fully armed infantry soldiers into battle.
- The Redback Infantry Fighting Vehicle can fight in the most difficult urban and jungle terrain and can deploy using existing ships and aircraft.

Where will the Redback vehicles be based?

- In line with the Army restructure announced on 28 September 2023, the vehicles will be based in Townsville, operated by the 3rd Battalion of the Royal Australian Regiment.
- This consolidation within an armoured brigade aligns to the direction within the Defence Strategic Review.

s33 and s47G

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- Defence works closely with industry partners to ensure all contractual obligations, including security requirements are met. The LAND 400 Phase 3 project has implemented security requirements in line with government and industry standards to protect Defence capability.
- Hanwha Defence Australia is a member of the Defence Industry Security Program, which sets security requirements and security controls across the domains of governance, personnel security, physical security, information and cyber security, including for their sub-contractors.

Background

- The current M113 Armoured Personnel Carrier platform was first introduced into service in 1965 and is not fit-for-purpose against threats, which are prevalent in our region. It has reached the limits of its technical life.

Australian Industry Capability

- The Redback Infantry Fighting Vehicle will be built in Australia at the Hanwha Armoured Vehicle Centre of Excellence currently under construction at Avalon, Victoria.
- An Australian build establishes the sovereign local production capability and also provides greater flexibility and increased responsiveness, should strategic circumstances change.
- Hanwha Defence Australia has identified approximately 90 Australian companies to contribute to the Redback build.

Budget

- The total acquisition project value to realise the capability is valued at approximately \$7 billion. This includes both the Hanwha contract and supporting elements such as spares, munitions and facilities.

Timeline of Significant Events

Date	Action
8 December 2023	The Deputy Prime Minister and Minister for Defence Industry issued a joint media release to announce contract signing with Hanwha Defence Australia for the acquisition and support of 129 Redback Infantry Fighting Vehicles.
December 2023	The Commonwealth executed contracts with Hanwha Defence Australia for the acquisition and support of 129 Redback Infantry Fighting Vehicles.
27 July 2023	The Minister for Defence Industry announced Hanwha Defence Australia’s Redback Infantry Fighting Vehicle has been down-

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Date	Action
	selected as the preferred tenderer to deliver 129 Infantry Fighting Vehicles to the Australian Army.
24 April 2023	The Prime Minister and Deputy Prime Minister released the Defence Strategic Review and the Government's response to the Review to the public.
25 November 2022	The Minister for Defence Industry announced that the Government would consider the findings of the Defence Strategic Review prior to making a decision on the project.
December 2021	The final evaluation stage of the tender concluded with approval of the Source Evaluation Report.
8 October 2021	The Risk Mitigation Activity concluded with the submission of the shortlisted tenderers' final offers.
11 October 2019	Defence signed contracts with both shortlisted tenderers to commence the Risk Mitigation Activity.
16 September 2019	Hanwha Defence Australia and Rheinmetall Defence Australia announced as shortlisted tenderers to proceed to the Risk Mitigation Activity.
1 March 2019	Request for Tender closed.
24 August 2018	Request for Tender released.
13 March 2018	First Pass Government approval achieved.

Supporting Information

Questions on Notice

- No QoNs asked.

Freedom of Information (FOI) Requests

- On 5 March 2024 an individual made a request seeking a copy of Defence's finalised estimates briefing pack, including an index of back pocket briefs, for the 2023-24 Additional estimates. **The decision to release documents is pending.**
- On 30 October 2023, a media organisation requested Defence's finalised estimates briefing pack for the 2023-24 Supplementary Budget Estimates. **The decision to release documents is pending.**

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Recent Ministerial Comments

- On 8 December 2023, the Deputy Prime Minister and Minister for Defence Industry issued a joint media release to [announce](#) that contracts had been signed with Hanwha Defence Australia for the acquisition and support of 129 Redback Infantry Fighting Vehicles.
- On 27 July 2023, the Minister for Defence Industry [announced](#) Hanwha Defence Australia's Redback Infantry Fighting Vehicle had been down-selected as the preferred tenderer to deliver 129 infantry fighting vehicles to the Australian Army.
- On 26 April 2023, the Deputy Prime Minister and the Minister for Defence Industry discussed the reduction in number of infantry fighting vehicles being acquired in a [doorstop interview](#).
- On 24 April 2023, the Deputy Prime Minister and the Minister for Defence Industry [announced](#) the release of the Defence Strategic Review, including the recommendation to reduce the acquisition of Infantry Fighting Vehicles to 129 vehicles to provide one mechanised battalion.
- On 25 November 2022, the Minister for Defence Industry [announced](#) that the Government will consider the findings of the Defence Strategic Review before deciding on the tender for the LAND 400 Phase 3 Infantry Fighting Vehicle project.

Relevant Media Reporting

- On 03 April 2024, the Illawarra Mercury published an article titled '[Illawarra puts steel into fighting vehicles](#)'. Journalist, Connor Pearce reports that the use of steel from the company Bisalloy will be used for the prototype Rebacks.
- On 01 April 2024, the Defence Technology Review published an article titled '[Redback prototypes building in Korea](#)'. Journalist, Ian Bostock reports that the Redback performed well during the 2-year Risk Mitigation activity, affirming the Reback's reliability and quality of engineering.
- On 6 March 2024, Jane's Defence Weekly published an article titled '[Elbit Systems wins contract for Australian Redback IFVs](#)' in which journalist, Kapil Kajal describes features of the Redback that will be provided by Elbit Systems.
- The 27 February 2024 announcement that Elbit Systems had been awarded a US\$600m contract to supply systems for LAND 400 Phase 3 was reported widely by defence reporters, including the [Australian Defence Magazine](#) and [Defence Connect](#).

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Division: Land Systems Division	
PDR No: SB24-000343	
Prepared by: Ms Sarah Myers Assistant Secretary, Armoured Fighting Vehicles, Land Systems Division Capability Acquisition and Sustainment Group Mob: s22 / s47E(d) Date: 11 April 2024	Cleared by Division Head: Major General Jason Blain Head Land Systems Land Systems Division Capability Acquisition and Sustainment Group Mob: s22 Ph: s47E(d) Date: 15 April 2024
Cleared by Deputy Secretary Chris Deeble Deputy Secretary Capability Acquisition and Sustainment Group Date: 22 April 2024	

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Protected Mobility Vehicle - Light (Hawkei)

Handling Note: Major General Jason Blain, Head Land Systems, to lead.

Key Messages

- The Protected Mobility Vehicle - Light (Hawkei) has been co-developed by Defence and Thales Australia to meet ADF requirements.
- The Hawkei provides a high level of protection for soldiers against blast and ballistic threats and superior off-road mobility enables it to operate in high-risk areas.
- On 11 November 2022, Thales Australia advised Defence it had identified a new issue with the Hawkei braking system and the cause of the issue was yet to be determined.
- In July 2023, Hawkei was elevated to a Project of Interest due to an ongoing fault with the vehicle's Anti-lock Braking System and critical spare parts shortages.

Talking Points

Why has Hawkei been added to the Projects of Interest list?

- In July 2023, the LAND 121 Phase 4 Hawkei Acquisition Project was elevated to a Project of Interest **s47G**.
- There is also a critical shortage of Hawkei spare parts due to global supply chain challenges.

Why are there restrictions on the use of Hawkei vehicles?

s47E(d) and 47G

- Defence accepted this recommendation as the safety of the Australian public, personnel and equipment is paramount. The investigation is ongoing, Thales have developed and implemented an interim solution that allows safe unrestricted use of the in-service vehicle fleet until an enduring solution is determined

If pressed: Restrictions on the use of Hawkei vehicles

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- Defence has paused accepting vehicles from Thales Australia and suspended the roll out of vehicles to Defence units.
- Thales Australia is working collaboratively with Defence to resolve the braking issue. An interim solution has been implemented enabling the in-service fleet of Hawkei vehicles to be used without restriction until an enduring solution is developed.
- This issue is not related to an earlier Anti-lock Braking System issue, for which a software fix has been implemented across the ADF fleet.

Will Australia gift Hawkei vehicles to Ukraine?

- Gifting the Hawkei vehicle at this stage would adversely impact the introduction of the capability to the ADF.
- In addition to the Hawkei brake safety issue, there is a critical shortage of Hawkei spare parts.
- Gifting Hawkei vehicles to Ukraine would further impact the vehicle's availability in Australia and risk further delays to Final Operating Capability.
- Thales is still undertaking work to uplift the vehicles to the final contracted baseline amidst spare parts shortages.

s47E(d) and 47G

Why has the project been delayed?

- The Initial Operational Capability milestone was delayed from December 2019 to December 2020 due to issues concerning vehicle reliability, design maturity and production caused by Steyr Motors entering voluntary administration.
- The Hawkei Project (LAND 121 Phase 4) experienced initial challenges in meeting Full-Rate Production and uplift capacity requirements.
- The Hawkei Project (LAND 121 Phase 4) was impacted by COVID-19, which caused global supply chain disruptions and hindered Army's ability to complete the necessary training for the introduction of the vehicle.

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- The Initial Operational Capability milestone was deferred pending resolution of a Hawkei brake incident that occurred on 23 November 2020, and was subsequently declared on 20 May 2021.
- The Final Operational Capability milestone was delayed from June 2023 to June 2024 due to COVID-19 impacts on training, and Thales' Full-Rate Production and uplift capacity.
- Final Operational Capability will not be achieved by June 2024, due to Thales Australia's inability to resolve the current brake issue, and the reduction in Hawkei availability due to critical spare parts deficiencies.
- Defence anticipates a revised Final Operational Capability milestone date will be available in mid-2024, which will be informed by Thales' completion of the current phase of the Anti-lock Braking System investigation. Defence intends to inform Government through the Bi-Annual Integrated Investment Program.

Is Thales Australia liable for liquidated damages due to delays?

- There are sufficient contractual mechanisms available to ensure Thales Australia delivers the required capability to Defence.
- Defence is unable to comment further on commercial matters between Defence and Thales Australia.

Background

- The Hawkei Project (LAND 121 Phase 4) is acquiring 1,098 light protected mobility vehicles and 1,058 companion trailers from Thales Australia, which will be used for command, liaison, utility and reconnaissance roles.
- The Hawkei Project's (LAND 121 Phase 4) current budget is \$1.96 billion.
- The acquisition contract with Thales Australia, valued at about \$1.6 billion, was signed on 5 October 2015. It is on schedule to achieve an Australian Industry Capability target of 50 per cent.
- The Hawkei provides a high level of protection for soldiers against blast and ballistic threats. It is comparable to the Bushmaster but with superior off-road mobility.
- Thales was approved to commence full-rate production on 30 September 2020. This was completed in August 2022.
- In October 2021, the Government approved a reduction in project scope to allow a buyback of two Hawkei vehicles by Thales Australia to support a potential export opportunity. This reduced the total quantity to be delivered by Thales to Defence from the original 1,100 Hawkei vehicles to 1,098.
- Thales Australia's vehicle production effort is now focussed on completing the 'uplift' of manufactured vehicles to the final production baseline.

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- As at 2 April 2024, Defence has accepted and paid for 874 Hawkei vehicles, and 329 vehicles are currently in-service with Defence units.

Supporting Information

Questions on Notice

2023-24 Supplementary Budget Estimates: 25 October 2023

- QoN No. 79, Hawkei braking issues**, Senator Jacqui Lambie (Jacqui Lambie Network, Tasmania) asked questions relating to the braking fault identified in Hawkei vehicles.
TABLED

Freedom of Information (FOI) Requests

- On 5 March 2024, an individual made a request seeking a copy of Defence's finalised estimates briefing pack, including an index of back pocket briefs, for the 2023-24 Additional estimates. **The decision to release documents is pending.**
- On 30 October 2023, a media organisation requested Defence's finalised estimates briefing pack for the 2023-24 Supplementary Budget Estimates. **The decision to release documents is pending.**

Recent Ministerial Comments

- No recent comments.

Relevant Media Reporting

- In The Examiner on 12 March 2024, Duncan Bailey published an article titled '[New multi-million dollar military vehicles land in Launceston](#)' about delivery of Hawkei vehicles to Tasmania.
- On 23 February 2024, Paul Karp wrote an article titled, '[Defence department facing \\$500,000 WorkCover lawsuit over injury from testing Hawkei vehicle](#),' that canvasses issues of the vehicle's performance and costs.
- In the Bendigo Advertiser on 18 October 2023, journalist Tom O'Callaghan reported that Thales had walked back talk of forced redundancies due to declining military vehicle production, in an article titled '[Thales drops talk of further Bendigo job losses](#)'.
- On 16 June 2023, The Age published an [article](#) by journalist Matthew Knott on 'Ukraine's plea for Hawkei vehicles' and whether Ukraine's request would be supported.
- On 30 May 2023, Defence Connect reported that Ukraine had called for Australia to provide protected mobility vehicles for use in its defence against Russia's invasion, in an article titled '[Ukraine calls for Australia to donate Hawkei, join tank coalition](#)'.

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PDR No: SB24-000344	
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Battlefield Aviation Program

Handling Note:

- Chief of Army, Lieutenant General Simon Stuart, to lead on the Battlefield Aviation Program.
- Head Joint Aviation Systems Division, Major General Jeremy King, to lead on UH-60M Black Hawk and AH-64E Apache project status and delivery.

Key Messages

- Battlefield aviation is a critical capability that ensures the Integrated Force is connected, protected, lethal and enabled through the provision of tactical speed, reach, fire power and situational awareness.
- Army's Battlefield Aviation Program is rebuilding capacity and investing in proven and mature platforms, including the UH-60M Black Hawk Utility Helicopter and AH-64E Apache Attack Helicopter, to compliment the CH-47F Chinook Cargo Helicopter fleet.
- Army is also investing in Uncrewed Aerial Systems to provide enhanced situational awareness for improved decision-making, and to reduce the threat exposure for Australian soldiers.
- The Government accepted the recommendation outlined in the Defence Strategic Review that Army should posture the majority of the battlefield aviation capability in Townsville, including relocating the 1st Aviation Regiment from Darwin.

Talking Points

- The Battlefield Aviation Program includes all battlefield helicopters, special operations helicopters, Tactical Uncrewed Aerial Systems, and supporting supply and maintenance systems.
- The Battlefield Aviation Program aims to:
 - improve aviation command and control;
 - replace problematic aircraft with proven and mature platforms;
 - establish robust and resilient supply and support systems; and
 - optimise the fleet disposition; thus
 - enhancing the efficiency and effectiveness of the aviation system.
- Projects LAND 4507 UH-60M Black Hawk Utility Helicopter and LAND 4503 AH-64E Apache Attack Helicopter provide an opportunity for Defence to remediate platform and disposition challenges.

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- In early 2023, Defence announced the Government's decision to replace the Taipan Multi Role Helicopter (MRH90) with a fleet of 40 UH-60M Black Hawk Utility Helicopters. Six have been delivered as at April 2024 with a further six scheduled for delivery in 2024.
- Defence will acquire 29 AH-64E Apache Attack Helicopters to replace the Tiger Armed Reconnaissance Helicopter (ARH), with deliveries to Australia commencing in late 2025. Army's existing ARH Tiger capability is expected to meet Defence requirements until it is withdrawn from service by 2028.
- The CH-47F Chinook is an example of a proven, mature, reliable and affordable helicopter and associated support system. Defence's decision to expand the original Chinook fleet from ten to 14 is a pragmatic, cost effective and sustainable response to increasing demands on the battlefield lift capability.
- Army is also leasing fixed and rotary wing aircraft to supplement the Army aviation capability during transition. This includes five H-135 Juno helicopters acquired from the United Kingdom to support aircrew training and proficiency.
- Defence is working with industry partners to build a sustainable, affordable and reliable industrial base in Australia to support Army's aviation capabilities.
- Project LAND 129 Phase 3 is replacing Army's existing RQ-7B Shadow 200 Tactical Uncrewed Aerial Systems with the Integrator, providing an enhanced Intelligence, Surveillance and Reconnaissance capability. Delivery of these systems will commence from June 2024.
- Defence continues to engage with Australian industry on Uncrewed Aerial Systems innovation initiatives via the Advanced Strategic Capabilities Accelerator.

If pressed: What is the capability gap based on the early withdrawal of MRH90?

- The ADF's rotary wing capability is currently reduced following the Government's announcement on 29 September 2023 that Australia's MRH90 Taipan fleet would not return to flying operation before withdrawal.
- The ADF continues to operate the CH-47F Chinook, the ARH Tiger and MH-60R Seahawk to maintain an aviation capability able to support battlefield mobility, amphibious operations and other helicopter tasks.
- While Defence focuses on the introduction of the UH-60M Black Hawk to regain rotary wing capacity, commercially-leased aircraft are supplementing capabilities.

Current delivery schedule for the UH-60M Black Hawk fleet

- The LAND 4507 project is acquiring 40 UH-60M Black Hawk aircraft through a Foreign Military Sales case with the United States Army.
- Australia continues to receive extraordinary levels of support from the United States Government and Army to deliver the Black Hawk capability.

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- On 31 October 2023, the United States Secretary of Defense announced the United States would support Australia's request for accelerated Black Hawk deliveries.
- A total of 12 UH-60M Black Hawk helicopters are expected to be delivered to Australia by the end of 2024. All 40 aircraft are scheduled for delivery by 2029.

If pressed: Is Army procuring a Black Hawk with floatation capability?

- Army is not procuring a Black Hawk with floatation capability. The risk of overwater flight is treated with other mitigations, including carrying life rafts, individual floatation devices and helicopter underwater escape training for crew and passengers.

If pressed: Why is Defence buying helicopters that cannot be operated from Navy Landing Helicopter Dock ships?

- The UH-60M Black Hawk and AH-64E Apache will operate off the Landing Helicopter Dock ships, as the CH-47F Chinook currently does.

If pressed: What has happened to LAND 2097 Phase 4 Special Operations Rotary Wing?

- The LAND 2097 Phase 4 Special Operations Rotary Wing project was scoped to deliver a rapidly deployable light helicopter, in direct support of Special Operations.
- The project was cancelled when the Government approved the acquisition of the UH-60M Black Hawk under the LAND 4507 project.

If pressed: Why doesn't Army pursue an armed Uncrewed Aerial Systems, rather than a crewed Armed Reconnaissance Helicopter?

- Uncrewed Aerial Systems cannot yet replicate all the capabilities of crewed aircraft, particularly as people remain essential to decision making in battle across the combined arms team.
- The AH-64E Apache carries a range of sensors, munitions and weapons well beyond that of an uncrewed platform, and provides the critical step change in capability to enable the teaming of crewed-uncrewed aerial systems.

Status of LAND 129 Phase 3 Tactical Uncrewed Aerial System

- Army is committed to acquiring 24 Integrator Air Vehicles as part of the LAND 129 Phase 3 Tactical Uncrewed Aerial Systems replacement and upgrade project.
- The project remains on track to replace the legacy RQ-7B Shadow 200 Tactical Uncrewed Aerial Systems.

Status of LAND 129 Phase 4B Small Uncrewed Aerial System

- LAND 129 Phase 4B has evaluated options for a suitable Small Uncrewed Aerial Systems to replace the in-service Wasp AE, and is under further consideration.

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Basing and operating locations for Army Aviation Capabilities

- On 1 July 2023, the Government announced its decision to relocate the 1st Aviation Regiment from Darwin to Townsville. This relocation will coincide with the introduction into service of the AH-64E Apache.
- Basing the AH-64E Apache in Townsville alongside the expanded CH-47F Chinook fleet, in concert with the relocation of the 16th Aviation Brigade Headquarters, will enable Army to generate, sustain and deploy a stronger and more resilient helicopter capability for Defence.
- The UH-60M Black Hawk fleet will be based out of Oakey, Queensland and Holsworthy, New South Wales.
 - Basing the Black Hawks in these locations will strengthen industry support and leverage the existing arrangements for Navy's Seahawk helicopters.
 - Placing Black Hawks in close proximity to Navy's Landing Helicopter Dock ships in Sydney will support rapid deployments.
- The Battlefield Aviation capability will be supported by two industry nodes centred on Townsville (Boeing Defence Australia servicing the AH-64E Apache and CH-47F Chinook) and Sydney/Nowra/Southeast Queensland (Lockheed Martin Australia and Sikorsky servicing the UH-60M Black Hawk and Navy's MH-60R Seahawk).
- Consolidating operating locations has been a recommendation of several reviews into Army Aviation, as well as the Defence Strategic Review.

Supporting Information

Questions on Notice

2023-24 Additional Estimates: 23 February 2024

- **QoN No. 164, Talisman Sabre Black Box Recording**, Senator David Shoebridge (Greens, New South Wales) asked if Defence has a transcript of the Black Box recording from the Taipan crash on 28 July 2023 during Talisman Sabre. **TABLED**
- **QoN No. 165, Army Aviation Test and Evaluation Section (AATES) Flight Safety Reports on TopOwl and Forward-Looking InfraRed**, Senator David Shoebridge (Greens, New South Wales) asked if Defence received flight safety reports from the Army Aviation Test and Evaluation Section concerning risk with the TopOwl and Forward-Looking InfraRed used on the Taipans? If so, when were concerns raised, and what concerns were raised? **TABLED**

2023-24 Supplementary Budget Estimates: 25 October 2023

- **QoN No. 17, HMSD airworthiness standards**, Senator David Shoebridge (Greens, New South Wales) asked about problems with the helmet-mounted sight and display, the TopOwl image intensifier and the forward-looking infrared system for the Taipan helicopters. **TABLED**

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- **QoN No. 18, Risk of terrain collision with HUD**, Senator David Shoebridge (Greens, New South Wales) asked about the risk of collision with terrain when aircraft are using heads up display and flying low, with poor illumination, without a visual horizon. **TABLED**
- **QoN No. 19, HMSD configuration 5.1**, Senator David Fawcett (Liberal, South Australia) asked whether configuration 5.1 of the TopOwl helmet-mounted sight and display was found deficient, particularly in off-axis use. **TABLED**
- **QoN No. 21, Reports/Briefings on the Taipan platform**, Senator Malcolm Roberts (One Nation, Queensland) asked to be provided a list including the dates and titles of every report or briefing provided to Defence or created internally raising issues with the Taipan platform. **TABLED**
- **QoN No. 28, Treated Risks – Configuration 5.1 and thermal imager**, Senator David Fawcett (Liberal Party, South Australia) asked the representative for Minister of Defence questions relating to what treatments were applied to software configuration 5.1 and thermal imager and its mode of use. **TABLED**
- **QoN No. 77, Grounding of the MRH-90 Taipan**, Senator Jacqui Lambie (Jacqui Lambie Network, Tasmania) asked about the grounding of the MRH-90 Taipan and what it means for the capability assessment and management of the platform. **TABLED**
- **QoN No. 111, Black Hawk**, Senator Simon Birmingham (Liberal, South Australia) asked questions related to Black Hawk helicopters, the numbers received, the operations they will conduct, where they will be based and what they will be used for. **TABLED**
- **QoN No. 172, Army Aviation equipment**, Senator David Shoebridge (Greens, New South Wales) asked who in Army Aviation provided the assurance that equipment was able to be used and what the assurance was. **TABLED**

Freedom of Information (FOI) Requests

- On 5 March 2024 an individual made a request seeking a copy of Defence's finalised estimates briefing pack, including an index of back pocket briefs, for the 2023-24 Additional estimates. **The decision to release documents is pending.**
- On 30 October 2023 a media organisation requested Defence's finalised estimates briefing pack for the 2023-24 Supplementary Budget Estimates. **The decision to release documents is pending.**

Recent Ministerial Comments

- On 7 February 2024, the Deputy Prime Minister and Minister for Defence Industry issued two media releases regarding the acquisition of [UH-60M Black Hawk and H-135 Juno helicopters](#), and announcing support contracts for [Army's future helicopter fleet](#).
- On 7 February 2024, the Deputy Prime Minister conducted an [interview](#) with ABC Afternoon Briefing to discuss Army's helicopter fleet, the capability gap left by the

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withdrawal of the MRH90 and the acquisition of UH-60M Black Hawk and H-135 Juno helicopters.

- On 16 January 2024, the Minister for Defence Industry responded to questions on MRH90 Taipan disposal, referencing replacement by the UH-60M Black Hawk, during a [press conference](#) to announce updates to the ADF's long range fires capabilities.
- On 31 October 2023, the Deputy Prime Minister and US Defence Secretary Lloyd Austin [announced](#) the accelerated delivery of Black Hawk helicopters to Australia.
- On 29 September 2023, the Deputy Prime Minister [announced](#) that the ADF's MRH90 Taipan helicopters will not return to flying operations before their planned withdrawal date of December 2024.

Relevant Media Reporting

- In 2024, Australian media has reported extensively on the disposal of the MRH90 Taipan fleet and the planned acquisition of Army's future helicopter fleet.
- On 18 March 2024, Asia Pacific Defence Reporter published an article titled [Australian Army blocks Taipan helicopters for Ukraine to cover up their own failures](#), discussing the disposal of the MRH90 Taipan fleet and the decision not to gift the aircraft to Ukraine. The Asia Pacific Defence Reporter have also released several podcasts discussing the withdrawal of the MRH90 fleet.
- On 13 February 2024, The Age published an article by Matthew Knott titled [Australia to push on with helicopters despite fears](#), which discusses Australia's acquisition of the AH-64E Apache and the United States' decision to focus on uncrewed aircraft.
- On 7 February 2024, Sky News published an article and interview with the Deputy Prime Minister titled [Additional three Black Hawks to arrive in Australia in 2024](#), which discusses the accelerated delivery of UH-60M Black Hawks.

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Division: Army	
PDR No: SB24-000345	
Prepared by: Brigadier David Hafner Duputy Commander Aviation Command Mob: s22 Ph: s47E(d) Date: 16 April 2024	Cleared by Division Head: Major General Richard Vagg Head Land Capability Army Mob: s22 Ph: s47E(d) Date: 16 April 2024
Consultation: Brigadier Andrew Thomas Acting Head Joint Aviation Systems Division Capability Acquistion and Sustainment Group Ph: s47E(d) Date: 11 April 2024	
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Ghost Bat

Handling Note:

- Chief of Air Force, Air Marshal Robert Chipman to lead.
- Head of Aerospace Systems Division, Air Vice-Marshal Graham Edwards, to support on program delivery.

Key Messages

- MQ-28A Ghost Bat is a sovereign autonomous aircraft designed to operate as part of an integrated system of crewed and uncrewed platforms.
- Continued investment in uncrewed and autonomous systems, including Collaborative Combat Aircraft like the MQ-28A Ghost Bat, provide a potentially asymmetric surveillance and strike capability.
- On 9 February 2024, the Government announced the approval of an additional \$399 million for the continued development of the MQ-28A Ghost Bat, including three Block 2 aircraft, which have an enhanced design and improved capability.
- This investment will progress the development of the unique Australian technology that allows MQ-28A aircraft to work with each other and with crewed aircraft. It will also enable further development of the MQ-28A's mission payloads, integrated combat system and autonomous systems.
- The additional funding brings the total commitment to over \$1 billion.
- Air Force continues to assess the MQ-28A through systematic testing in both live and digital environments. A capstone capability demonstration event with the United States is planned for late 2025.

Talking Points

What options are there for collaboration and technology-sharing with the United States in the development of MQ-28A Ghost Bat?

- A Collaborative Combat Aircraft Development Project Arrangement was signed with the United States on 30 March 2023.
- The Arrangement enshrines classified information and technology sharing to facilitate joint development of Collaborative Combat Aircraft platforms, payloads, sensors and other system infrastructure, including teaming behaviours and datalinks.
- Defence is establishing a combined experimental operations workforce to support the collaborative test and evaluation activities undertaken through the Collaborative Combat Aircraft Development Project Arrangement. The experimental operations workforce will include personnel from the Royal Australian Air Force, United States Navy and United States Air Force.

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The United States – Australia Joint Leaders’ Statement on 25 October 2023 announced the intention to explore trilateral cooperation with Japan on Unmanned Aerial Systems. What steps has Defence taken since the announcement?

- The cooperation aims to enhance interoperability and accelerate technology transfer in the rapidly emerging field of autonomy and Collaborative Combat Aircraft. The trilateral cooperation explores collaboration on uncrewed aerial systems, and not specifically the MQ-28A Ghost Bat.
- Australian Air Force representatives met with United States Air Force and Japanese Air Self Defence Force counterparts in Tokyo in February 2024 for an initial exploratory discussion around trilateral collaboration.

What has Defence invested in the MQ-28A Ghost Bat program?

- Government has approved more than \$1 billion to support the MQ-28A program. Additionally, Defence has provided non-financial support to the project, including the provision of specialised equipment, personnel and access to test facilities and subject matter experts during live and digital testing.

How much does a MQ-28A Ghost Bat cost?

- Investment in the program to date is reflective of the extensive research and development required for novel Collaborative Combat Aircraft capabilities and the costs of standing up the project.
- The target large scale production cost for the MQ-28A is one-tenth of that of a 5th generation fighter.

What export opportunities have been explored?

- A capability demonstration will not occur until 2025, and the MQ-28A remains developmental. Air Force is advocating export opportunities, as this would reduce cost risks over the life of the project.

What testing is being done with the MQ-28A Ghost Bat?

- Boeing Defence Australia and Air Force are executing a flight test program to expand the aircraft flight envelope (operating altitude and airspeed). As well as validate the mission system and sensor performance.
- Digital testing is being conducted between the Air Force and Defence Science and Technology Group. Leveraging a digital twin, a virtual representation that mimics the physical system, enables multiple simulated scenarios to be active in testing the design, accelerate payload integration and concept validation, and supports the accelerated development of MQ-28A.
- To date there has been approximately 17,000 hours of cumulative digital twin testing with over 76 hours of live flight tests as of 15 March 2024 to validate the outcomes. Specific details of the test program, teaming and autonomous capabilities, and mission payload systems testing are commercial-in-confidence and sensitive.

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How many MQ-28A Ghost Bats will you order?

- Air Force continue to assess the MQ-28A, which remains developmental. No decisions have been made on future production or force mix.

Will Collaborative Combat Aircraft result in a reduction in workforce numbers?

- Air Force will require a Collaborative Combat Aircraft workforce that performs roles common to the sustainment and operations of all air platforms. New technologies will require new roles; for example, supervising and updating Human-Machine Teaming systems.

What is the Australian industry component of the MQ-28A Ghost Bat?

- 70 per cent of the program is being directed towards Australian industry content, which will deliver substantial benefits to Australian industry.
- Over 200 Australian companies have contributed to the program, including more than 50 small and medium enterprises within the supply chain.

What is the International Traffic in Arms Regulations status of the MQ-28A Ghost Bat?

- The MQ-28A contains specific International Traffic in Arms Regulation elements within the design, engineering, components and sub-systems.
- Incorporating classified United States information and technology in the MQ-28A Ghost Bat has increased the future interoperability and capability, our allies and partners.
- Using United States knowledge and expertise means International Traffic in Arms Regulations export controls will need to be managed in any future exports.

What protections are in place for sovereign intellectual property associated with the development of the MQ-28A Ghost Bat?

- Boeing Defence Australia owns the intellectual property for the MQ-28A. The Government maintains rights to access the intellectual property for Defence purposes – including the national security of Australia and the Government's participation under any international agreements.
- The Government applies an export control regime over the MQ-28A to meet sovereign and international obligations.

What arrangements are in place to sustain the sovereign industrial capability and supply chain for MQ-28A production?

- In a commitment to the Government, Boeing Defence Australia has committed to maximise Australian manufacture of MQ-28A to meet any future demand.
- Ongoing Australian Industry Capability participation is a key tenet of commercial arrangements and commitments between the Government and Boeing Defence Australia.

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- Boeing Defence Australia currently engages over 24 Australian Tier One suppliers in all facets of capability delivery, and over 227 Australian enterprises have contributed to the MQ-28A program to date.

Is the MQ-28A Ghost Bat ethical?

- All MQ-28A operations will comply with the same Laws of Armed Conflict, regulations and standards that apply to crewed platforms.

What was the incident that occurred during testing in late 2021?

- A landing incident occurred during a test flight at the Royal Australian Air Force Woomera Range Complex, South Australia, in late 2021.
 - No personnel were injured.
- Damage was sustained to the landing gear and airframe panels. The aircraft recovered under the control of a Boeing test pilot with no risk to safety of personnel. The root cause of the incident has since been resolved.
- Incidents like this highlight the importance of testing developmental products.

Background

- Under DEF6014, Defence contracted Boeing Defence Australia to develop the MQ-28A Ghost Bat capability.
 - Defence invested \$38 million via DEF6014 Phase 1 in December 2018.
 - A further \$115 million was invested through DEF6014 Phase 1B for three aircraft and associated ground support services.
 - In March 2022, the Government approved \$454 million (including contingency) to procure additional aircraft under DEF6014 Phase 2.
 - In February 2024, the Government announced a further \$399 million for the ongoing development of the MQ-28A.

Supporting Information

Questions on Notice

2023-24 Supplementary Budget Estimates: 25 October 2023

- QoN No. 53, Records of discussion between Boeing and USAF**, Senator the Hon David Fawcett (Liberal, South Australia) asked what details the Royal Australian Air Force has regarding discussions between Boeing and the United States Air Force on the purchase of MQ-28A as part of their Next Generation Air Dominance program. **TABLED**

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Freedom of Information (FOI) Requests

- On 9 February 2024, an individual requested information associated with the design, engineering or manufacture of the MQ-28A aircraft in relation to any collision or crash incidents involving the MQ-28A. **The decision to release documents is pending.**
- On 5 March 2024 an individual made a request seeking a copy of Defence's finalised estimates briefing pack, including an index of back pocket briefs, for the 2023-24 Additional estimates. **The decision to release documents is pending.**
- On 30 October 2023, a media organisation requested Defence's finalised estimates briefing pack for the 25 October 2023 Supplementary Budget Estimates. **The decision to release documents is pending.**

Recent Ministerial Comments

- On 9 February 2024, the Minister for Defence Industry announced an additional \$399 million for the ongoing development of the MQ-28A Ghost Bat.

Relevant Media Reporting

- On 12 February 2024, Australian Strategic Policy Institute published an article by Malcolm Davis titled [Next steps for the Ghost Bat](#). The article writes that the Boeing Australia Ghost Bat represents a unique Australian opportunity and is a key component of next generation air combat capabilities."
- On 9 February 2024, the Australian Defence Magazine published an article titled [Further \\$400 million invested in Ghost Bat development which](#) summarises the Minister of Defence Industry media announcement on 9 February 2024
- On 14 July 2023, the Australian Defence Magazine published an article by Nigel Pittaway titled [Government accelerates Ghost Bat program](#) discussing government's direction to Defence to deliver options to accelerate development of the Boeing Australia MQ-28A Ghost Bat, and to put forward options to develop the program and support the production of Block 2 airframes 'without delay'.
- On 5 July 2023, Defense Visual Information Distribution Service published an article and video by Francis P Foose titled [Autonomous Aircraft Experimentation](#). In the video, members of the Autonomous Aircraft Experiment Team explain how they are taking autonomous research concepts that exist in a lab and turn them into operational realities. The MQ-28A Ghost Bat appears alongside an F-22 Raptor in the video, and whilst the video looks convincing, it is in fact computer-generated. No MQ-28A Ghost Bat flight testing has been conducted in the United States.

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Division: Air Force	
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Consultation: s47E(d) Acting Director General Aerospace Combat Systems Capability Acquisition and Sustainment Group Date: 4 April 2024 Mob: s22 Ph: s47E(d)	
Cleared by CFO: Lynette Daly Assistant Secretary Finance – Air Force Chief Finance Officer Group Date: 18 April 2024	
Cleared by DSR/NDS: Major General Matthew Pearse Head Plans and Capability Integration Defence Strategic Review Implementation Task Force Date: 4 April 2024	
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F-35A Lightning II (Joint Strike Fighter)

Handling Note:

- Chief of Air Force, Air Marshal Robert Chipman to lead on capability.
- Head of Aerospace Systems Division, Air Vice-Marshal Graham Edwards to support on program delivery.

Key Messages

- Australia’s F-35A Lightning II combat force represents the largest and most capable fifth-generation fighter force outside of the United States.
- The Royal Australian Air Force has accepted 63 aircraft and continues to mature the capability towards Final Operational Capability. Delivery of the final nine F-35A Lightning II aircraft is delayed until software testing and installation is complete.
- The F-35A Lightning II delivers leading edge air defence and long range strike capabilities as part of the Integrated Force.
- The next tranche of F-35A Lightning II modernisation (being delivered by AIR6000 Phase 6 F-35A Lightning II Through Life Capability Upgrades) will be further considered in 2024. This will ensure the F-35A Lightning II is able to realise a range of enhanced sensors, electronic warfare and weapon capabilities resident in the Block 4 upgrade from 2025.
- Defence is developing options for Government consideration as part of the 2024 National Defence Strategy to integrate the Long Range Anti-Ship Missile and the Joint Strike Missile onto the F-35A Lightning II.

Key Facts and Figures

Project Number	AIR6000 Phase 2A/B	
Project Name	New Air Combat Capability	
Project Schedule	Planned	Achieved
Initial Operational Capability	December 2020	December 2020
Final Operational Capability	December 2023	-

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Talking Points

2024 National Defence Strategy and 2024 Integrated Investment Program

- The 2024 National Defence Strategy stressed the importance of an Air Force that can deliver long-range intelligence, surveillance and reconnaissance and an enhanced maritime, land and air strike capability.
- The F-35A will continue to be Australia’s most capable and survivable aircraft for conducting air-to-air combat missions against advanced threat aircraft and air-surface missions against well-shielded targets.
- Continued investment in the F-35A fleet will provide incremental improvements to the aircraft’s capabilities, s47C and 47E(d)

Purchase of an additional 28 F-35A aircraft

s47C and 47E(d)

What has the money spent on F-35A Lightning II given Defence so far?

- Australia has accepted 63 F-35A Lightning II aircraft and associated support equipment.
- Australia’s F-35A Lightning II Integrated Training Centre at RAAF Base Williamtown has been delivering all training for Air Force and contracted F-35A Lightning II personnel since 2020. It is the largest F-35A Lightning II training facility outside of the United States.
- The F-35A Lightning II building program under Project R8000 has been delivered. The project, worth \$1.7 billion (including contingency), includes buildings, aircraft shelters and upgraded aircraft runways and taxiways at RAAF Base Williamtown (\$1.065 billion) and RAAF Base Tindal (\$650 million).

When will we upgrade our F-35A aircraft?

- Australia’s current fleet of 63 F-35A aircraft were manufactured in a Block 3 Technology Refresh 2 configuration. Defence will upgrade these aircraft to a Block 4 configuration

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Budget Estimates June 2024

SB24-000349

Last updated: 24 May 2024

F-35A Lightning II (Joint Strike Fighter)

Key witnesses: Air Marshal Robert Chipman, Air Vice-Marshal Graham Edwards

incorporating Technology Refresh 3 upgrades. The Block 4 upgrades involve both hardware and software modifications and associated testing.

- Australia's fleet of F-35A aircraft will be incrementally updated to Block 4 configuration from 2025 onwards.

Requirements for the F-35A to maintain capability against threats

- The F-35A Lightning II contributes leading edge air combat capabilities as part of the Integrated Force. Maintaining this capability involves:
 - building capacity support – maturing the F-35A Lightning II logistics and support infrastructure to grow the operational capacity of the F-35A Lightning II force;
 - developing the human capability – ongoing development of the knowledge, skills and experience of the F-35A Lightning II technical, supporting and pilot workforce through operationally relevant training; and
 - preserving technical relevance – maintaining through life system upgrades and modifications via Project AIR6000 Phase 6, with complementary investments in F-35A Lightning II weapons and other supporting systems.

How capable is Australia's F-35A against regional threats?

- The F-35A is Australia's first fifth-generation air combat capability. The F-35A capability combines an advanced fifth generation combat aircraft with a well-trained and highly skilled workforce.
- Australia intends to maintain its air combat capability edge against emerging regional threats by investing in F-35A modernisation, aligned with the F-35A Joint Program Office Follow-on Modernisation Plan.
- Australia has deployed and operated the F-35A in Australia and overseas, s33(a)(iii)

When will the F-35A Lightning II achieve Final Operational Capability?

s33, 47E(d) and 47G

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s33, 47E(d) and 47G

s33, 47E(d) and 47G

How is Australia’s involvement in the global F-35 Program helping Australian Industry?

- To date, Australian industry has competed for and won over AUD \$4.1 billion worth of contracts—across production and sustainment—with more than 70 companies involved.
- Approximately \$100 million of funding is allocated from AIR6000 Phase 2A/B approved scope to support Australian companies develop new and improved capabilities that will increase their chances of securing contracts in the global F-35 Program.

s33, 47E(d), 47G

Defence Strategic Review Recommendations for F-35A Lightning II

- The Government agreed in principle with the Defence Strategic Review recommendation to integrate the Long Range Anti-Ship Missile and Joint Strike Missile capabilities onto the F-35A Lightning II.

s33, 47C and 47E(d)

Background

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- Initial Operating Capability, as declared on 28 December 2020, was defined as one operationally-ready squadron and one unit providing a sovereign training capability.

F-35 Lightning II accidents

- Air Force is immediately notified of F-35A Lightning II accidents to inform decisions on Australian F-35A Lightning II operations. It is not appropriate for Defence to make public accident findings relating to other nations' use of the F-35A Lightning II capability.
- Australia has no concerns regarding the safety of Australian F-35A operations.

Supporting Information

Questions on Notice

- No QoNs asked.

Freedom of Information (FOI) Requests

- On 5 March 2024 an individual made a request seeking a copy of Defence's finalised estimates briefing pack, including an index of back pocket briefs, for the 2023-24 Additional estimates. **The decision to release documents is pending.**
- In October 2023 an individual sought access under freedom of information for a copy of the ministerial brief that informed the decision and discussion at the Expenditure Review Committee. **Decision was released on 29 January 2024.**
- On 30 October 2023 a media organisation requested Defence's finalised estimates briefing pack for the 2023-24 Supplementary Budget Estimates. **The decision to release documents is pending.**

Recent Ministerial Comments

- On 17 April 2024, the Deputy Prime Minister released the 2024 [National Defence Strategy](#).
- On 17 April 2024, the Deputy Prime Minister and the Minister for Defence Industry released the 2024 [Integrated Investment Program](#).

Relevant Media Reporting

- On 17 April 2024, The Guardian published an article titled [Plans For New Fighter Jets On Back Burner Despite Labor's \\$50bn Boost To Defence Spending](#). The article claims that Defence has decided to delay the possible acquisition of a fourth squadron of F-35 aircraft.
- On 15 April 2024, the United States Government Accountability Office released a report titled [F-35 Sustainment: Costs Continue to Rise While Planned Use and Availability Have Decreased](#). The report states that projected costs to sustain the F-35

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fleet keep increasing, while the United States Department of Defense plans to fly the F-35 less than originally estimated, partly because of reliability issues with the aircraft.

- On 7 March 2024, Aviation Week published an article titled [TR-3 Software Delay Could Force DOD To Combat-Code F-35s](#). The article quotes United States Congressman Rob Wittman, chairman of the House Armed Services’ Tactical Air and Land Forces subcommittee and suggests the US may be forced to certify TR-2 F-35s as ‘combat coded’.
- On 2 January 2024 the RIOTACT published an article by Andrew McLaughlin titled [F-35 Joint Strike Fighter program facing ‘significant issues’ again](#) which reports F-35 Joint Strike Fighter program is facing a potential production shutdown due to delays in its next major upgrade.
- On 12 December 2023, the United States House Armed Services Committee heard testimony from the Program Executive Officer and Director for the [F-35 Lightning II Program](#), Lieutenant General Michael Schmidt (United States Air Force), who advised of delays to Lot 15 production deliveries to calendar year 2024, and that the TR3 upgrades are experiencing setbacks due to software development delays and aging test aircraft.

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Division	Air Force Capability		
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Consultation:			
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Cleared by DSR:			
Major General Matthew Pearse ADF Integration Lead Defence Strategic Review Implementation Task Force	Date: 5 April 2024		
Cleared by CFO			
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Cleared by 3 Star:			
Air Marshal Robert Chipman Chief of Air Force Air Force	Date: 23 April 2024		

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Special Purpose Aircraft

Handling Note: Chief of Air Force, Air Marshal Robert Chipman to lead.

Key Messages

- Travel using Special Purpose Aircraft is available to the Governor-General, Parliamentarians, senior Defence officials and international dignitaries in support of official responsibilities.
- An inter-departmental working group, led by the Department of Finance, are considering an update of the 'Guidelines for the Use of Special Purpose Aircraft' reflecting outcomes from the Security Coordination Committee.
- The inter-departmental working group aims to balance the application of the security advice with the need for transparency and accountability.

Talking Points

- The Special Purpose Aircraft fleet ensures authorised persons can transit efficiently and securely to fulfil parliamentary and international duties, supporting Australia's position as an important diplomatic partner in our region and the world.
- Defence does not make decisions on the priority of tasks. When capacity limitations arise and not all tasking requests can be satisfied, advice is sought from the Government as to which tasks are to be completed.
- Approval processes for the use of Special Purpose Aircraft are outlined in the 'Guidelines for the Use of Special Purpose Aircraft'.

Publication of the updated Guidelines

- The review and update of the 'Guidelines for the Use of Special Purpose Aircraft' incorporates recommendations from a security review led by the Australian Federal Police, and endorsed by their Security Coordination Committee.
- In November 2023, the Deputy Prime minister wrote to the Special Minister of State requesting that the Department of Defence, Department of Finance, the Independent Parliamentary Expenses Authority, Home Affairs and the Australian Federal Police work together to produce Special Purpose Aircraft Guidelines that balance the application of the security advice with the need for transparency and accountability.
- The interagency working group have met on 7 February 2024, 26 February 2024, 25 March 2024 and 11 April 2024.

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Special Purpose Flights schedules

- The 'Guidelines for the Use of Special Purpose Aircraft' dictate the reporting format and process for schedule production. Schedules of Special Purpose flights were published on the Defence website in the new format on 18 August 2023. The schedules published in August 2023 were found to contain data errors, which were revised, with the corrected Schedules re-published on 20 December 2023. The new format complies with security advice received from the Australian Federal Police's Security Coordination Committee.
- Schedules are now regularly published on the Defence website. The Schedule for Quarter 3 2023 was published on 7 March 2024.
- In 2021, the then Minister of Defence ceased publishing the schedules due to concerns that publishing the data in the updated format would establish a pattern of life and compromise the security of High Office Holders.

Cost recovery

- The Air Force is sharing information with Independent Parliamentary Expenses Authority to conduct cost recovery activity.

Replacement of the Special Purpose Aircraft fleet

- On 18 December 2021, the previous Government approved the two new replacement medium-capacity 737-8 Boeing Business Jet aircraft.
- Replacement of the current Boeing Business Jets with two new similar capacity 737-8 aircraft represents better value-for-money than the retention and refurbishment of the aging Boeing Business Jets beyond lease expiry in 2024.
- The 2023-24 cost of leasing the current Boeing Business Jet fleet is \$5.5 million per annum.
- Leases for the current 737 Boeing Business Jet expire in 2024.
- In December 2021, the former Government agreed for Defence to replace the aircraft with two new 737-8 Boeing Business Jet aircraft under a 12 year lease arrangement to 2036.
- In March 2024, Defence identified an opportunity to realise significant sustainment budget costs savings in future years through the outright purchase of the Boeing Business Jet.
 - The forecast total cost to lease the 737-8 Boeing Business Jet's and spare engine is approximately \$550 million over the lease term of 12 years.
 - The outright purchase of the 737-8 Boeing Business Jet's is approximately \$450 million. Defence will achieve a spend of approximately \$430 million in 2023-24. A final payment of approximately \$20 million will occur in 2024-25 to acquire a spare engine which is scheduled for delivery Quarter 3 2024.

Prepared By:

Name: s47E(d)
Position: Special Purpose Aircraft Review
Division: Air Force
Phone: s47E(d) / s22

Cleared By:

Name: Air Marshal Robert Chipman
Position: Chief of Air Force
Service: Air Force
Phone: s47E(d) / s22

Budget Estimates June 2024
 Last updated: 24 May 2024
 Key witnesses: Air Marshal Robert Chipman.

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 Special Purpose Aircraft

- The purchase cost will be met from within existing Defence resources for 2023-24 and 2024-25.

s33 and 47G

47G

Background

- Special Purpose Aircraft have flown entitled persons since 1959. Special Purpose Aircraft support the Government to conduct business in a timely, efficient and secure manner.
- Special Purpose Aircraft enable Government business to continue when commercial options are not suitable. The aircraft afford passengers an efficient and secure transport option with reduced transit times. Cabin security and secure communications allow Government passengers to continue working during flight.

Key Facts and Figures

- The permanently-designated Special Purpose Aircraft fleet comprises three 'small' Dassault Falcon 7X, which can carry up to 13 passengers and two 'medium' 737 Boeing Business Jets, capable of carrying up to 26 passengers. These aircraft are operated by Number 34 Squadron located at Defence Establishment Fairbairn, Canberra. The new 737-8 Boeing Business Jets will have a seating capacity of up to 32 passengers. The support contractor for all five aircraft is Northrop Grumman Australia.
- The Special Purpose Aircraft fleet is supplemented by one large capacity 'Government Transport and Communications' modified KC-30A aircraft operated by Number 33 Squadron from Royal Australian Air Force Base Amberley.
- When tasked, additional costs incurred by the Special Purpose Aircraft comprise aircraft flying costs, aircraft handling at civil airports and catering. Defence revises the 'additional cost' per hour of the Special Purpose Aircraft each financial year.
- The 2023-24 additional cost to operate the Falcon 7X or 737 Boeing Business Jet was \$5,285 per hour, based on 2022-23 costs.

Manifests, Tabling and Reporting Requirements

- In accordance with the 'Guidelines for the Use of Special Purpose Aircraft 2013', and the proposed revised Guidelines, Defence is responsible for compiling the Schedule of Special Purpose Flights.

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 Position: Chief of Air Force
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Budget Estimates June 2024

Last updated: 24 May 2024

Key witnesses: Air Marshal Robert Chipman.

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Special Purpose Aircraft

- In November 2022, the Australian Federal Police advised the Deputy Prime Minister of concerns regarding the level of information contained in Special Purpose Aircraft schedules.
- Following this advice, the Office of the Deputy Prime Minister requested Air Force engage the Australian Federal Police to undertake a security review of the Special Purpose Aircraft guidelines.
- On 1 March 2023, the Australian Federal Police held a meeting of the Security Coordination Committee, attended by the Deputy Chief of Air Force and representatives from other relevant agencies. The committee approved the proposal endorsed by the Security Coordination Group with adjustments.
- Defence published on its website quarterly schedules in a new format that complied with the recommendations of the Security Coordination Committee. These covered the period 1 January 2021 to 30 June 2023. The schedules were updated in a format incorporating the outcome of the security review.
- Shortly after the schedules were published errors were identified in the data, which was found to contain incorrect costing data.
- In order to determine the scale of this issue, and to check if the other published schedules were affected, Defence conducted a review of the published Schedules from January 2021 to June 2023. The Schedules were found to contain errors s33, 47G s47E(d) and 47G
- A compilation of verified data for the January 2021 to June 2023 period was established following a flight-by-flight review of the data. Defence published the updated Special Purpose Aircraft schedules to the Defence website on 20 December 2023.
- As a result, Special Purpose Aircraft schedules are now regularly published on the Defence website with the Schedule for Quarter 3 2023 published on 7 March 2024.

Supporting Information

Questions on Notice

2023-24 Supplementary Budget Estimates: 25 October 2023

- **QoN No. 29, Animals on Special Purpose Aircraft** Senator Bridget McKenzie (Nationals, Victoria) asked questions relating to animals travelling on Special Purpose Aircraft. **TABLED**
- **QoN No. 30, Special Requirements for animals on Special Purpose Aircraft**, Senator Bridget McKenzie (Nationals, Victoria) asked questions relating to animals and special travelling arrangements for animals on Special Purpose Aircraft. **TABLED**

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Division: Air Force

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Cleared By:

Name: Air Marshal Robert Chipman

Position: Chief of Air Force

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Budget Estimates June 2024

Last updated: 24 May 2024

Key witnesses: Air Marshal Robert Chipman.

SB24-000350

Special Purpose Aircraft

- **QoN No. 31, Responsibility for animals once disembarked from Special Purpose Aircraft**, Senator Bridget McKenzie (Nationals, Victoria) asked questions relating to the responsibility of animals once disembarked from Special Purpose Aircraft. **TABLED**
- **QoN No. 98, Travel by the Prime Minister's dog on Special Purpose Aircraft**, Senator Bridget McKenzie (Nationals, Victoria) asked questions relating to the travel arrangements for the Prime Minister's dog on Special Purpose Aircraft. **TABLED**

Freedom of Information (FOI) Requests

s47E(d)

Recent Ministerial Comments

- No recent comments.

Relevant Media Reporting

- On 20 December 2023, News.com.au published an online article by Eleanor Campbell and Ellen Ransley titled [Anthony Albanese spent nearly \\$4m on VIP flights in first year as PM](#) discussing the cost of travel for the Prime Minister in his first year as PM.

Prepared By:

Name: s47E(d)

Position: Special Purpose Aircraft Review

Division: Air Force

Phone: s47E(d) / s22

Cleared By:

Name: Air Marshal Robert Chipman

Position: Chief of Air Force

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Budget Estimates June 2024

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Last updated: 24 May 2024

Special Purpose Aircraft

Key witnesses: Air Marshal Robert Chipman.

- On 20 December 2023, News.com.au published an online article by Samantha Maiden titled [‘Stitched up’: How much Deputy PM Richard Marles really spent on VIP Flights](#) discussing Deputy Prime Minister spend on VIP flights.
- On 20 November 2023, News.com.au published an online article by Samantha Maiden titled [Deputy Prime Minister Richard Marles on taxpayer funded trip to cricket World Cup final](#) stating that the Deputy Prime Minister took a taxpayer-funded flight to watch the Cricket World Cup on Sunday in India.

Division: Air Force	
PDR No: SB24-000350	
Prepared by: s47E(d) Special Purpose Aircraft Review Air Force Mob: s22 Ph: s47E(d) Date: 11 April 2024	Cleared by Division Head: Air Vice-Marshal Harvey Reynolds Deputy Chief of Air Force Air Force Mob: s22 Ph: s47E(d) Date: 12 April 2024
Consultation: Air Vice-Marshal Wendy Blyth, Head of Air Force Capability Air Force Date: 24 May 2024 Mob: s22 Ph: s47E(d)	
Cleared by Deputy Secretary: Air Marshal Robert Chipman Chief of Air Force Air Force Date: 22 April 2024	

Prepared By:
Name: s47E(d)
Position: Special Purpose Aircraft Review
Division: Air Force
Phone: /

Cleared By:
Name: Air Marshal Robert Chipman
Position: Chief of Air Force
Service: Air Force
Phone: /

AUKUS Advanced Capabilities

Handling Note:

- Deputy Secretary Strategy, Policy, and Industry, Hugh Jeffrey, to lead.
- First Assistant Secretary AUKUS Advanced Capabilities, Stephen Moore, to support on capability progress, resourcing, industry, academia and enabling environments.
- First Assistant Secretary Defence Industry Policy, David Nockels, to support on technology transfer and the *Defence Trade Controls Amendment Act 2024*.
- Questions on nuclear-powered submarines should be directed to the Australian Submarine Agency.

Key Messages

- AUKUS is an enhanced technology sharing partnership between Australia, the United Kingdom and the United States.
- AUKUS partners have developed principles and models for additional partner engagement on individual Pillar II projects.
- We are considering cooperation with Japan on Pillar II, and will undertake consultations in 2024 with other prospective partners on how they can participate in Pillar II.
- Australia's participation in AUKUS is part of a multi-generational effort to enhance our sovereign development of advanced capabilities and is a necessary and prudent response to the military build-up in the Indo-Pacific.
- The two AUKUS pillars, conventionally armed, nuclear-powered submarines and advanced capabilities, are interoperable efforts that will contribute to the near-term and long-term security of Australia.
- AUKUS Advanced Capabilities is drawing stronger alignment of capability systems and the ingenuity of industry and academia across the three nations to rapidly develop and deliver near-term asymmetric capabilities.

Talking Points

Strategic Context

- AUKUS Advanced Capabilities (Pillar II) harnesses technological advances that will sharpen Australia's capability edge and support strategic deterrence in the region. It:
 - builds on the longstanding, trusted relationships between Australia, the United Kingdom and the United States; and
 - increases our collective ability to continue preserving an international rules-based order where the sovereignty of all states, large and small, is respected.

Prepared By:

Name: Annie Brusic

Position: Acting Assistant Secretary AUKUS Initiatives

Division: AUKUS Advanced Capabilities

Phone: s47E(d) /s22

Cleared By:

Name: Hugh Jeffrey

Position: Deputy Secretary

Group: Strategy, Policy, and Industry

Phone: s47E(d) /s22

- The six capability areas chosen will leverage technology to build asymmetric deterrence capabilities. These are: artificial intelligence and autonomy; undersea warfare; electronic warfare; hypersonics and counter-hypersonics; advanced cyber; and quantum technologies.
- One of the Government's six immediate priorities in response to the Defence Strategic Review is lifting our capacity to rapidly translate disruptive new technologies into ADF capability, in close partnership with Australian industry, including through AUKUS.
- AUKUS nations are using the technological opportunities of AUKUS to combine national strengths, deepen collaboration and deliver game-changing capabilities at pace. Our nations are maximising the strategic benefits of the AUKUS partnership to support security and stability in the Indo-Pacific region and beyond.

Additional Partners

- The 9 April 2024 AUKUS Defence Ministers' Joint Statement welcomed new principles and models for additional partner engagement on AUKUS Pillar II.
- Since the inception of AUKUS, our nations have been clear on our intent to engage others in Pillar II projects as our work progresses. No new countries will be engaged on Pillar I.
- AUKUS partners announced we are considering cooperation with Japan on AUKUS Pillar II Advanced Capabilities projects, recognising Japan's strengths and its close bilateral defence partnerships with all three AUKUS partners.
- AUKUS nations will undertake consultations with prospective partners in 2024 on areas where they can contribute to, and benefit from, the work of Pillar II.

Enabling Environment and Technology Transfer

- AUKUS partners are streamlining the flow of defence trade, including establishing an export licence-free environment to improve the speed and scale of technology transfer.
 - On 8 April 2024, the *Defence Trade Controls Amendment Act 2024* received Royal Assent. The legislation will strengthen Australia's export control framework and provide export control licencing exemptions to the United States and the United Kingdom.
 - This complements the United States Congress' passing of the *National Defense Authorization Act for Fiscal Year 2024* in December 2023, providing reciprocal export control licencing exemptions to Australia and the United Kingdom.
 - : On 19 April 2024, the United States Department of Commerce issued its rule giving effect to a national exemption for Australia (and the United Kingdom) from the Export Administration Regulations.

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Name: Hugh Jeffrey

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Budget Estimates June 2024

Last updated: 23 April 2024

Key witnesses: Hugh Jeffrey; Stephen Moore; David Nockels

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AUKUS Advanced Capabilities

- : This will remove the licence requirements for approximately 600 exports of dual-use items controlled under the Export Administration Regulations, valued at almost USD\$2 billion for Australia.
- Defence is working closely with counterparts in the United States and the United Kingdom and with industry, higher education and research sectors to operationalise a trilateral licence-free environment.
- Trilateral National Armament Directors conducted a tabletop exercise in March 2024 to test our national processes on capability development and acquisition. This is part of our efforts to align our systems to support seamless cooperation.

Capability Progress and New Deliverables

- On 2 December 2023, the Deputy Prime Minister and his United Kingdom and United States counterparts issued a joint statement welcoming the solid progress made on AUKUS Advanced Capabilities.
 - The AUKUS Maritime Autonomy Experimentation and Exercise Series will be the flagship series for Pillar II, bringing together capability developments from all six capability areas in multiple domains.
 - Successfully demonstrating artificial intelligence algorithms on multiple systems, including the P-8A Poseidon Maritime Patrol Aircraft, improving our anti-submarine warfare capabilities.
 - Accelerating the development of quantum technology in military capabilities. This enhances stealth in the undersea domain and creates resilience in Global Positioning System-degraded environments.
 - Delivering Resilient and Autonomous Artificial Intelligence Technologies to enhance our force protection and precision targeting.
 - Cooperating on developing and acquiring electronic warfare capabilities to boost situational awareness, improve interoperability, and enhance the lethality of our forces.
 - Collaborating with industry to uplift the cyber security of our supply chains, including critical suppliers within the naval supply chain.
- An AUKUS Defence Ministers' Joint Statement released on 9 April 2024 announced further developments on these efforts.
 - AUKUS partners welcomed the Land Commanders Statement of Intent, including pursuing opportunities in Long Range Fires in 2024.

[Handling note: see further points below on additional partners]

Industry, Academia and Financial Sector Engagement

- AUKUS partners share a vision for a well-informed trilateral industrial base that is collaboratively solving operational problems and delivering at the pace of relevance.

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Budget Estimates June 2024

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AUKUS Advanced Capabilities

Key witnesses: Hugh Jeffrey; Stephen Moore; David Nockels

- In 2024, AUKUS partners have increased engagement with industry within and across our national systems at both classified and unclassified levels.
- To complement ongoing engagement, AUKUS partners have established the AUKUS Advanced Capabilities Industry Forum.
 - The Forum is the standing interface between AUKUS governments and industrial bases, via selected AUKUS partner nation trade associations. It helps inform policy, technical, and commercial frameworks to facilitate the development and delivery of advanced capabilities.
 - The Forum met in-person for the first time on 9 April 2024, with a further two meetings to be held later this year.
- AUKUS partners launched the first Pillar II Innovation Challenge on electronic warfare on 26 March 2024.
 - This is the first in a series of AUKUS Innovation Challenges that identify opportunities to harness commercial technologies to support advanced capability development. In Australia, the Innovation Challenge Series is being administered by the Advanced Strategic Capabilities Accelerator.
- AUKUS partners welcomed the first meeting of the Defence Investors Network on 28 February 2024.
 - We welcome this group initiated by investor networks in all three countries to strengthen financing and facilitate targeted industry connectivity.

If pressed: What other countries are being considered for Pillar II cooperation?

- AUKUS leaders have said they will engage additional countries on Pillar II when and where appropriate.
 - A number of partners have expressed interest in Pillar II cooperation. We expect to provide further updates as this develops.

If pressed: Why not New Zealand or Canada?

- We look forward to holding discussions with interested nations on how they can participate in Pillar II, including New Zealand and Canada.
- It is natural that Australia, the United Kingdom and the United States discuss advanced technology cooperation with close partners and allies, such as Canada and New Zealand, in trilateral and bilateral contexts.
- Australian officials provided an information-only briefing to New Zealand government representatives in February 2024.
- Australia highly values its close defence partnerships with Canada and New Zealand, including on advanced capabilities.

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Budget Estimates June 2024

Last updated: 23 April 2024

Key witnesses: Hugh Jeffrey; Stephen Moore; David Nockels

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AUKUS Advanced Capabilities***If pressed: Has Canada already joined AUKUS Pillar II?***

- A number of countries have expressed interest in cooperating under AUKUS Pillar II.
 - We look forward to holding discussions with interested nations on how they can participate in Pillar II.
 - Any future cooperation on projects under AUKUS Pillar II would be trilaterally agreed and announced.

If pressed further:

- AUKUS remains a trilateral partnership.

If pressed: How will AUKUS Advanced Capabilities be funded?

- AUKUS Pillar II will be delivered through the 2024 Integrated Investment Program, including through the Government's investment of up to \$3.8 billion over the next decade in the Advanced Strategic Capabilities Accelerator to translate asymmetric technologies into Defence capability. The Advanced Strategic Capabilities Accelerator's priorities will be driven by the 2024 National Defence Strategy and AUKUS Pillar II.
- Through this work, Defence is also conducting further cost and workforce estimation to determine future AUKUS Advanced Capabilities resourcing requirements.

If pressed: What is the current staffing profile of AUKUS Advanced Capabilities Division?

- As of 16 April 2024, AUKUS Advanced Capabilities Division is comprised of one officer at the Senior Executive Service Band 2 level, one at the Senior Executive Service Band 1 level, and 16 APS staff in policy, capability and administrative roles.

If pressed: What does AUKUS mean for our partners in the region?

- 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.
- Australia remains committed to our existing network of international partnerships, including the Association of Southeast Asian Nations, the Pacific Islands Forum and other bilateral and multilateral fora.
- AUKUS nations are committed to continued openness and transparency with international partners on AUKUS.

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Budget Estimates June 2024
Last updated: 23 April 2024
Key witnesses: Hugh Jeffrey; Stephen Moore; David Nockels

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AUKUS Advanced Capabilities

Supporting Information

Questions on Notice

2023-24 Supplementary Budget Estimates: 25 October 2023

- **QoN No. 37, AUKUS Pillar II headcount**, Senator James Paterson (Liberal, Victoria) asked about total staff of AUKUS Advanced Capabilities Division, including vacancies. **TABLED**
- **QoN No. 38, AUKUS Pillar II origin of staff**, Senator James Paterson (Liberal, Victoria) asked about the origin of AUKUS Advanced Capabilities Division staff. **TABLED**
- **QoN No. 39, AUKUS Pillar II organisational chart**, Senator James Paterson (Liberal, Victoria) asked about organisational structure of AUKUS Advanced Capabilities Division. **TABLED**

Freedom of Information (FOI) Requests

- On 5 March 2024, an individual made a request seeking a copy of Defence's finalised estimates briefing pack, including an index of back pocket briefs, for the 2023–24 Additional estimates. **The decision to release documents is pending.**
- In December 2023, an individual made a request seeking access to documentation relating to meetings between the Deputy Prime Minister and United States Secretary of Defense held on 1 December 2023. **A decision was finalised in March 2024.**
- In July 2023, an individual made a request seeking access to documentation relating to how the AUKUS alliance might proceed if Donald Trump returns to the presidency in the United States. **No documents were found within the scope of the request.**
- In May 2023, an individual made a request seeking access to the signed AUKUS agreement. **Access to all five documents was refused under sections 33(a)(i), 33(a)(ii) and 33(a)(iii) of the FOI Act.** In July 2023 the individual appealed to the Office of the Australian Information Commissioner, contesting the decision. This process remains underway.

Recent Ministerial Comments

- On 9 April 2024, the Deputy Prime Minister and his United States and United Kingdom counterparts released an [AUKUS Defence Ministers' Joint Statement](#) on Pillar I and Pillar II progress.
- On 4 April 2024, the Deputy Prime Minister gave a [speech](#) at the Sydney Institute, mentioning the importance of AUKUS Pillar II.
- On 27 March 2024, the Deputy Prime Minister released a [media statement](#) on the passing of the *Defence Trade Controls Amendment Act 2024* through Parliament.

Prepared By:

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Name: Hugh Jeffrey
Position: Deputy Secretary
Group: Strategy, Policy, and Industry

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Relevant Media Reporting

- Australian and international media has reported extensively on additional partners to Pillar II, including Japan, Canada and New Zealand.
- On 9 April 2024, the Australian Financial Review published an article by Andrew Tillett titled [First Japan, now Canada wants in on AUKUS](#).
- On 3 April 2024, The Australian published an article by Gregor Ferguson titled [More clarity needed for AUKUS Pillar 2](#), discussing the need for clarity on Pillar II objectives.

Division: Strategy, Policy, and Industry Group	
PDR No: SB24-000351	
Prepared by: Annie Brusic Acting Assistant Secretary AUKUS Initiatives Branch Mob: s22 Ph: s47E(d) Date: 16 February 2024	Cleared by Division Head: Kim Moy Acting First Assistant Secretary AUKUS Advanced Capabilities Mob: s22 Ph: s47E(d) Date: 16 February 2024
Consultation: Kylie Wright Assistant Secretary Defence Industry International Policy Date: 10 April 2024	
Consultation: Daniel Smith Acting Assistant Secretary International Engagement and Foreign Military Sales Date: 10 April 2024	
Consultation: Air Commodore Nicholas Hogan Director General Force Options and Plans Date: 11 April 2024	
Consultation: s47E(d) Acting Director Strategic Capability, Australian Submarine Agency Date: 15 April 2024	

Prepared By:
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Cleared By:
Name: Hugh Jeffrey
Position: Deputy Secretary
Group: Strategy, Policy, and Industry
Phone: s47E(d) /s22

Consultation:

s47E(d)

Date: 15 April 2024

Director International Engagement,
Australian Submarine Agency

Consultation:

Kyle Evans

Date: 15 April 2024

Acting Assistant Secretary Quad and AUKUS
Policy, Department of the Prime Minister
and Cabinet

Consultation:

Peter Maguire

Date: 15 April 2024

Acting Assistant Secretary Naval Shipbuilding
Department of the Prime Minister and
Cabinet

Cleared by DSR/NDS:

Andrew Hodgkinson

Date: 23 April 2024

Assistant Secretary Policy and Engagement

Cleared by Deputy Secretary:

Hugh Jeffrey

Date: 22 April 2024

Deputy Secretary
Strategy, Policy, and Industry Group

Prepared By:

Name: Annie Brusic

Position: Acting Assistant Secretary AUKUS
Initiatives

Division: AUKUS Advanced Capabilities

Phone: [redacted] / [redacted]

Cleared By:

Name: Hugh Jeffrey

Position: Deputy Secretary

Group: Strategy, Policy, and Industry

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Guided Weapons and Explosive Ordnance Enterprise

Handling Note:

- Chief of Guided Weapons and Explosive Ordnance Group, Air Marshal Leon Phillips, to lead.
- Service Chiefs to support on questions relating to Service-specific guided weapons and explosive ordnance acquisitions.

Key Messages:

- The 2024 Integrated Investment Program advances the implementation of the Government's six immediate investment priorities, that includes the ability of the ADF to 'precisely strike targets at longer range', to 'increasing combat and enabling priorities through a Guided Weapons and Explosive Ordnance Enterprise'.
- The Government will invest \$16-21 billion in Australia's Guided Weapons and Explosive Ordnance Enterprise over the next decade to meet the 2024 National Defence Strategy's requirements.
- This investment prioritises the development of a sovereign ability to produce, maintain, repair and overhaul selected weapons in accordance with Defence's Sovereign Defence Industrial priorities.
- It also includes the acquisition of a sufficient stock of weapons and munitions to help ensure sustained operations in a time of conflict and the expansion of storage and distribution facilities to accommodate Defence's growing Guided Weapons and Explosive Ordnance inventory.
- The Guided Weapons and Explosive Ordnance Enterprise strengthens the international munitions industrial base Australia shares with the United States.
- Since the Defence Strategic Review, the Guided Weapons and Explosive Ordnance Enterprise has supported a bilateral agreement with the United States to collaborate on a flexible guided weapons production capability in Australia, with an initial focus on the potential for co-production of Guided Multiple Launch Rocket Systems by 2025.

Talking Points

- The 2024 Integrated Investment Program prioritises the investment of \$16-21 billion over the next decade to deliver the National Defence Strategy's Guided Weapons and Explosive Ordnance Enterprise vision.

Prepared By:

Name: s47E(d)

Position: Executive Director Strategy and Plans

Division: Guided Weapons and Explosive Ordnance Capability Development

Phone: s22

Cleared By:

Name: Air Marshal Leon Phillips

Position: Chief of Guided Weapons and Explosive Ordnance Group

Group: Guided Weapons and Explosive Ordnance Group

Phone: s22

- This investment includes funding for:
 - Manufacturing guided weapons and their critical components to improve Australia's self-reliance on:
 - : Manufacturing and increasing local maintenance of land-based and maritime strike missiles; and
 - : Manufacturing other types of munitions, including 155mm artillery ammunition and rocket motors.
 - Critical enablers required for an expanded Guided Weapons and Explosive Ordnance Enterprise, including increasing testing and research capabilities and rapidly expanding the storage and distribution network to accommodate a growing inventory; and
 - Acquisition of more guided weapons and explosive ordnance to supply Defence's operational needs.

Domestic Manufacturing and a Guided Weapons Production Capability

- In line with the Defence Strategic Review recommendation, Defence has developed several options for the rapid establishment of domestic manufacturing in Australia.
 - These are subject to further consideration and it is not appropriate to provide details at present.
- Defence is working with Kongsberg to develop an Australian capability able to manufacture and maintain Naval Strike Missile and Joint Strike Missile. This is an extension of the existing projects scope already being implemented in Australia by Kongsberg and Defence.
- Defence is working with Lockheed Martin Australia on detailed plans for a Guided Weapons Production Capability in Australia, commencing with Guided Multiple Launch Rocket Systems missiles. The aim is to build a flexible and scalable Guided Weapons Production Capability that can be reconfigured for different weapon types.
- On 1 December 2023, Defence signed a \$37.4 million contract with Lockheed Martin Australia for a risk reduction activity that will see the assembly of an initial batch of Guided Multiple Launch Rocket Systems missiles in 2025. This will include a test firing in Australia.
- In March 2024, Lockheed Martin, the United States Army, and the Guided Weapons and Explosive Ordnance Group signed a non-binding agreement to collaborate on the development of industry pathways enabling up to 4000 Guided Multiple Launch Rocket Systems missiles to be manufactured in Australia.

Prepared By:

Name: s47E(d)

Position: Executive Director Strategy and Plans

Division: Guided Weapons and Explosive

Ordnance Capability Development

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Cleared By:

Name: Air Marshal Leon Phillips

Position: Chief of Guided Weapons and

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Group: Guided Weapons and Explosive

Ordnance Group

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Industry Partners

- Defence has developed an industry partnership model that includes Strategic Partners and Enterprise Partners.
- In April 2022, Raytheon Australia and Lockheed Martin Australia were formally announced as the initial Strategic Partners of the Guided Weapons and Explosive Ordnance Enterprise.
- The Strategic Partners and their United States parent companies are working with Defence to develop detailed, costed plans for manufacturing guided weapons and their components in Australia.
- Defence has also established a Guided Weapons and Explosive Ordnance Enterprise Partner Panel comprised of solely Australian-owned and controlled entities to help develop and deliver the Guided Weapons and Explosive Ordnance Enterprise.
- The initial Guided Weapons and Explosive Ordnance Enterprise Partners are:
 - Aurecon, which has strong capabilities in infrastructure design and development (commenced August 2022); and
 - The Australian Missile Corporation (commenced September 2022).

United States Engagement

- Support and assistance from the United States is critical to the success of the Guided Weapons and Explosive Ordnance Group.
- The United States reaffirmed its support for the Guided Weapons and Explosive Ordnance Enterprise at the 2023 Australia-United States Ministerial consultations, including agreement to collaborate on a flexible guided weapons production capability in Australia with an initial focus on the potential for co-production of Guided Multiple Launch Rocket Systems by 2025.
- The principals also reaffirmed their commitment to:
 - Address global supply chain constraints and to transfer technical data for the M795 High Explosive 155mm artillery projectiles in support of future production in Australia; and
 - Progress the maintenance, repair, overhaul, and upgrade of priority munitions in Australia, noting this would enhance supply chain resilience, with an initial focus on MK-48 heavyweight torpedoes and SM-2 missiles.

Tomahawk Weapon System

- The Government has decided to purchase more than 200 Tomahawk cruise missiles from the United States for the Royal Australian Navy's Hobart Class destroyers. With a range of 1,500 kilometres, Tomahawk is a world-class long-range strike capability.

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Position: Executive Director Strategy and Plans

Division: Guided Weapons and Explosive

Ordnance Capability Development

Phone: s22

Cleared By:

Name: Air Marshal Leon Phillips

Position: Chief of Guided Weapons and

Explosive Ordnance Group

Group: Guided Weapons and Explosive

Ordnance Group

Phone: s22

- The value of the Foreign Military Sales case for Tomahawk is \$1.3 billion and includes equipment and support services for the three elements of the Tomahawk Weapon System.

Long-Range Strike Capabilities

- In effecting our strategy of denial in Australia's northern approaches, the ADF's operational success will depend on the ability of the Integrated Force to apply critical capabilities, including an enhanced long-range strike capability in all domains.
- This focus will accelerate the ADF's ability to accurately strike targets at longer range from land and expand the acquisition of additional long-range fires systems, including Precision Strike Missiles.
- The Government is also committing an additional \$1.6 billion over the forward estimates for Army's long-range strike capabilities.

Supporting Information

Questions on Notice

- No QoNs asked.

Freedom of Information (FOI) Requests

- On 5 March 2024, an individual made a request seeking a copy of Defence's finalised estimates briefing pack, including an index of back pocket briefs, for the 2023-24 Additional estimates. **The decision to release documents is pending.**
- On 30 October 2023, a media organisation requested Defence's finalised estimates briefing pack for the 2023-24 Supplementary Budget Estimates. **The decision to release documents is pending.**

Recent Ministerial Comments

- On 17 April 2024, the Deputy Prime Minister [announced the Government's release of the inaugural National Defence Strategy](#), which sets out a fundamentally new approach to the defence of Australia and our interests.
- On 17 April 2024, the Deputy Prime Minister and the Minister for Defence Industry [announced that the Government has boosted Defence spending to deliver the 2024 National Defence Strategy and build an integrated, focused force that is ready to deter potential threats.](#)
- On 15 January 2024, [the Government announced a \\$37.4 million deal to assemble Guided multiple Launch Rocket Systems in Australia](#), with the first to be completed by 2025.

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- On 23 October 2023, the Deputy Prime Minister issued a media release outlining [Victoria’s Point Wilson Wharf will accelerate guided weapons for the ADF.](#)
- On 6 October 2023, the Minister for Defence Industry issued a media release outlining that [the Australian Government is investing \\$220 million in local munitions manufacturing for Defence.](#)

Relevant Media Reporting

- On 13 March 2024, The Wall Street Journal published [To build more missiles, the United States looks to an ally 10,000 miles away.](#)
- On 1 March 2024, The New York Times published [Why more American weapons will soon be made outside America.](#)
- On 29 February 2024, The Canberra Times published [Planes, guided missiles priority in defence blueprint.](#)
- On 22 February 2024, Australian Defence Magazine published [Guided Weapons and Explosive Ordnance manufacture was a highlight at the Australian Defence Magazine Congress.](#)

Division: Guided Weapons and Explosive Ordnance Capability Development	
PDR No: SB24-000352	
Prepared by: s47E(d) Executive Director Strategy and Plans Guided Weapons and Explosive Ordnance Capability Development Division Mob: s22 Ph: s47E(d) Date: 12 April 2024	Cleared by Division Head: Mr Andrew Byrne First Assistant Secretary of Capability Development Division Guided Weapons and Explosive Ordnance Capability Development Division Mob: s22 Ph: s47E(d) Date: 15 April 2024
Consultation: Air Vice Marshal Gerry van Leeuwen Date: 12 April 2024 Head of Delivery Division Guided Weapons and Explosive Ordnance Group Delivery Division	

Prepared By:
Name: s47E(d)
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Cleared By:
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Budget Estimates June 2024
Last updated: 23 April 2024
Key witnesses: Air Marshal Leon Phillips

Guided Weapons and Explosive Ordnance Enterprise

SB24-000352

Cleared by DSR/NDS:

Major General Matt Pearse
Head of Plans and Capability
Implementation
Defence Strategic Review Implementation
Task Force

Date: 23 April 2024

Cleared by 3 Star:

Air Marshal Leon Phillips, OAM
Chief of Guided Weapons and Explosive Ordnance
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Guided Weapons and Explosive Ordnance Group

Date: 23 April 2024

Prepared By:

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Advanced Strategic Capabilities Accelerator

Handling Note:

- Chief Defence Scientist, Professor Tanya Monro AC to lead.
- First Assistant Secretary Advanced Strategic Capabilities Accelerator, Professor Emily Hilder, to support.

Key Messages

- The Advanced Strategic Capabilities Accelerator is a key enabler of the recently announced 2024 National Defence Strategy and the 2024 Integrated Investment Program. Establishing it in the Defence Science and Technology Group has been critical to its success.
- By investing up to \$3.8 billion over the next decade, the Advanced Strategic Capabilities Accelerator will transform the way Defence delivers breakthrough solutions to provide the ADF with an asymmetric advantage.
- The Advanced Strategic Capabilities Accelerator's Missions Program is on track to progress its first problem statement to Mission 1 in mid-2024, following co-design activities completed in early May 2024. Planning for future missions is well-advanced.
- On 26 March 2024, the Advanced Strategic Capabilities Accelerator (along with the United Kingdom and United States innovation programs) released the first AUKUS Innovation Challenge. Focussing on electronic warfare, Australia will offer three successful proposals the potential to be awarded \$240,000 each to develop detailed project execution plans in collaboration with Defence.
- The 2024 National Defence Strategy will drive the Defence Innovation, Science and Technology program through significant investments in the Advanced Strategic Capabilities Accelerator and AUKUS Pillar II Advanced Capabilities.
- The Ghost Shark Program will deliver a sovereign, autonomous undersea capability, jointly funded by a partnership between Defence and Anduril Australia, and will become Mission Zero for the Advanced Strategic Capabilities Accelerator.

Talking Points

- The Advanced Strategic Capabilities Accelerator has three primary lines of effort: Missions, Innovation Incubation Challenges, and the Emerging and Disruptive Technologies Program – all of which have commenced.

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Engagement and Business Operations

Division: Advanced Strategic Capabilities

Accelerator

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Cleared By:

Name: Professor Emily Hilder

Position: First Assistant Secretary

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Accelerator

Group: Defence Science and Technology

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- Missions are driven by problem statements aligned to Defence priorities. Each mission will typically be three years long, with clear performance targets and off-ramps and a dedicated capability sponsor.
- When the technology is proven and affordable, the focus is then to get the capability into service as soon as possible. Led by Australia's most capable technical leaders, and with dedicated Defence support, Advanced Strategic Capabilities Accelerator missions will deliver minimum viable capabilities that can be accessed by our warfighters when they are needed.
- In addition to the missions, the Advanced Strategic Capabilities Accelerator has also established two programs.
 - Innovation Incubation Program. This will identify innovations that can be rapidly adapted, tested and acquired for military purposes addressing capability priorities identified by the Vice Chief of the Defence Force.
 - Emerging and Disruptive Technologies Program. This will monitor, investigate and research technologies that may either disrupt existing capabilities or provide new knowledge that helps identify opportunities for the development of asymmetric capabilities for Defence.
- A phased transition ensures in-train activities from previous innovation programs receive effective oversight by the Advanced Strategic Capabilities Accelerator. This allows the existing Australian innovation ecosystem to continue building the sovereign capabilities required to deliver solutions addressing Defence's capability priorities.
- The Advanced Strategic Capabilities Accelerator is learn by design, with Defence Science and Technology Group providing significant enabling support as well as the Science and Technology expertise required to establish and deliver Advanced Strategic Capabilities Accelerator programs. This has already shown to be a powerful and symbiotic relationship.

Previous Defence Innovation Programs

- The Defence Innovation Hub and the Next Generation Technologies Fund ceased operating on 1 July 2023.
- Both programs have existing multi-year contracts. Each of these contracts are being assessed against the 2024 Nation Defence Strategy and current Defence priorities. Projects aligned with Defence priorities may continue in accordance with agreed contract terms or re-scoped with revised contract terms. Projects not aligned with Defence priorities will cease.

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Group: Defence Science and Technology

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2024 National Defence Strategy

- The 2024 National Defence Strategy and Defence Strategic Review both identified as immediate priorities the ability to rapidly translate disruptive technologies into ADF capability, in close partnership with Australian industry.
- The Advanced Strategic Capabilities Accelerator has been established in Defence as a key element of the Defence Innovation, Science and Technology Program to ensure:
 - close integration to the ADF, and the innovation, science, technology and acquisition specialists within Defence; and
 - delivery against Defence's highest strategic priorities and capability requirements, to be evaluated through key milestones.

Intersection with AUKUS

- The Advanced Strategic Capabilities Accelerator:
 - is one of a number of mechanisms to drive delivery of AUKUS advanced capabilities efforts, with the primary mechanism being through longer-term integrated investment projects; and
 - is working in partnership with the Defence and Security Accelerator (United Kingdom), the Defence Advanced Research Projects Agency (United States), and the Defence Innovation Unit (United States) to deliver this trilateral challenge.
- On 26 March 2024, the Advanced Strategic Capabilities Accelerator (along with the United Kingdom and United States innovation programs) released the first AUKUS Innovation Challenge on electronic warfare: focusing on Defence's ability to leverage electromagnetic spectrum technologies and capabilities that provide a competitive advantage to electromagnetic targeting, and those that protect Defence from electromagnetic capabilities.
 - The innovation challenges will initially run through each country's national innovation organisation, with Australia offering three successful proposals the potential to be awarded \$240,000 each to develop detailed project execution plans in collaboration with Defence.

Budget

- By investing up to \$3.8 billion over the next decade from 2023-24, the Advanced Strategic Capabilities Accelerator is transforming the way Defence delivers breakthrough solutions, which provide ADF with an asymmetric advantage. This is an additional \$591 million above planned spending on Defence innovation over the decade.
- Australian Defence, Innovation, Science and Technology investment for 2022-23 was 2.4 per cent of the budget. This compares with 7 per cent in the United Kingdom and 13 per cent in the United States.

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Acquisition pathways

- The Advanced Strategic Capabilities Accelerator will operate faster and industry can expect to get quicker decisions from Defence.
- If the technology is proven, has a capability champion, addresses Defence's strategic priorities and is affordable, the technology will be acquired.
- The Advanced Strategic Capabilities Accelerator will develop a pre-agreed acquisition pathway to fast track the transition of minimum viable capabilities into operational use.

Agility and Risk

- Agility and speed are foundational principles for the Advanced Strategic Capabilities Accelerator and are key to addressing industry feedback. This includes agility in the selection of program managers and projects, and the ability to off-ramp or cease projects that are not meeting agreed outcomes.
 - This does not mean greater risk for Defence personnel – the welfare and safety of our people is of the utmost priority, with risk-assessments are being undertaken for the Advanced Strategic Capabilities Accelerator activities.
- The Advanced Strategic Capabilities Accelerator is facilitating collaborative partnerships between Defence, industry and the academic community across Australia. This includes engaging with industries that have not traditionally worked with Defence, as well as our trusted industry partners in the Defence sector.
- The Advanced Strategic Capabilities Accelerator will draw imaginative ideas and practical solutions from across the full spectrum of research organisations, start-ups and small businesses, and pull these innovations into capability solutions.

Background

- On 28 April 2022, the Government announced an election commitment to establish the Australian Strategic Research Agency.
 - The establishment of the Advanced Strategic Capabilities Accelerator on 1 July 2023 delivers on this election commitment.
- On 12 February 2024, Professor Emily Hilder was appointed as the inaugural First Assistant Secretary Advanced Strategic Capabilities Accelerator.

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Name: Professor Emily Hilder

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Group: Defence Science and Technology

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Supporting Information**Questions on Notice****2023-24 Supplementary Budget Estimates: 25 October 2023**

- **QoN No. 105, Defence planning and review publications**, Senator the Hon Simon Birmingham (Liberal, South Australia) asked for information about the status of a number of reviews. **TABLED**

2023-24 Budget Estimates: 30-31 May 2023

- **QoN No. 24, Barriers to AUKUS**, Senator James Paterson (Liberal, Victoria) asked whether Australian officials have met with external parties in relation to AUKUS Pillar 2 priorities. **TABLED**
- **QoN No. 80, Prioritising Australian industry**, Senator Gerard Rennick (Liberal, Queensland) asked how Government would prioritise Australian industry in innovation deals. **TABLED**

Freedom of Information (FOI) Requests

- On 22 August 2023, an individual sought access under Freedom of Information to documentation relating to the establishment of the Advanced Strategic Capabilities Accelerator and its relationship and funding arrangements with the United States. **The request was refused as no documents were found within the scope of the request.**

Recent Ministerial Comments

- On 18 April 2024, the Minister for Defence Industry [announced](#) the Government will deliver a sovereign, autonomous undersea capability through the Ghost Shark Program, which is being jointly funded by a partnership between Defence and Anduril Australia, and will become Mission Zero for the Advanced Strategic Capabilities Accelerator.
- On 17 April 2024, the Deputy Prime Minister [released](#) the 2024 National Defence Strategy and 2024 Integrated Investment Program, including that \$3.6-3.8 billion is allocated to establish the Advanced Strategic Capabilities Accelerator over the decade.
- On 30 January 2024, the Minister for Defence Industry [advised](#) that 11 companies have signed contracts to provide a prototype of a drone, known as an uncrewed aerial system, for demonstration in April along with production.
- On 11 December 2023, the Minister for Defence Industry [announced](#) the release of the Approach to Market for the first Advanced Strategic Capabilities Accelerator Mission projects.

Relevant Media Reporting**Prepared By:**

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Position: Assistant Secretary Strategic
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- On 18 April 2024, multiple news outlets, including [Defence Magazine](#) noted that the Ghost Shark Program has unveiled its first prototype extra-large autonomous undersea vehicles, and that the program will become Mission Zero(0) for the Advanced Strategic Capabilities Accelerator, jointly developed and funded by a partnership with Defence and Anduril Australia.
- On 5 April 2024, [InnovationAus](#) quoted Deputy Prime Minister's speech to the Sydney Institute that the concept of minimum viable capability will play an increasingly important role in bringing cutting-edge technologies and asymmetric advantage to the military.
- On 5 April 2024, [InnovationAus](#) list the names of the Advanced Strategic Capability Accelerator External Advisory Board Members.
- On 3 April 2024, the [ASPI Strategist](#) detailed Chief Defence Scientist Tanya Monro's concept that 'minimum viable capability' is critical to getting cutting edge technology into the hand of military personnel.
- On 3 April 2024, [The Australian](#) detailed the Advance Strategic Capability Accelerator first nine months of achievements including that all programs have commenced including the sovereign Uncrewed Aerial Systems challenge, release of the first mission problem statements, first call for emerging and disruptive technologies, and first AUKUS Innovation Challenge.
- On 19 March 2024, Steve Baxter from [Defence Connect](#) discusses the need to unlock Australia's private equity/venture capital markets for Investment in Defence innovation, including Incentive models.
- On 20 February 2024, [InnovationAus](#) noted that the Emerging and Disruptive Technologies program received 179 submissions from 71 organisations on its call to market addressing Quantum Technologies and Information Warfare.
- On 5 February 2024, multiple news outlets, including [InnovationAus](#) announced the appointment of Professor Emily Hilder as the permanent head of the Advanced Strategic Capabilities Accelerator.

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Name: Professor Emily Hilder

Position: First Assistant Secretary
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Group: Defence Science and Technology

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Division: Advanced Strategic Capabilities Accelerator	
PDR No: SB24-000353	
<p>Prepared by:</p> <p>Dr Clare Murphy Assistant Secretary Strategic Engagement and Business Operations Strategic Engagement and Business Operations Branch Advanced Strategic Capabilities Accelerator</p> <p>Mob: s22 Ph: s47E(d)</p> <p>Date: 19 April 2024</p>	<p>Cleared by Division Head:</p> <p>Professor Emily Hilder First Assistant Secretary Advanced Strategic Capabilities Accelerator Defence Science and Technology Group</p> <p>Mob: s22 Ph: s47E(d)</p> <p>Date: 19 April 2024</p>
<p>Cleared by Deputy Secretary:</p> <p>Professor Tanya Monro Chief Defence Scientist Defence Science and Technology Group</p> <p style="text-align: right;">Date: 24 April 2024</p>	

Prepared By:

Name: Dr Clare Murphy
Position: Assistant Secretary Strategic Engagement and Business Operations
Division: Advanced Strategic Capabilities Accelerator
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Cleared By:

Name: Professor Emily Hilder
Position: First Assistant Secretary Advanced Strategic Capabilities Accelerator
Group: Defence Science and Technology
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Uncrewed Aerial Systems

Handling Note:

- Acting Vice Chief of the Defence Force, Major General Anthony Rawlins to lead.
- Questions regarding capability in service or being trialled to be directed to the respective Service Chief.

Key Messages

- Uncrewed aerial systems – also known as drones or remotely piloted aerial systems – have been used by Defence on operations for many years. Uncrewed aerial systems already in service conduct non-lethal intelligence, surveillance and reconnaissance.
- New technology and asymmetric advantage are operational priorities for Defence. Uncrewed systems provide opportunities for quicker technology refreshes and to scale capability when needed.
- Defence has prioritised acquiring a range of drone technologies to provide capability options for the ADF in Australia's area of military interest.
- Defence is trialling a variety of low-cost, expendable systems that can be produced at scale, as well as very advanced and capable systems able to operate in varied environments. These trials will inform investment decisions.
- Systems to counter uncrewed capabilities exist in Defence platforms.
- Defence is ensuring its policy and legal considerations keep pace with emerging technologies. All Defence capabilities undergo a legal weapons review to ensure compliance with Humanitarian Law and the Law of Armed Conflict.

Talking Points

Is Defence behind in drone development?

- Defence has operated numerous drones, or remotely piloted aerial systems, for many years, including on operations. Defence currently operates 760 uncrewed aerial systems.
- The full range of initiatives – including uncrewed capabilities and how these might complement existing and planned capabilities into the future – have been considered by Government in the context of the 2024 National Defence Strategy and 2024 Integrated Investment Program.
- In line with technology advances, the rebuilt 2024 Integrated Investment Program invests in a range of uncrewed and autonomous systems that can work together and complement crewed systems on missions that will support a Strategy of Denial, hold potential adversaries at risk, and increase the potency of our capabilities.

Prepared By:

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Cleared By:

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Position: Vice Chief of the Defence Force
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- The 2024 Integrated Investment Program's investment in emerging technologies will provide asymmetric capability advantage, including:
 - highly advanced, extremely capable autonomous systems able to operate and survive in contested warfighting environments, including the MQ-28A Ghost Bat collaborative combat aircraft and the Ghost Shark uncrewed underwater vehicle; and
 - smaller, low-cost and, expendable robotic and autonomous systems that could be deployed in larger groups across the maritime, land and air domains.
- Working with Australian and international companies, the Advanced Strategic Capabilities Accelerator continues to trial both low-cost, expendable systems, capable of production at scale, and highly advanced, extremely capable systems able to operate and survive in contested warfighting environments. Many of these advanced technologies are well suited for expedited development.
- These asymmetric capabilities will be capable of conducting tasks from intelligence, surveillance, reconnaissance and electronic warfare through to delivery of lethal effects.

Is Defence acquiring an armed drone?

- Defence has been working with Australian and international companies for several years to develop and introduce an armed drone. Army will introduce a loitering munition (armed drone) into service in 2024.
- Low-cost, smart technology such as loitering munitions, are undergoing continuous development and improvement. Test and evaluation is underway on a number of systems to ensure Defence is postured to employ this technology.
- In November 2023, Defence conducted a live demonstration of a range of loitering munitions, developed with Australian companies over recent years.
 - A loitering munition is an aerial weapon with a built-in warhead typically designed to loiter around a target area until a target is located, then attack the target.
- In addition to testing, all Defence capability must undergo a legal weapons review to ensure it can be used in accordance with Australia's legal obligations, including international humanitarian law and the law of armed conflict.

Is the ADF vulnerable to drone attacks?

- Defence develops military capabilities with a focus on the requirements in Australia's area of military interest.
- The risks for each military operation are carefully assessed and inform deployment and capability development decisions.
- The protection of Australia's military platforms, including from drones, is achieved through a combination of protective equipment, training and tactics. Defence is developing and acquiring its own counter systems and technologies.

Prepared By:

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Name: Vice Admiral David Johnston

Position: Vice Chief of the Defence Force

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What operational regular and smaller drone systems does Defence already have?

- There are just over 760 uncrewed aerial systems in Defence's inventory.
- Defence has operated the Heron, Shadow, Black Hornet, WASP and Scaneagle remotely piloted aerial systems.
- In response to Government direction, Defence is accelerating delivering the next generation of uncrewed systems that enhance opportunities for Australian industry, including:
 - acquisition projects related to autonomous vehicles totalling \$4-6 billion;
 - research and development programs totalling approximately \$60 million domestically and \$10 million internationally from partnerships and industry;
 - Defence Science, Technology and Research Shot program funding aligned to autonomous systems and drone technologies totalling \$1-2 million; and
 - the Sovereign Uncrewed Aerial Systems Challenge, as the Advanced Strategic Capabilities Accelerator Innovation Incubation Program's inaugural challenge.
 - : Defence entered into contracts with selected companies to deliver a prototype and production plan for a sovereign, affordable, sub-2kg uncrewed aerial system or drone. Ten companies successfully delivered production plans and demonstrated their prototypes at a fly-off conducted over 2-14 April 2024. The total contract value is \$1.1 million.
 - : This activity has generated very promising options and the Advanced Strategic Capabilities Accelerator is working with selected companies to deliver this capability to users in Defence and other Commonwealth agencies.
- In South Australia, in late 2023, Defence successfully trialled autonomous ground robotics as part of the AUKUS security agreement. The Trusted Operation of Robotic Vehicles in a Contested Environment trial, conducted by Australian scientists, tested the resilience and reactions of autonomous ground vehicles under attack from electronic warfare weapons, electro optical laser, and position, navigation and timing systems.
 - The trial is the latest in a series of AUKUS engagements between the United States, United Kingdom and Australia to enhance capability developments and improve interoperability.
 - Exercises such as this provide an opportunity for defence industry to participate in capability demonstrations, development and delivery.
- In December 2023, AUKUS Defence Ministers announced that Resilient and Autonomous Artificial Intelligence Technologies would be integrated into national programs in 2024. The Trusted Operation of Robotic Vehicles in a Contested Environment trial takes us a step closer to adopting these technologies in the land domain.

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What counter-drone systems does Defence already have?

- In conjunction with other government agencies, Defence fields a variety of counter-drone detection and monitoring systems across airbases, ports and barracks,. These systems provide early warning and identification of potential threats, allowing appropriate response actions to be taken in accordance with Australian law.
- Defensive systems that target crewed systems can also be used against uncrewed systems. Defence fields many existing capabilities that can identify uncrewed systems, interrupt or deceive their control systems and sensors, and neutralise or destroy them.
- Further details of capabilities, enhancements, testing and prioritised investment are classified for national security reasons.

What types of counter-drone systems capability is Defence trialling?

- In 2024, Army will conduct live-fire trials of sovereign counter-drone systems. The trials will include capabilities identified at the annual Army Innovation Day 2023, where six vendors successfully pitched their products, and are now contracted to progress their technology with Army.
- Army is also trialling small ground robots and autonomous and remote sensor and weapons platforms. These are small, cheap systems and largely disposable. Army has converted a number of M113 to Optionally Crewed Combat Vehicles and live fired these systems in an uncrewed mode, both from static positions and on the move. This is continuing to expand into counter-drones later this year.

SEA 1200

- In 2022, Navy and Defence Science and Technology Group undertook a range of experimental activities leading to the development of a number of uncrewed maritime warfare 'prototypes', of which two continue to be developed as part of SEA 1200 – Uncrewed Maritime Warfare.
 - Ghost Shark Extra Large Autonomous Underwater Vehicle (XL-AUV)
 - Bluebottle Uncrewed Surface Vessel (USV)
- Further questions on SEA 1200 should be referred to the Chief of Navy.

AUKUS Pillar II

- To complement crewed undersea warfare capabilities and the Navy's surface combatant fleet, the Government will invest \$5.2-7.2 billion in the development and acquisition of subsea warfare capabilities and new autonomous and uncrewed maritime vehicles, including through AUKUS Pillar II Advanced Capabilities.
- Questions regarding AUKUS Advanced Capabilities should be referred to the Deputy Secretary Strategy, Policy and Industry.

Background**Counter-Drones**

- The Chief of Navy is the Capability Manager for undersea autonomous vehicle capabilities.

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- The Chief of Army is the Capability Manager for Counter-Uncrewed Aerial Systems for smaller drones.
- The Chief of Air Force is the Capability Manager for the targeting of larger drones as part of Integrated Air and Missile Defence.

Supporting Information

Questions on Notice

- No QoNs asked.

Freedom of Information (FOI) Requests

- On 5 March 2024 an individual made a request seeking a copy of Defence's finalised estimates briefing pack, including an index of back pocket briefs, for the 2023-24 Additional estimates. **The decision to release documents is pending.**

Recent Ministerial Comments

- On 9 February 2024, the Minister for Defence Industry announced an additional \$399 million for the ongoing development of the [MQ-28A Ghost Bat](#).
- On 1 February 2024, the Deputy Prime Minister and the Minister for Foreign Affairs met their New Zealand counterparts, with discussion including [advanced military technology cooperation](#).
- On 2 December 2023, AUKUS defence ministers released [a joint statement](#) highlighting the accelerated delivery of advanced military capabilities as part of Pillar II collaboration.

Relevant Media Reporting

- On 16 April 2024, in a segment for Sky News, Peta Credlin interviewed Strategic Analysis Australia director Peter Jennings, saying [Australia the 'only advanced military' which does not have armed drones](#).
- On 26 March 2024, the [Asia Pacific Defence Reporter](#) and [Australian Defence Magazine](#) reported on the anti-drone laser prototype developed by Australian company AIM Defence.
- On 26 March 2024, The Guardian reported ['Australian military buys \\$5 million laser-based anti-drone system'](#).
- On 17 March 2024, The RiotACT reported ['Licensed drone pilots in Australia now outnumber conventional counterparts'](#), citing the ADF's increased application of drones over the last decade.
- On 1 February 2024, Ben Packham wrote in The Australian that outdated drones were in use by the ADF in an article titled, ['We can't keep droning on about doing little'](#).

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Division: Force Design Division	
PDR No: SB24-000354	
Prepared by: Major General Anthony Rawlins Head Force Design Mob: s22 Ph: s47E(d) Date: 19 April 2024	Cleared by Group/Service Head: Vice Admiral David Johnston Vice Chief of the Defence Force Mob: s22 Ph: s47E(d) Date: 23 April 2024
Consultation: Brigadier James Davis Director General Future Land Warfare Land Capability Division s47E(d) Director Battlefield Aviation Program Army Battlefield Aviation Program Commander Mark Chadwick Deputy Director Warfare Innovation Navy Naval Capability Division s47E(d) Director Strategy, Budget & Force Structure DSR Implementation Taskforce	
Cleared by 3 Star: Vice Admiral David Johnston Vice Chief of the Defence Force	

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Cleared By:
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Defence ICT – Major Transformation Programs

Handling Note:

- Associate Secretary, Matt Yannopoulos PSM, to lead.
- Chief Information Officer, Chris Crozier, to support on project delivery.

Key Messages

- Defence has two major ICT programs underway that will support the transformation outlined in the 2024 National Defence Strategy; the OneDefence Data Program and the Enterprise Resource Planning Program.
- The OneDefence Data Program declared Initial Operating Capability on 1 December 2023, providing a data platform on the Defence PROTECTED environment, with foundational tools and services to ingest, integrate and analyse Defence data.
- Defence has recalibrated its approach to deliver the remainder of the OneDefence Data Program due to the changing technology landscape. This remains consistent with the 2024 Integrated Investment Program.
- The Enterprise Resource Planning Program is a major ICT-enabled business transformation program that will standardise and integrate business processes across key functions (such as human resources, finance, case management and logistics) into a new system that will provide a single source of truth. The Enterprise Resource Planning Program will replace a number of ageing and disparate systems.
- On 27 November 2023, the Enterprise Resource Planning Program reached a significant milestone of Go-Live for Force Element, and Performance and Goals. Further Enterprise Resource Planning Program releases are scheduled for May 2024 and Quarter 3 2024.

Talking Points

One Defence Data

- The OneDefence Data Program will transform the way Defence shares, discovers, manages and uses its data. The Program will deliver a strategic data platform, data analysis applications, and supporting governance, policies and services.
- Initial Operating Capability was declared on 1 December 2023 with the delivery of a strategic data platform on the Defence Protected Environment. Key sources of personnel, and workplace, health and safety data have been absorbed into the platform to produce dashboards that provide insights into ADF injury risks.
- Initial Operating Capability also included a demonstration of the PROTECTED platform's legacy data archiving, retention and retrieval capabilities.

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- Final Operating Capability will include the delivery of a data catalogue, data quality management and advanced business intelligence tools across the PROTECTED and SECRET domains, and connection of in-scope data sets to the platform.
- In February 2024, the Chief Information Officer implemented detailed due diligence activities to assess the Program’s achievements to date and validate the ability to achieve the Final Operating Capability committed to by the Government. As a result, Defence has recalibrated its approach, consistent with the 2024 Integrated Investment Program.
- The revised approach remains affordable within the Government-approved financial allocation for delivery of Tranche 1.
- The OneDefence Data Program has been delayed due to the anticipated SECRET Cloud provider withdrawing its service offering, meaning expected repeatable engineering efforts across the PROTECTED and SECRET environments can not be realised.

Enterprise Resource Planning Program

- The Enterprise Resource Planning Program is a major ICT-enabled business transformation program that will standardise and integrate business processes across key functions (such as human resources, finance, case management and logistics) into a new, central system. This program will replace a number of ageing and disparate systems.
- The Enterprise Resource Planning Program is tracking towards successful delivery in terms of time, cost, quality standards and benefits – but it is addressing some risks. Program costs remain within the approved budget.
- Defence successfully delivered the November 2023 release that introduced human resource performance and goals solutions to an initial APS cohort in Capability, Acquisition and Sustainment Group.
- The initial Force Element release is a foundational step to manage our organisation structure. Force Element more broadly, will enable us to have an integrated view of our people, resources and finances to support planning and decision-making.
- The Tranche 2 Case Management Solution remains on track for planned ‘go-live’ in late-May 2024.
- The Performance and Goals (T3R1B) solution is scheduled to be rolled out to all APS employees and their supervisors in Defence, the Australian Signals Directorate and Australian Submarine Agency from 27 May 2024.
- The Performance and Goals solution is scheduled to be rolled out to all ADF members and their supervisors from October 2024.
- Tranche 1 Release 1B will deliver the Enterprise Resource Planning backbone across supply chain management, land maintenance, and engineering, finance and procurement.

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- Tranche 1 Release 1B has experienced some delays in System Integration Testing and Data Conversion activities, with data migration remaining on the critical path for Go Live, planned for the end of Quarter 3, 2024.

Supporting Information

Questions on Notice

2023-24 Additional Estimates: 14 February 2024

- QoN No. 109**, OneDefence Data Program contract, Senator David Pocock (Independent, Australian Capital Territory) requested information about contract selection, management and execution. **TABLED**
- QoN No. 114, Vault Cloud**, Senator David Pocock (Independent, Australian Capital Territory) requested information about engagement with Vault Cloud and performance of the platform. **TABLED**

Freedom of Information (FOI) Requests

- On 29 July 2023, an individual requested the “contract (scope of works and requirements) with KPMG for One Defence Data Program ICT2284, including, and specifically the Australian Industry Commitments section”. **Documents were not released.**

Media Reporting

- On 16 April 2024, the ABC published analysis by Linton Besser titled ‘[Senator David Pocock is on a mission to hold Canberra to account — and he won't stop with the Department of Defence](#)’, which canvassed a review into the OneDefence Data Program released in accordance with a Senate Order to Produce Documents.
- On 20 December 2023, the ABC published a report by Linton Besser titled ‘[\\$100m Defence contract with KPMG rife with governance failures, review finds](#)’, following criticism of KPMG’s involvement with the OneDefence Data Program.
- On 6 December 2023, InnovationAus.com journalist Joseph Brookes reported ‘[Senate to probe tech sector’s sovereign capability](#)’, after Senator David Pocock’s referral of the issue to the Senate’s finance committee following concerns that a reliance on multinational providers had weakened Australian technology capability.

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Division: ERP Systems Division	
PDR No: SB24-000516	
Prepared by: Nasa Walton First Assistant Secretary ERP Systems Division Mob: s22 Ph: s47E(d) Date: 2 May 2024	Cleared by Group Head: Chris Crozier Chief Information Officer Mob: s22 Ph: s47E(d) Date: 2 May 2024
Consultation: Dr Paul Robards AM Chief Data Integration Officer Mob: s22 Ph: s47E(d) Date: 30 April 2024	Ben Wright First Assistant Secretary Defence Integrity Mob: s22 Ph: s47E(d) Date: 30 April 2024
Cleared by CFO: Jennifer Makunde Acting Assistant Secretary Finance, Enabling Groups Defence Finance Group Date: 1 May 2024	
Cleared by Associate Secretary: Matt Yannopoulos, PSM Associate Secretary Date: 3 May 2024	

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Portfolio Budget Statements 2024-25

Handling Note: Chief Finance Officer, Steven Groves, to lead.

Key Messages

- The *Defence Portfolio Budget Statements 2024-25* outline key measures and decisions which support implementation of the *2024 National Defence Strategy*.
- Through the *2024 National Defence Strategy*, Government has injected an additional \$50.3 billion over the decade to 2033-34 to uplift Defence's capabilities, responding to the heightened security environment and reduced warning time.
- The Government announced as part of the NDS that Defence funding will grow to \$100.4 billion by 2033-34, which will be around 2.4 per cent (2.34% of 2024-25 budget) of estimated Gross Domestic Product.

Key Facts and Figures

- Defence's appropriation (excluding the Australian Signals Directorate and the Australian Submarine Agency) is \$52.6 billion for 2024-25 and \$230.8 billion over the Forward Estimates.
- Defence, the Australian Signals Directorate and the Australian Submarine Agency combined appropriation is \$55.7 billion for 2024-25 and \$242.4 billion over the Forward Estimates.
- As part of the recent release of the National Defence Strategy, the Government committed to increasing defence funding. The three agencies combined appropriation will grow from \$55.7 billion in 2024-25 to \$100.4 billion in 2033-34.
 - This figure is 0.3 per cent higher than the previous trajectory of the Defence budget prior to the injection of additional funding.
 - Based on the revised Gross Domestic Product figures at the 2024-25 Commonwealth Budget, this figure is now 2.34 per cent, being 0.2 per cent higher.
- The Government is investing \$330.0 billion through to 2033-34 on capability investment priorities, through the rebuilt Integrated Investment Program. This involves increases of:
 - \$5.7 billion over the next four years to 2027-28; and
 - \$50.3 billion over the next decade to 2033-34.
- The required average total ADF permanent workforce for 2024-25 is estimated to be 63,597, however the expected achievement is 58,600 and the average total APS workforce is estimated to be 19,127.

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- The Defence portfolio appropriation is split across three organisations: Defence, the Australian Signals Directorate and the Australian Submarine. The breakdown of appropriation is provided in Table 1 below.

Table 1: Defence, Australian Signals Directorate and Australian Submarine Agency funding over the Forward Estimates

	2023-24 Estimated Actual \$m	2024-25 Budget Estimate \$m	2025-26 Forward Estimate \$m	2026-27 Forward Estimate \$m	2027-28 Forward Estimate \$m	Total Budget and FEs \$m
Defence Funding	50,231.0	52,580.5	55,456.5	57,958.6	64,804.6	230,800.2
Australian Signals Directorate Funding	2,856.6	2,723.5	2,468.5	2,461.9	2,210.9	9,864.8
Australian Submarine Agency Funding	243.4	383.0	430.5	527.4	378.1	1,719.0
Combined Defence, Australian Signals Directorate and Australian Submarine Agency Funding	53,331.0	55,687.0	58,355.5	60,947.9	67,393.6	242,384.0
Percentage of Gross Domestic Product	1.99 per cent	2.02 per cent	2.04 per cent	2.02 per cent	2.12 per cent	2.05 per cent

Talking Points

- The Government will provide Defence with \$52.6 billion in 2024-25 and \$230.8 billion over the Forward Estimates.
- Defence planned expenditure on Capability Acquisition in 2024-25 has reduced by \$1.5 billion since the *2023-24 Defence Portfolio Budget Statements 2023-24* (Defence Portfolio Budget Statements 2023-24: \$18.2 billion; *2024-25 Defence Portfolio Budget Statements 2024-25*: \$16.7 billion).
- This is predominately due to increases in planned Workforce expenditure of \$1.19 billion to support Defence workforce as our highest priority, and Capability Sustainment of \$0.68 billion to support delivery of the *2024 National Defence Strategy*. This is partially offset by Foreign Exchange supplementation of \$402.0 million since the *Portfolio Budget Statements 2023-24*.
- The attribution to the respective Key Internal Category reflects the best estimate of project expenditure, sustainment and workforce at the time of budget publication.

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- Defence has transferred funding from acquisition into workforce and sustainment across the Forward Estimates. The cost of ADF has notably increased on a per unit basis over recent years, driven predominately by inflationary pressure in health care, housing and relocation expenses. Whilst the number of Average Funded Strength is behind the required workforce, the Defence budget attribution by Key Internal Category is predicated upon a glide path of achievability.
- Table 2 below, extracted from the *2024-25 Defence Portfolio Budget Statements* provides a breakdown of the 2024-25 Defence Budget measures and other adjustments since the *2023-24 Defence Portfolio Additional Estimates Statements*.

Table 2: Variation to Defence Funding

		2024-25 Budget Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	Total \$m	
	Program	\$m	\$m	\$m	\$m		
Budget Measures							
Payment Measures							
	2024 National Defence Strategy and Integrated Investment Program	Various	400.0	770.0	730.0	3,800.0	5,700.0
	Defence Industry Development Strategy ^[a]	2.1	-	-	-	-	-
	Nuclear-powered submarine program - workforce and supply chain investments ^[b]	2.16	-	-	-	-	-
	Equity injection for Australian Naval Infrastructure ^[c]	2.16	nfp	nfp	nfp	nfp	nfp
	National Security Agencies - Additional Funding Measure ^[d]	2.14	nfp	nfp	nfp	nfp	nfp
	Defence export - Boxer Heavy Weapons Carriers for Germany ^[e]	2.9	-	-	-	-	-
	Continuing Veterans' Access to Health and Support Programs ^[f]	Various	-3.2	-3.6	-2.1	-	-9.0
	Policing Engagement and Training ^[g]	2.16	nfp	nfp	nfp	nfp	nfp
	Implementation of the Defence Trade Control Amendment Act 2024 ^[h]	2.1	-	-	-	-	-
	Defence Oversight - Parliamentary Joint Committee on Defence	Various	-1.9	-1.6	-1.6	-1.7	-6.8
	Southeast Asia Engagement - Additional Funding ^[i]	2.1	-	-	-	-	-
	Savings from External Labour - Extension, and the commissioning of a new Audit of Employment	Various	-23.7	-25.8	-25.6	-196.8	-271.9
Total Departmental Budget Measures			371.2	739.0	700.7	3,601.5	5,412.3
Other Departmental Budget Adjustments							
	Operation KUDU	1.2	7.6	-	-	-	7.6
	Operation RESOLUTE	1.1	71.7	-	-	-	71.7
	Operation ACCORDION	1.2	93.4	-	-	-	93.4
	Defence: Foreign Exchange	Various	-35.6	-31.3	-37.9	-56.0	-160.9
	Other Budget Adjustments ^[j]	Various	nfp	nfp	nfp	nfp	nfp
Total Other Departmental Budget Adjustments			137.1	-31.3	-37.9	-56.0	11.8
Total Other Budget Adjustments			137.1	-31.3	-37.9	-56.0	11.8
Total Defence Funding			508.3	707.6	662.7	3,545.5	5,424.2

Notes

- This measure provides \$166.2 million over the period 2023-24 to 2027-28 which is being absorbed by Defence.
- This measure provides \$64.8 million over the period 2024-25 to 2027-28 which is being absorbed by Defence.
- This measure is not for publication (nfp) due to commercial sensitivities.
- This measure is not for publication (nfp) due to national security considerations.
- This measure is to support administrative arrangements and would be offset by the Federal Republic of Germany.
- This measure is a transfer to the Department of Veterans' Affairs.
- This measure is not for publication (nfp) due to national security considerations.
- This measure provides \$28.0 million over the period 2024-25 to 2027-28 which is being absorbed by Defence.
- This measure provides \$19.9 million over the period 2024-25 to 2027-28 which is being absorbed by Defence.
- This budget adjustment is not for publication (nfp) due to national security considerations.

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Budget Estimates June 2024
 Last updated: 20 May 2024
 Key witnesses: Steven Groves

SB24-000355
 Portfolio Budget Statements 2024-25

Defence 2023-24 Portfolio Supplementary Additional Estimates Measures

Table 3: Defence 2023–24 Supplementary Additional Estimates Measures

Program	2023-24	2024-25	2025-26	2026-27	Total
	Revised Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	
Payment measures					
Defence assistance - Regional and global support ^[a]	1.2	12,198	-	-	12,198
Total Payment Measures		12,198	-	-	12,198
Other Departmental Budget Adjustments					
Other Budget Adjustments	Various	80,000	-	-	80,000
Defence: Foreign Exchange	Various	-32,490	-	-	-32,490
Total Other Departmental Budget Adjustments		47,510	-	-	47,510
Variation to Defence Departmental funding		59,708	-	-	59,708

Note

a. This measure provides \$232.3 million over the period 2023-24 to 2025-26, this includes \$12.2 million of new funding in 2023-24 and \$60.8 million of funding already appropriated in PAES 2023-24 with Defence absorbing \$159.3 million.

Defence Planned Workforce for 2024-25 and Forward Estimates

- Table 4 below, extracted from the 2024-25 Defence Portfolio Budget Statements, provides the planned workforce forecast for the 2024-25 Budget and Forward Estimates.
- The required average total ADF permanent workforce for 2024-25 is estimated to be 63,597, however the expected achievement is 58,600 and the average total APS workforce is estimated to be 19,127.

Table 4: Planned Workforce Forecast for the 2024-25 Budget and Forward Estimates - Average Full-time ^[a]

	2023-24 Estimated Actual (Workforce Achievement) ^[b]	2024-25 Budget Estimate (Workforce Requirement) ^{[c] [d]}	2025-26 Forward Estimate (Workforce Requirement) ^{[c] [d]}	2026-27 Forward Estimate (Workforce Requirement) ^{[c] [d]}	2027-28 Forward Estimate (Workforce Requirement) ^{[c] [d]}
ADF Permanent Force ^{[a] [e]}					
Navy	15,030	16,331	16,632	16,990	17,329
Army	27,959	31,339	31,542	31,813	32,174
Air Force	15,253	15,927	16,358	16,792	17,370
1 Total Permanent Force	58,242	63,597^[e]	64,532	65,595	66,873
Civilian Employees					
APS	18,048	19,127	19,740	20,135	20,150
2 Total Civilian Employees	18,048	19,127	19,740	20,135	20,150
Total Workforce Strength (1 + 2)	76,290	82,724	84,272	85,730	87,023

Notes

- a. ADF Permanent Force includes Service Categories 6 and 7, and Service Option C and G personnel.
- b. The 2023-24 Estimated Actual reflects the anticipated workforce achievement.
- c. The Budget and Forward Estimates reflect the expected workforce requirements (demand).
- d. Forward Estimates for the full-time workforce elements represent the Government approved strength for each year, including White Paper 2016, Force Structure Plan 2020 and 2024 National Defence Strategy requirements. The demand requirements will be reviewed, with any updates to support the delivery of the NDS and IIP rebuild to be delivered in a future budget context.
- e. The estimated achievement for ADF Permanent Force (supply) for 2024-25 is 58,600.

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Background

Defence 2024-25 Budget Summary

In 2024-25, planned Defence expenditure (excluding the Australian Signals Directorate and the Australian Submarine Agency appropriations) includes:

- \$16.7 billion for capability acquisition (31.7 per cent of the Defence budget):
 - \$13.3 billion for military equipment;
 - \$2.7 billion for facilities and infrastructure;
 - \$431.9 million for Information and Communications Technology; and
 - \$247.7 million for other capital equipment (such as minor military equipment and other plant and equipment).
- \$17.2 billion for sustainment (32.6 per cent of the Defence budget):
 - \$11.3 billion military capability sustainment;
 - \$3.7 billion facilities sustainment; and
 - \$2.1 billion ICT sustainment.
- \$16.7 billion for workforce (31.7 per cent of the Defence budget):
 - \$12.6 billion military employees;
 - \$2.6 billion civilian employees; and
 - \$1.5 billion other employee costs (e.g. recruitment, training, removalists and other employee related categories).
- \$2.7 billion (5.1 per cent of the Defence budget) for operating activities and services including business travel and consumable items.
- \$223.8 million for military operations.

2024-25 Portfolio Budget Statements Measures

- **2024 National Defence Strategy and Integrated Investment Program**
 - This measure provides \$5.7 billion from 2024-25 to 2027-28 and includes:
 - : \$2.7 billion of additional funding for the *2024 National Defence Strategy* (\$1.0 billion for the National Defence Strategy and \$1.7 billion for the Surface Combatant review) from 2024-25 to 2027-28; and
 - : \$3.0 billion released from the Contingency Reserve in 2027-28 for National Defence Strategy implementation.

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- . **Defence Industry Development Strategy**
 - This measure provides \$166.2 million from 2023-24 to 2027-28, met from the existing resources of Defence, comprising:
 - : \$165.7 million for the Defence Industry Development Grants to support Australian small and medium businesses; and
 - : \$0.6 million for funding for the School Pathways Program.
- . **Nuclear-powered submarine program - workforce and supply chain investments**
 - The Government will provide \$101.8 million over seven years from 2024–25 to continue to build the Australian industrial workforce required to support the delivery of Australia’s conventionally-armed, nuclear-powered submarines. Funding includes:
 - : \$68.4 million over seven years from 2024–25 for initiatives delivered through the new Skills and Training Academy; and
 - : \$33.5 million over six years from 2024–25 for initiatives to enhance domestic industry and workforce capacity.
 - The cost of this measure will be met from within the existing resourcing of Defence and the Australian Submarine Agency.
- . **Equity Injection for Australian Naval Infrastructure**
 - This measure is *not for publication* due to commercial sensitivities, Defence will offset funding which has an impact on Public Debt Interest associated with the additional equity injection for Australian Naval Infrastructure.
- . **National Security Agencies – Additional Funding Measure**
 - This measure is *not for publication* due to national security considerations, the measure will be met from the existing resources of Defence and consists of the following components:
 - : Counter Foreign Interference Taskforce;
 - : Nuclear-Powered Submarines - Australian Security Intelligence Organisation uplift appropriation transfer; and
 - : Nuclear-Powered Submarines - Australian Federal Police Uplift.
- . **Defence export - Boxer Heavy Weapons Carriers for Germany**
 - This measure is to support the administrative arrangements undertaken by Defence, and would be offset by the Federal Government of Germany, from 2024-25 to 2027-28.

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- . **Continuing Veterans' Access to Health and Support Programs**
 - The Government will provide \$59.6 million over three years from 2024–25 to continue access to health and support services for veterans and their families. The cost of this measure will be partially met from within the existing resourcing of the Department of Veterans' Affairs, the Department of Health and Aged Care, and Defence.
 - Defence will transfer \$9.0 million to the Department of Veterans' Affairs from 2024-25 to 2026-27 for the extension to the Provisional Access to Medical Treatment Program component of this measure (total for the Provisional Access to Medical Treatment program is \$10.2 million).
- . **Policing Engagement and Training**
 - This measure is *not for publication* due to national security considerations, the measure transfers funding from Defence to the Australian Federal Police for the transfer of responsibility for the management and maintenance of the Brisbane Quarantine facilities. Funding for the facility was previously provided to Defence.
- . **Implementation of the Defence Trade Control Amendment Act 2024**
 - This measure provides \$28.0 million from 2024-25 to 2027-28 (\$35.8 million over the decade), met from the existing resources of Defence, to streamline trade between AUKUS partners, while strengthening the supply of controlled goods and services.
- . **Defence Oversight - Parliamentary Joint Committee on Defence**
 - This measure provides offsets of \$6.8 million from 2024-25 to 2027-28 (\$17.5 million over the decade) to establish the Parliamentary Committee.
- . **Southeast Asia Engagement - Additional funding**
 - This measure provides \$19.9 million from 2024-25 to 2027-28, met from the existing resources of Defence, to implement the previously agreed 2023-24 Mid-Year Economic and Fiscal Outlook decision in relation to Maritime Domain Awareness.
- . **Savings from External Labour - Extension and the commissioning of a new Audit of Employment**
 - Defence will contribute \$271.9 million from 2024-25 to 2027-28 towards this Whole-of-Government savings measure. This measure builds on the 2022-23 measure and 2023-24 estimates variation. This will see Defence's contribution to this measure increase to \$1,048.4 million over 6 years.

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Other Departmental Budget Adjustments**Major Defence Operations**

- The Government will provide \$172.7 million in 2024-25 for Major Defence Operations under no-win/no-loss arrangements. This includes:
 - : \$7.6 million in 2024-25 for Operation KUDU, in addition to \$6.0 million provided at 2023-24 Additional Estimates;
 - : \$71.7 million in 2024-25 for Operation RESOLUTE; and
 - : \$93.4 million in 2024-25 for Operation ACCORDION.
- A decrease in Defence funding of \$160.9 million from 2024-25 to 2027-28 due to foreign exchange parameter adjustments.
- There are a number of items included in Other Budget Adjustments. Total figures for this category are *not for publication* due to national security reasons associated with some elements.

Defence 2023-24 Portfolio Supplementary Additional Estimates Statements Measures**Defence Assistance – Regional and Global Support**

- This measure provides \$232.3 million from 2023-24 to 2025-26, to provide assistance in response to the Hamas-Israel conflict, Russia's invasion of Ukraine, and support for the Solomon Islands and peacekeeping activities. Funding includes:
 - : \$12.2 million of additional no-win, no-loss appropriation for Operation BEECH to provide assistance in response to the Hamas-Israel conflict;
 - : \$60.8 million to expand Operation LILIA, no-win, no-loss appropriation was provided in 2023-24 Portfolio Additional Estimates Statements, to provide logistics, security and enabling support by the Australian Defence Force for the 2023 Pacific Games and the 2024 Solomon Islands Joint Elections, at the invitation of the Solomon Islands Government;
 - : \$144.3 million, met from existing Defence resources, over two years from 2023-24 to provide additional military support in response to requests from the Government of Ukraine, including:
 - : \$100 million to support for the procurement of priority military equipment through the International Fund for Ukraine and provide uncrewed aerial systems, generators, inflatable boats and other military equipment, with the support of Australian industry;
 - : \$43.5 million to provide Ukraine with short range air defence systems; and
 - : \$0.8 million in 2023-24 to provide Ukraine with three medically rated oxygen generators.

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Budget Estimates June 2024

SB24-000355

Last updated: 20 May 2024

Portfolio Budget Statements 2024-25

Key witnesses: Steven Groves

- : \$14.0 million, from existing Defence resources, over two years from 2024-25 to establish a new grant program to support peacebuilding and peacekeeping activities by the United Nations and related institutions; and
- : \$1.0 million, met from existing Defence resources, in 2023-24 for 140 aerial delivery parachutes to the United Arab Emirates and Jordan to assist with the delivery of humanitarian aid to civilians in Gaza.

Supporting Information

Questions on Notice

- Nil

Freedom of Information (FOI) Requests

- Nil

Recent Ministerial Comments

- On 17 April 2024, The Deputy Prime Minister released the National Defence Strategy and the 2024 Integrated Investment Program. [2024 National Defence Strategy and 2024 Integrated Investment Program | About | Defence.](#)

Relevant Media Reporting

- The Australian media has reported extensively on the release of the National Defence Strategy and the 2024 Integrated Investment Program.
- On 18 April 2024, Sky News Australia, Digital Reporter, James Harrison, reported [Chinese spokesperson demands Australia 'abandon the Cold War mentality' and stop 'buzzing about China' in response to \\$50.3 billion inaugural National Defence Strategy | Sky News Australia.](#)
- On 21 April 2024, Sky News Australia, Digital Reporter, Adrian Mageros, reported [Simon Birmingham slams Labor's newly-unveiled Australian Defence Force spending plan as 'weak and terribly opaque' | Sky News Australia.](#)

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2024 Integrated Investment Program

Handling Note: Acting Vice Chief of the Defence Force, Major General Anthony Rawlins to lead.

Key Messages

- The 2024 Integrated Investment Program sets out the specific defence capabilities the Government will invest in to enable the 2024 National Defence Strategy.
- It provides a generational uplift in Defence's capabilities and shifts the ADF to an integrated, focused force to implement the Strategy of Denial.
- The Government has reset its defence capability priorities to deliver this fundamental change.
- This reset has involved a complete ground-up rebuild of the 2024 Integrated Investment Program, to develop a coherent, logical and affordable plan for Defence capability.
- In rebuilding the 2024 Integrated Investment Program, the Government has made difficult decisions to prioritise and fund the acquisition of key capabilities to bolster Australia's deterrence capabilities.

What is the design methodology behind the rebuilt 2024 Integrated Investment Program?

- The 2023 Defence Strategic Review called on Defence to make adjustments to our force structure plan to ensure we are acquiring capability that makes the most difference to realising an integrated, focused force and the Strategy of Denial. This is now articulated through the 2024 National Defence Strategy.
- Following the release of the 2023 Defence Strategic Review, Defence prioritised the six directed accelerants and used the following criteria to achieve an integrated, focused force structure and reduce over-programming in the 2024 Integrated Investment Program:
 - the applicability of the capability to the strategic environment and integrated force design priorities in accordance with the capability investment priorities in the 2024 National Defence Strategy;
 - the definition of Minimum Viable Capability for each project;
 - whether projects with like or duplicated scope could be combined to deliver Minimum Viable Capability; and
 - alignment of the project to key Defence policy – including the Defence Industry Development Strategy.
- This is a ten year plan, that will be revised with the National Defence Strategy biennially.

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Cleared By:

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Does the 2024 Integrated Investment Program invest in the six immediate priorities announced in response to the Defence Strategic Review?

- The rebuilt 2024 Integrated Investment Program actions the Government decision to invest in the key immediate priorities identified in the 2023 Defence Strategic Review.
- Over the next decade, Defence will invest:
 - \$53-63 billion to deliver conventionally-armed, nuclear-powered submarines as part of the AUKUS partnership;
 - \$28-35 billion for targeting and long-range strike capabilities;
 - \$16-21 billion for guided weapons and explosive ordnance;
 - \$14-18 billion to improve the ADF's ability to operate from Australia's northern bases;
 - Up to \$3.8 billion to lift the ADF's capacity to rapidly translate disruptive new technologies for ADF capability as part of the Advanced Strategic Capabilities Accelerator; and
 - \$510 million to strengthen diplomatic and defence partnerships in the Pacific as part of the Pacific Maritime Security Program as part of the broader package of investment in deepening diplomatic and defence partnerships in our region.
- Investment in Defence's workforce will be guided by a new, comprehensive workforce plan that is under development for finalisation this year.

How much of the defence budget is being spent on capabilities?

- The total funding of \$765 billion over the next decade includes \$330 billion in allocated funding for the capabilities set out in the 2024 Integrated Investment Program.
- Of the \$330 billion allocated, the Government is investing an additional \$5.7 billion over the next four years to 2027-28 and \$50.3 billion over the next decade to 2033-34 above the previous Integrated Investment Program.

Why was there a need to divest or re-prioritise capabilities?

- The 2023 Defence Strategic Review identified that the current strategic environment has diminished Australia's historical and geographical advantages and demands a new approach to defending Australia and its national interests.
- In rebuilding the 2024 Integrated Investment Program, the Government has made tough but necessary decisions to cancel, divest, delay or re-scope projects or activities that are not critical to delivering the force that our strategic circumstances require, and to simplify projects to enable greater speed to capability.
- To reduce unsustainable levels of over-programming we have reprioritised \$15.4 billion worth of capability investment over the next four years. This has included difficult decisions to delay, reduce the scope or no longer proceed with some projects.

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- The 2024 Integrated Investment Program contains a total of \$22.5 billion reprioritised across the forward estimates, and \$72.8 billion across the decade to fund new and accelerated capabilities and to manage overprogramming to agreed levels. Each domain has contributed through the acceptance of delays, rescoping or re-profiling of projects, as well as project closures.
- This reprioritisation has enabled the Government to accelerate new and more potent immediate and longer-term priority projects and capabilities, which is assisting to make the ADF fit for purpose with capabilities to meet present and future challenges.

How was it decided which capabilities would be divested or re-prioritised?

- The design of the integrated, focused force centres on the minimum viable capabilities required to achieve the six capability effects set out in the 2024 National Defence Strategy. Defence determined these capabilities using a detailed analytic process oriented on warfighting scenarios derived from the 2023 Defence Strategic Review.
- This ensures the 2024 Integrated Investment Program is focused on bringing the priority warfighting capabilities into service as quickly as possible.

What are the impacts of decisions to cancel, delay or reprioritise projects?

- The immediate six Defence Strategic Review priorities set out by the Government were delivered from within Defence's existing resources, including a \$7.8 billion reprioritisation across the forward estimates of the 2024 Integrated Investment Program.
- Regardless of additional funding for Defence over the next decade (\$50.3 billion), the increased Defence budget pressures and the ADF's shift to an integrated, focused force has required significant reprioritisation of Defence's activities and investments.
- The 2024 Integrated Investment Program further prioritises the capability investments needed to develop an integrated, focused force and ensure a sustainable budget going forward.
- Defence's Land Domain now comprises 17 per cent of the allocated Defence budget (\$50-70 billion over the next decade). Reprioritisation of over 70 projects allowed for \$3.7 billion of offsets across the forward estimates and \$16.2 billion across the decade.
 - Reprioritised projects include a reduction of the number of Infantry Fighting Vehicles to be delivered from 450 to 129, and cancellation of the second regiment of protected mobile fires (Huntsman self-propelled artillery).
 - This change has allowed Defence to reallocate funding to accelerate investment in Long Range Fires, Littoral Manoeuvres, and counter small uncrewed aerial system capabilities.
- Defence's Maritime Domain now comprises 37 per cent of the allocated Defence budget (\$100-150 billion over the next decade). Reprioritisation of over 60 projects contributed \$1.0 billion of offsets across the forward estimates and \$6.5 billion across the decade.

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- Reprioritised projects include cancelling acquisition of two large joint support ships, and the early retirement of two Anzac Class frigates.
- This change has allowed Defence to reallocate funding to accelerate investment in conventionally armed, nuclear-powered submarines, General Purpose Frigates, and robotics and autonomous capabilities.
- Defence's Air Domain now comprises 14 per cent of the allocated Defence budget (\$50-70 billion over the next decade). Reprioritisation of over 80 projects allowed for \$7.6 billion of offsets across the forward estimates and \$34.0 billion across the decade.
 - Reprioritised projects include reducing the number of replacement C-130J Hercules transport aircraft from 24 to 20, and cancelling the Joint Terminal Attack Controller training aircraft.
 - This change has allowed Defence to reallocate funding to accelerate investment in air domain command and control systems, and robotics and autonomous capabilities.
- Defence's Space Domain now comprises 3 per cent of the allocated Defence budget (\$10-15 billion over the next decade). Reprioritisation of over 10 projects, including an adjustment in the timing of satellite communications investments, contributed \$1.4 billion across the forward estimates.
- Cyber now comprises 7 per cent of the allocated Defence budget (\$20-30 billion over the next decade). Reprioritisation of over 30 projects contributed \$241 million in offsets across the forward estimates.
 - Reprioritised projects include delaying lower priority ICT projects.
- Enterprise and enablers now comprise 22 per cent of Defence allocated budget (\$70-100 billion over the next decade). Reprioritisation of over 160 projects contributed \$8.4 billion of offsets across the forward estimates and \$20.3 million across the decade.
 - Reprioritised projects include delaying planned enhancements to Defence facilities across Canberra and lower priority bases in south eastern Australia.
 - These changes have allowed Defence to accelerate investment in northern bases, theatre logistics and fuel, and domestic manufacturing of guided weapons and explosive ordnance.

What are the impacts to existing Defence projects?

- Resources will be reallocated to higher priority capabilities from projects that are cancelled or delayed.
- In the current strategic circumstances, there is a requirement to deprioritise capabilities that are no longer fit for purpose or cannot be delivered within relevant timeframes.

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- Defence will use the increased funding over the next decade to maintain business and industry production and reduce the impact of delays and cancellations – although this investment profile will change in many ways.
- We are continuing to engage transparently with our international industry partners with respect to these matters.

What is driving Defence's prioritised investment across the domains?

- Defence conducted an assessment of current plans and activities to ensure alignment with the priorities of the 2023 Defence Strategic Review.
 - The 2023 Defence Strategic Review highlighted we have a high quality ADF, which will be further optimised to meet the demands of current and future operating environments through alignment with critical capability priorities outlined in the 2024 National Defence Strategy.
 - Defence regularly conducts and reports on preparedness to the Government, which is the agreed process for determining and communicating Defence's level of capability against an adversary force at specified points in time.
- Defence used data analysis, prioritisation and engagement with Capability and Delivery Managers to inform development of capability options within the 2024 Integrated Investment Program aligned to Government direction.

Supporting Information

Questions on Notice

2023-24 Supplementary Budget Estimates: 25 October 2023

- In **QoN 105, Defence planning and review publications**, Senator the Hon Simon Birmingham (Liberal, South Australia) asked about the status of a number of Defence planning reports, including the IIP Rebuild. **TABLED**
- In **QoN 174, Integrated Investment Program**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked about the status of the 2023-24 Integrated Investment Program projects, specifically those based in Western Australia. **TABLED**

Freedom of Information (FOI) Requests

- On 30 October 2023 a media organisation requested Defence's finalised estimates briefing pack for the 2023-24 Supplementary Budget Estimates. **The decision to release documents is pending.**
- On 5 March 2024 an individual made a request seeking a copy of Defence's finalised estimates briefing pack, including an index of back pocket briefs, for the 2023-24 Additional estimates. **The decision to release documents is pending.**

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Recent Ministerial Comments

- On 17 April 2024, the Deputy Prime Minister publicly launched the [2024 National Defence Strategy and Integrated Investment Program](#), announcing that Defence's funding will reach around 2.4 per cent of GDP by 2033-34.
- On 30 January 2024, the Minister for Defence Industry [announced](#) the Advanced Strategic Capabilities Accelerators's first Innovation Incubation Challenge, with aerial drones developed by 11 Australian companies to be showcased as part of a Government initiative aimed at supporting innovation and delivering capabilities for the ADF.
- On 16 January 2024, the Minister for Defence Industry [announced](#) a \$37.4 million contract with Lockheed Martin Australia to ensure Australia starts manufacturing Guided Multiple Launch Rocket System (GMLRS) missiles from 2025.

Relevant Media Reporting

- Australian media has reported extensively on investments and capabilities related to the 2024 Integrated Investment Program.
- On 18 April 2024, Andrew Tillet, in the [Australian Financial Review](#), wrote 'Navy, RAAF face cuts to pay for \$330b in new weapons'.
- Writing in [The Australian](#) on 18 April 2024, in an article titled 'We can't go ballistic after missile defence systems left on the shelf,' Ben Packham wrote that the new investment program had delayed acquisition of new missile defence systems.
- For [The Guardian](#), Daniel Hurst reported on Defence's overhaul as 'Australia plans for a less certain future in Asia – one where the US may not remain the dominant force', on 18 April 2024.
- In the [Sydney Morning Herald](#), Matthew Knott wrote on 18 April 2024 about 'Defence's \$100b China strategy,' reporting that Defence spending would soar to double its current levels.
- On 17 April 2024, in an article titled, 'Richard Marles unveils \$50 billion defence spending increase over next decade', [ABC](#) defence correspondent Andrew Green reported an immediate boost of more than \$1 billion to accelerate long-range missiles and targeting systems.

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Budget Estimates June 2024
Last updated: 26 April 2024
Key witnesses: Major General Anthony Rawlins

SB24-000356
2024 Integrated Investment Program

Division:	Force Design
PDR No:	SB24-000356
Prepared by:	Major General Anthony Rawlins Head Force Design Mob: s22 [redacted] Ph: s47E(d) [redacted] Date: 24 April 2024
Cleared by Group Head:	Vice Admiral David Johnston Vice Chief of the Defence Force Mob: s22 [redacted] Ph: s47E(d) [redacted] Date: 26 April 2024

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2024 National Defence Strategy

Handling Note: Deputy Secretary Defence Strategic Review Implementation Task Force Tom Hamilton to lead.

Key Messages

- On 17 April 2024, the Government released the 2024 National Defence Strategy and the 2024 Integrated Investment Program.
- The 2024 National Defence Strategy details the Government's approach to addressing Australia's most significant strategic risks, based on the concept of National Defence, and will see a Strategy of Denial become the cornerstone of Defence planning.
- A Strategy of Denial is designed to deter a potential adversary from taking actions that would be inimical to Australia's interests or regional stability.
- The 2024 National Defence Strategy sets the Government's strategic framework to guide the significant and urgent changes required to transform Defence's capability, force posture, force structure, acquisition, recruitment and international engagement.
- The 2024 Integrated Investment Program provides a generational uplift in Defence's capabilities to transform the ADF into an integrated, focused force.

Talking Points

- The 2024 National Defence Strategy emphasises that Australia's historical and geographical advantages have been diminished in the current strategic environment.
 - It also reaffirmed that Australia no longer enjoys the benefit of a ten-year window of strategic warning time for conflict.
- The 2024 National Defence Strategy details the Governments approach to addressing Australia's most significant strategic risks, based on the concept of National Defence.
 - National Defence is a coordinated, whole-of-government and whole-of-nation approach that harnesses all arms of Australia's national power to defend Australia and advance our interests.
 - It works alongside integrated statecraft, national resilience, industry resilience, supply chain resilience, innovation in science and technology, a skilled workforce base and a robust National Intelligence Community.
 - Adopting National Defence will ensure Australia becomes more capable, self-reliant and takes greater responsibility for our own security.
- The 2024 National Defence Strategy directs Defence to adopt a Strategy of Denial.

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- The Strategy of Denial is designed to deter a potential adversary from taking actions that would be inimical to Australia’s interests or regional stability.
 - This requires credible ADF capabilities that complicate a potential adversary’s calculus.
 - This will be achieved by increasing the range and lethality of the ADF, strengthening Australia’s national resilience and focusing Defence’s international engagement efforts on enhancing interoperability and collective deterrence.
 - The Strategy of Denial requires re-weighting the three prevailing strategic defence objectives: to **shape** Australia’s strategic environment, **deter** actions against Australia’s interests, and **respond** with credible military force, if required.
- : Deterrence is now Australia’s primary strategic defence objective.
- The 2024 National Defence Strategy reaffirms the ADF’s five tasks that the Government outlined in the National Defence Statement 2023. These are to:
 - defend Australia and our immediate region;
 - deter through denial any potential adversary’s attempt to project power against Australia through our northern approaches;
 - protect Australia’s economic connection to our region and the world;
 - contribute with our partners to the collective security of the Indo-Pacific; and
 - contribute with our partners to the maintenance of the global rules-based order.
 - The 2024 National Defence Strategy guides the changes required to transform Defence’s capability, force posture, force structure, acquisition, recruitment and international engagement.
 - It outlines the ADF’s continued shift to an integrated, focused force.
 - It was developed in concert with the 2024 Integrated Investment Program to ensure alignment of Defence’s strategy, capability and resourcing (please see *Brief 25 – Integrated Investment Program*).

: Together, the 2024 National Defence Strategy and 2024 Integrated Investment Program align with the intent and the recommendations of the Defence Strategic Review.
 - To deliver the 2024 National Defence Strategy, the Government has increased Defence funding by \$5.7 billion over the next four years to 2027-28 and \$50.3 billion over the next decade to 2033-34, above the previous trajectory over that period (please see *Brief 24 – 2024-25 Portfolio Budget Statements*).
 - This will provide Defence, including the Australian Signals Directorate and the Australian Submarine Agency, with total funding of \$765 billion to 2033-34, with the Defence budget almost doubling to reach over \$100 billion in 2033-34.

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- . A generational uplift of Defence's capabilities will provide a more credible ability to implement the Strategy of Denial. This transformation will focus on delivering these six key capability effects:
 - project force;
 - hold a potential adversary's forces at risk;
 - protect ADF forces and supporting critical infrastructure in Australia;
 - sustain protracted combat operations;
 - maintain persistent situational awareness in our primary area of military interest; and
 - achieve decision advantage.
- . The 2024 National Defence Strategy advances implementation of the Government's six immediate priorities announced in response to the Defence Strategic Review. These are:
 - acquisition of nuclear-powered submarines through AUKUS to improve our deterrence capabilities;
 - developing the ADF's ability to precisely strike targets at longer-range and manufacture munitions in Australia;
 - improving the ADF's ability to operate from Australia's northern bases;
 - initiatives to improve the growth and retention of a highly skilled Defence workforce;
 - lifting Australia's capacity to rapidly translate disruptive new technologies into ADF capability, in close partnership with Australian industry; and
 - deepening Australia's diplomatic and defence partnerships with key partners in the Indo-Pacific.

If pressed: Is the 2024 National Defence Strategy putting Australia on a war footing with China?

- . Australia's defence capabilities contribute to, and do not detract from, regional stability and ensure Australia can work with partners to better respond to regional needs.
- . The 2024 National Defence Strategy is focused on avoiding conflict by deterring actions that are not in our interests and de-escalating tensions.
 - It will ensure no state will ever conclude that the benefits of conflict outweigh the risks.
- . Australia will continue to cooperate with China where we can, disagree where we must, manage our differences wisely, and above all else engage in and vigorously pursue our national interests.

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If pressed: Have any Defence Strategic Review recommendations been altered or cancelled because of the 2024 National Defence Strategy and 2024 Integrated Investment Program?

- The Government's response to the Defence Strategic Review set out the principles that guide defence policy and planning:
 - clear-eyed assessments of our strategic environment and clarity of strategic purpose;
 - a commitment to planning for and properly funding credible military power;
 - a focus on the vitally important reform within Defence that is necessary to deliver concrete outcomes;
 - discipline to make the tough choices required to prioritise expenditure to most effectively respond to our circumstances; and
 - recognising the central importance of the skills and commitment of our people to pursuing all of these objectives.
- These principles have directly informed the Government's approach to the 2024 National Defence Strategy, which delivers on the intent and recommendations of the Defence Strategic Review.

If pressed: Who was consulted during development of the 2024 National Defence Strategy?

- The strategy outlined in the 2024 National Defence Strategy is based on classified assessments of the rapidly changing strategic environment.
- The 2024 National Defence Strategy has been consulted extensively in Defence and across Australia's national security departments and agencies.
 - Consultation informed assessments of our strategic environment and Defence's options to respond, including Defence's first Net Assessment.
- The 2024 Integrated Investment Program was also informed by experimentation and analysis that tested current and future force capabilities across a range of classified realistic scenarios.

Background

- In response to the Defence Strategic Review, the Government directed Defence to shift from intermittent White Papers to a biennial National Defence Strategy.

Supporting Information**Questions on Notice**

- No QoNs asked.

Freedom of Information (FOI) Requests

- No FOIs requested.

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Recent Ministerial Comments

- On 17 April 2024, the Deputy Prime Minister [launched the 2024 National Defence Strategy and 2024 Integrated Investment Program](#).

Relevant Media Reporting

- On 20 April 2024, The Daily Telegraph published an article by Charles Miranda titled [Australia's friendships forged by fear](#), discussing how Australia's enhanced defence engagement with Japan reinforces fears that our nation is preparing for a likely confrontation with China.
- On 20 April 2024, The Australian published an article by Greg Sheridan titled [Labor offer big promise but no action on Defence](#), claiming the Government will cut Defence's real funding in the short term and has released 'fictional figures'.
- On 19 April 2024, news.com.au published an article by Ellen Ransley titled ['Be careful': Chinese government issues Australia a warning over new defence strategy](#), discussing China's discontent with direction of the *2024 National Defence Strategy*.
- On 19 April 2024, The Australian published an article by Marcus Hellyer titled [Spending money on subs only muddies troubled waters for Defence](#), criticising the timeframe for spending.
- On 19 April 2024, The Australian published an article by Will Glasgow titled [Beijing to Canberra: Stop your 'buzzing,'](#) discussing China's reaction to the *2024 National Defence Strategy*.
- On 19 April 2024, The Australian published an article by Cameron Stewart titled [Subs US-built 'but will be under our command,'](#) discussing the early stages of submarine acquisition.
- On 19 April 2024, The Australian published an article by Ben Packham titled [We can't go ballistic after missile defence systems left on the shelf](#), discussing the timeframe for missile acquisition.
- On 18 April 2024, The Hindustan Times published an article by Rezaul H Laskar titled ['India is a top-tier security partner': Australia in first national defence strategy](#), discussing India's perspective on the *2024 National Defence Strategy*.
- On 18 April 2024, The Guardian published an article by Daniel Hurst titled [Australia plans for a 'less certain' future in Asia — one where the US may not remain the dominant force](#), discussing Australia's security preparation for the future.
- On 18 April 2024, The Australian published an article by Ian Langford titled [Defence strategy sets out the detail but can it deliver](#), states the *2024 National Defence Strategy* ultimately fulfils its commitments first articulated in the *Defence Strategic Review*.

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- On 18 April 2024, The Advertiser published an article by Jack Quail titled [ADF targets drones, war ships in new battle plan](#), discussing the capability priorities detailed in the *2024 National Defence Strategy*.
- On 18 April 2024, The Australian published an article by Ben Packham titled [Long-range billions to counteract China](#), discussing the Defence expenditure outlined in the *2024 National Defence Strategy* and *2024 Integrated Investment Program*.
- On 18 April 2024, The Australian published an article by Greg Sheridan titled [Behind the puffery, it's that old four card trick](#), arguing the *2024 National Defence Strategy* should have placed greater priority on drones.
- On 18 April 2024, The Australian Financial Review published an article by Andrew Tillett titled [\\$330 for new weapons leaves decades of danger](#), claiming the Government must bring forward Australia's defence spending.
- On 18 April 2024, The Australian published an article by Cameron Stewart titled [It will take too long, but at least we're on the right course](#), stating the *2024 National Defence Strategy* accurately defines the risk posed by China.
- On 18 April 2024, The Australian Financial Review published an article by Jennifer Parker titled [Strategy fills gaps, misses holes](#), stating the *2024 National Defence Strategy* hits all the key themes, but Australia needs to move to a wider conversation about national security.

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Integrated Investment Program – Air Domain

Handling Note:

- Deputy Secretary, Defence Strategic Review Implementation Task Force, Tom Hamilton, to lead on National Defence Strategy context.
- Chief of Air Force, Air Marshal Robert Chipman, to lead on air domain capabilities, contributions to the integrated focused force, and implementation of air domain actions.

Key Messages

- The 2024 Integrated Investment Program enables Air Force to shift to an integrated, focused force capable of providing aerial surveillance of our maritime approaches, and holding at risk, at extended ranges, potential adversary forces that could target our interests during a conflict and deter attempts to project power against Australia.
- Capability effects delivered through the Air Domain, such as long-range strike, increase the credibility of Australia's Strategy of Denial.
- Prioritised investment in Australia's northern bases enables the integrated, focused force to project capability into our primary area of military interest and facilitates strategic depth.
- Defence is identifying pathways to operationalise emerging technologies such as the MQ-28A Ghost Bat to enhance the lethality and survivability of the integrated, focused force.
- Air Force is evolving its governance to better prepare air power for the integrated, focused force in competition and conflict.

Talking Points

How does the Air Domain contribute to the Strategy of Denial and National Defence?

- The 2024 Integrated Investment Program includes investment of \$28-33 billion in capabilities that will enable the Air Force to undertake expeditionary air operations to project force into our primary area of military interest. These capabilities will provide aerial surveillance of our maritime approaches, hold at risk, at extended ranges, potential adversary forces that could target our interests during a conflict and deter attempts to project power against Australia.

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- The total planned investment for Air Force air-launched strike and hypersonic weapons is \$5.8-7.3 billion to 2033-34 delivering credible long range strike capabilities as part of the Strategy of Denial:
 - Air Force’s ability to exploit range and speed through both weapons and platforms make air systems a critical component in the coordinated whole-of-government and whole-of-nation National Defence approach to meet Australia’s current strategic challenges.
- Increased investment for Northern air base infrastructure totalling \$5.6-6.6 billion to 2033-34 will enable operational commanders to exploit a logistically networked and resilient force generation and projection capability.
- Increasing and diversifying the options available to commanders across the northern air base network improves Defence’s ability deter through denial any adversary’s attempt to project power against Australia and through our northern approaches.

How is the Air Domain more capable, integrated and focused?

- The 2024 Integrated Investment Program is a responsible plan to shift the ADF from a balanced force to an integrated, focused force to address Australia’s most significant military risks.
- The 2024 Integrated Investment Program will deliver more survivable and potent air domain capabilities including:
 - \$3.6-3.9 billion of planned investment to 2033-34 which includes the delivery of a fleet of MC-55A Peregrine aircraft to provide an airborne intelligence, surveillance, reconnaissance and electronic warfare capability;
 - \$10-12 billion of planned investment to 2033-34 to upgrade Australia’s fleet of combat aircraft to mitigate advanced threats and maintain interoperability with partners and allies across the region.
 - \$5.7-7.7 billion of planned investment to 2033-34 funding the acquisition of a modern joint air battle management system to integrate the ADF’s air and missile defence capabilities;
 - \$3.3-4.3 billion of planned investment to 2033-34 in Air Force air-launched strike including integration of the Long-Range Anti-Ship Missile on the P-8A Poseidon, F/A-18F Super Hornet and F-35A Joint Strike Fighter to provide long-range maritime strike;
 - \$2.5-3.0 billion of planned investment to 2033-34 funding Air Force hypersonic weapons which includes the development of hypersonic air launched weapons for delivery from the F/A-18F Super Hornet;

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Group/Service: Defence Strategic Review
Implementation Task Force
Phone: s47E(d) /s22

- \$11 billion of planned investment to 2033-34 funding air mobility to enable and sustain rapid deployments of personnel and equipment within the region, and
- increasing the workforce capacity through delivery of additional qualified air warfare personnel.

How does the Air Domain deliver capability, posture, and preparedness to the integrated, focused force?

- As part of the 2024 Integrated Investment Program's focus on innovation and emerging technologies, Defence is working closely with the United States Department of Defense to enhance the integrated force's lethality and survivability through continued investment to further develop MQ-28A Ghost Bat including enhancement of mission payloads, the integrated combat system and autonomous systems;
 - The total planned investment for uncrewed air systems is \$4.3-5.3 billion to 2033-2034.
- Air Force has established Regional Airbase Development Teams across northern Australia.
 - These teams enhance force posture options for the integrated, focused force by developing the relationships required to enable local development of air base capability in remote and austere locations.
 - This will provide the ability to exploit northern Australia's strategic depth during conflict to better enable the integrated force.

How will Air Force implement the 2024 National Defence Strategy and 2024 Integrated Investment Program?

- Chief of Air Force, as the Air Domain lead, is developing and implementing an Air Force Strategic Framework to implement the 2024 National Defence Strategy.

If pressed: Have the capabilities of the Air Domain suffered as a result of the significant spending on the Maritime Domain?

- The strategy of denial requires an approach that integrates capabilities across all domains. This is reflected in the investment through the 2024 Integrated Investment Plan to prioritise critical capabilities across all five domains to meet the needs of our strategic circumstances in line with the 2024 National Defence Strategy.
- Examples include investment in capabilities such as; long-range strike, enhanced and resilient northern bases, modernised air power, improved information and communications technology, an amphibious capable combined-arms land system and enhancement of space and cyber capabilities.

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Name: Major General Matt Pearse
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 Division: Defence Strategic Review
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Cleared By:

Name: Tom Hamilton
 Position: Deputy Secretary
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 Implementation Task Force
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If pressed: What are the impacts to Australia's planned Air and Missile Defence?

- In this decade, the Government is investing \$14-18 billion for missile defence to deliver a layered Integrated Air and Missile Defence capability that can efficiently and effectively sense and respond to potential regional air and missile threats.
- Wider investments across the integrated force include an update to the Air Warfare Destroyer Combat System and longer range missiles ranging from Standard Missile 2 and Standard Missile 6, as well as shorter range missiles namely enhanced National Advanced Surface to Air Missile System and the Evolved Sea Sparrow Missile.
- Additionally, the Government will invest in deployable counter-small uncrewed aerial systems capabilities. Passive measures to enhance resilience and degrade the effectiveness of an attack on critical infrastructure will be undertaken through the enhancement of bases across northern Australia.

If pressed: Will the ADF consider cheaper uncrewed systems like drones, rather than expensive crewed platforms?

- Defence has operated numerous drone technologies for many years, also known as remotely piloted aerial systems.
- To supplement pre-existing uncrewed aerial systems already in service, Defence has commenced additional acquisition programs for uncrewed aerial systems that reflect our operational environment.
 - On 19 September 2023, the Government approved the fourth MQ-4C Triton remotely piloted aerial systems on contract with Northrop Grumman through the Triton Cooperative Program.
- In line with the Defence Industry Development Strategy, the Government is exploring opportunities to further enhance the integration of uncrewed aerial systems into the ADF's force structure. Co-development of uncrewed aerial systems with Australian industry will provide Defence with a range of effective, expendable and economical capability options into the future.

Background

- The 2024 National Defence Strategy and the 2024 Integrated Investment Program, provide a blueprint to deliver an ambitious transformation of the ADF into an integrated, focused force that will be positioned to safeguard Australia's security and contribute to regional peace and prosperity for decades to come.
- The 2024 Integrated Investment Program has been rebuilt to meet the requirements of an integrated, focused ADF that can face the significant strategic and technological changes we are seeing throughout the Indo-Pacific.

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Cleared By:

Name: Tom Hamilton
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 Implementation Task Force
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Supporting Information**Questions on Notice****2023-24 Supplementary Budget Estimates: 25 October 2023**

- **QoN No. 105, Defence planning and review publications**, Senator the Hon Simon Birmingham (Liberal, South Australia) asked when the National Defence Strategy was supposed to be completed and provided to Government. **TABLED**
- **QoN No. 53, Records of discussion between Boeing and USAF**, Senator the Hon David Fawcett (Liberal, South Australia) asked what details the Royal Australian Air Force has regarding discussions between Boeing and the United States Air Force on the purchase of MQ-28A as part of their Next Generation Air Dominance program. **TABLED**
- **QoN No. 174, Integrated Investment Program**, Senator the Hon Linda Reynolds (Liberal, Western Australia) asked could the department provide a breakdown of the allocation of funds within the IIP, distinguishing between investments in new weapons, platforms, systems, infrastructure, workforce, ICT, and science and technology, relating to Western Australia only. **TABLED**
- **QoN No. 110, Triton**, Senator the Hon Simon Birmingham (Liberal, South Australia) asked if there was intention to purchase more following the acquisition of the fourth Triton. **TABLED**

2023-24 Budget Estimates: 31 May 2023

- **QoN No. 10, Hypersonic Wind Tunnels**, Senator the Hon David Fawcett (Liberal, South Australia) asked what considerations had been given to cancelling Defence Science and Technology Group's Transonic Wind Tunnel on our capability to contribute to AUKUS Pillar II activities. **TABLED**

Freedom of Information (FOI) Requests

- Nil

Recent Ministerial Comments

- On 17 April 2024, the [Deputy Prime Minister](#) announced the Government's release of the inaugural National Defence Strategy, which sets out a fundamentally new approach to the defence of Australia and our interests.
- On 17 April 2024, the [Deputy Prime Minister and the Minister for Defence Industry](#) announced that the Government has boosted Defence spending to deliver the 2024 National Defence Strategy and build an integrated, focused force that is ready to deter potential threats.

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Relevant Media Reporting

- On 19 April 2024, The Australian published an article by Ben Packham titled '[We can't go ballistic after missile defence systems left on the shelf](#)' that outlined Labor's new plan to rebuild the military has delayed the acquisition of tens of billions of dollars worth of new missile defence systems, putting off protection for Australian troops against the sort of attacks seen in Israel and Ukraine.
- On 19 April 2024, The Australian published an article by Marcus Hellyer titled '[Spending on subs only muddies troubled waters for Defence](#)' that submarines are starting to distort the overall program and that even with additional funding, other capabilities have needed to be cut in order to deliver an affordable program such as a fourth squadron of F-35A Joint Strike Fighters.
- On 18 April 2024, The Australian published an article by Ben Packham titled '[Long-range billions to counteract China](#)' that outlined the Government's capability investment across the decade. The article provided further commentary from the opposition Defence spokesperson Andrew Hastie outlining that the Deputy Prime Minister had failed a 'leadership test', branding the Defence funding boost as 'very modest.'
- On 18 April 2024, The Australian published an article by Greg Sheridan titled '[Behind the puffery, it's that old four-card trick](#)' critiquing the launch of the National Defence Strategy and the Integrated Investment Program. The articles state the Deputy Prime Minister's 'Defence policy is riddled with contradictions and illogicality' and that 'a lot of the documents are intentionally difficult to interpret'.
- On 18 April 2024, The Australian published an article by Cameron Stewart titled '[It will take too long, but at least we're on the right course](#)' stating that the 'National Defence Strategy nails the growing strategic threat posed by China but concedes that it will take a decade, even with increased funding, to create the sort of defence force needed to respond to a bullying Beijing.'
- On 17 April 2024, the ABC published an article by Andrew Greene and Tom Crowley titled '[Richard Marles unveils \\$50 billion defence spending increase over next decade](#)' outlining the Government's launch of the National Defence Strategy and an increase to Defence spending by \$50 billion over the next decade.

Prepared By:

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Implementation Task Force
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Cleared By:

Name: Tom Hamilton
Position: Deputy Secretary
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Implementation Task Force
Phone: s47E(d) /s22

Division: DSR Implementation Task Force	
PDR No: SB24-000358	
Prepared by: s47E(d) Deputy Director Air DSR Implementation Task Force Mob: s22 Ph: s47E(d) Date: 19 Apr 2024	Cleared by Division Head: Major General Matt Pearse Head Plans and Capability Integration DSR Implementation Task Force Mob: s22 Ph: s47E(d) Date: 19 Apr 2024
Consultation: Air Vice Marshal Wendy Blyth Date: 19 April 2024 Acting Chief of Air Force Royal Australian Air Force	
Cleared by Deputy Secretary: Tom Hamilton Date: 23 April 2024 Deputy Secretary DSR Implementation Task Force	

Prepared By:

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Position: Head Plans and Capability Integration
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Budget Estimates June 2024

Last updated: 23 April 24

Key witnesses: Tom Hamilton, Lieutenant General Simon Stuart; Major General Richard Vagg

Integrated Investment Program – Land Domain

Handling Note:

- Deputy Secretary, Defence Strategic Review Implementation Task Force, Tom Hamilton, to lead on 2024 National Defence Strategy context.
- Chief of Army, Lieutenant General Simon Stuart and Head of Land Capability, Major General Richard Vagg to support on land domain capabilities, contributions to the integrated focused force, and land domain actions to implement the 2024 National Defence Strategy.

Key Messages

- The integrated, focused force will deliver an Army optimised for littoral manoeuvre operations by sea, land and air from Australia, with an amphibiously capable combined arms land system and an enhanced long-range land and maritime strike capability.
- Planned land capability investments will contribute to the ADF's capacity to deliver on each of its five Government directed tasks, through the six key capability effects.
- The Government's significant investment in capabilities to enable Army's transformation, combined with Army's structure and posture changes, will ensure Army is ready to operate as part of an integrated, focused force.

Talking Points

How does the Land Domain contribute to a Strategy of Denial and National Defence?

- Planned land capability procurement in the 2024 Integrated Investment Program will contribute to the ADF's capacity to deliver on each of its five Government directed tasks achieved through the six key capability effects outlined in the 2024 National Defence Strategy.
- The 2024 Integrated Investment Program prioritises investments of \$54-65 billion to enable Army to rapidly transform in response to Australia's changing strategic circumstances.
- Army will have the capability to hold potential adversary forces at risk, control key strategic land positions, maintain persistent forward partnerships and protect and sustain deployed forces within Australia's primary area of military interest.
- Army's amphibious capable, combined-arms land system, structured with new specialised combat and support brigades, a fires brigade, and littoral manoeuvre group, will be capable of assuring the security of populations and securing and controlling territory in the most challenging threat environments, in cooperation with other ADF capabilities.

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Group: Defence Strategic Review

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How is the Land Domain now more capable, integrated and focused?

- By 2026, Army's divisions, commands and formations will have a new structure and posture. This significant investment and restructure will ensure Army is ready to operate in defence of Australia as part of an integrated, focused force.
- The Government will accelerate and expand the acquisition of land based long-range fires, providing the ADF with a deployable strike capability with the range to protect Australia's northern approaches. This includes the progressive introduction of increments of Precision Strike Missiles which extend range and utility into the future.
- Army will continue investment in the amphibious capable combined-arms land system, including medium and heavy littoral manoeuvre vessels, infantry fighting vehicles, combat reconnaissance vehicles, main battle tanks, uncrewed tactical systems and new attack and utility helicopters, to ensure it can secure and control strategic land positions and provide protection for the ADF. If required, these same forces will be able to undertake rapid stabilisation and humanitarian assistance and disaster relief operations.
- Army will consolidate its aviation assets to better generate capability and reduce the cost of aircraft ownership.

How does the Land Domain deliver capability, posture, and preparedness to the Integrated and focused Force?

- Land Forces support the Strategy of Denial's integration and focus requirements by generating access, influence, decision superiority, positional advantage and control. Army supports these effects through forward presence; regional engagement; performance of intelligence, surveillance and reconnaissance; maintenance of high readiness combat forces, and by cooperating with other domain forces, services, groups, and other enterprise stakeholders.

If pressed: What specific Land Domain capabilities is Defence investing in to deliver a strategy of denial?

- The Government will invest \$3.9–4.9 billion in Land Based Strike to accelerate and expand of Land-based long range fires, acquiring 42 High Mobility Artillery Rocket Systems, armed with Precision Strike Missile and Guided Multiple Launch Rocket System, and enabled by a range of support systems such as a new land-based radar and command and control network to extend Army's sensor and command and control functions. The addition of a second long-range fires regiment will further expand Army's strike capabilities, strengthening Army's ability to deliver persistent land based maritime strike.
- The Government will invest \$7–10 billion to acquire and operate 18 landing craft medium, eight landing craft heavy, and up to 15 amphibious capable support vehicles, as well as \$5–7 billion over the same period in related facilities to rapidly project force in a crisis or conflict and sustain ADF operations in the primary area of military interest.

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- These vessels will be distributed across the three units based in South East Queensland, northern Queensland and Darwin. The littoral manoeuvre vessels will also be manufactured in Australia and delivered between 2026 and 2037 to support continuous naval shipbuilding and contribute to Australia's national industrial base.
- The Government will invest \$63 million in Hawkei, \$1.7–2.2 billion in Bushmaster protected mobility vehicle – medium and \$160 million in land mobility vehicles to modernise and operationalise enhancements for Defence's protected mobility fleet.
- The Government will invest \$1.6 billion to acquire 75 M1A2 Abrams Main Battle Tanks to replace the M1A1, providing significant increases in lethality, mobility, protection and communications.
- The Government will invest \$2.3 billion to continue delivery of 211 Boxer combat reconnaissance vehicles to meet Army's land combat reconnaissance requirements. Domestic production of these vehicles is ongoing.
- The Government will invest \$6.6–6.7 billion to acquire 129 Redback infantry fighting vehicles capable of providing highly protected close-combat capabilities.
- The Government will invest \$6.6–6.7 billion to acquire 30 AS9 Huntsman self-propelled howitzers and \$580–600 million to acquire 15 AS10 armoured ammunition resupply vehicles that provide indirect fire support in close cooperation with other combat forces.
- The Government will invest \$1.1–1.6 billion in combat engineering to acquire an enlarged and enhanced fleet of bridging, breaching, engineer support and combat engineering vehicles, including 29 armoured breaching vehicles and 17 joint assault bridges.
- The Government will invest \$690–890 million to pursue further investment in low cost and expendable small uncrewed tactical and aerial systems for the amphibious-capable land force that can undertake a range of operational roles, including intelligence and surveillance, while improving force protection.
- The Government will invest \$4.0–4.5 billion to acquire 40 UH-60M Black Hawk and supporting systems to rapidly replace Army's fleet of MRH-90 Taipan multi-role helicopters.
- The Government will invest \$4.4–4.5 billion to replace the current fleet of Tiger armed reconnaissance helicopters with 29 AH64E Apache attack helicopters.
- The Government will invest \$1.6–2.1 billion in Special Operations modernisation for reconnaissance, targeting, strike, technical operations, enhanced engagement with allies and partners, and support to state and territory counterterrorism responses.

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- The Government will invest in land-based deployable counter-small uncrewed aerial systems capabilities, and advanced sensors and capabilities contributing to the Integrated Force's Command, Control, Communications, and Computer networks.

Background

- The 2024 National Defence Strategy sets out the Government's strategic intent to transform Defence capability, force structure, policy, planning, international engagement activities, work force and resources.
- The 2024 National Defence Strategy and the 2024 Integrated Investment Program provide a blueprint to deliver an ambitious transformation of the ADF into an integrated, focused force that will be positioned to safeguard Australia's security and contribute to regional peace and prosperity for decades to come.
- The 2024 Integrated Investment Program has been rebuilt to meet the requirements of an integrated and focused ADF that can face the significant strategic and technological changes we are seeing throughout the Indo-Pacific.
- In rebuilding the 2024 Integrated Investment Program, the Government has made the hard but necessary decisions to cancel, divest, delay or re-scope projects or activities that are not critical to delivering the force our strategic circumstances require.

Supporting Information

Questions on Notice

2023-24 Supplementary Budget Estimates 25 Oct 2023:

- **QoN No. 172, Army Aviation equipment**, Senator David Shoebridge (Greens, New South Wales) asked about assurances regarding Army Aviation equipment. **TABLED**
- **QoN No. 101, Army restructure**, Senator the Hon Simon Birmingham (Liberal, South Australia) asked about the DSR's impact on retention, Army's new innovation and experimentation unit, and Northern Australian recruitment and retention. **TABLED**
- **QoN No. 111, Black Hawk**, Senator the Hon Simon Birmingham (Liberal, South Australia) asked about Blackhawk helicopter acquisition and employment. **TABLED**
- **QoN No. 64, Black Hawk delivery timelines**, Senator Malcolm Roberts (One Nation, Queensland) asked about the timeline for Blackhawk helicopter delivery. **TABLED**
- **QoN No. 78, Black Hawk and Taipan procurement process**, Senator Jaqui Lambie (Jacqui Lambie Network, Tasmania) asked about the Blackhawk helicopter procurement process. **TABLED**

Freedom of Information (FOI) Requests

- No FOIs requested.

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Cleared By:

Name: Tom Hamilton

Position: Deputy Secretary

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Budget Estimates June 2024

Last updated: 23 April 24

Key witnesses: Tom Hamilton, Lieutenant General Simon Stuart; Major General Richard Vagg

Recent Ministerial Comments

- On 17 April 2024, the [Deputy Prime Minister](#) announced the Government’s release of the inaugural National Defence Strategy, which sets out a fundamentally new approach to the defence of Australia and our interests.
- On 17 April 2024, the [Deputy Prime Minister and the Minister for Defence Industry](#) announced that the Government has boosted Defence spending to deliver the 2024 National Defence Strategy and build an integrated, focused force that is ready to deter potential threats.

Relevant Media Reporting

- On 18 April 2024, The Australian published an article by Ben Packham titled ‘[Long-range billions to counteract China](#)’ that outlined the Government’s capability investment across the decade. The article provided further commentary from the opposition Defence spokesperson Andrew Hastie outlining that the Deputy Prime Minister had failed a ‘leadership test’, branding the Defence funding boost as ‘very modest.’

Division: Plans and Capability Integration	
PDR No: SB24-000359	
Prepared by: s47E(d) Deputy Director (Land) Plans and Capability Integration Defence Strategic Review Implementation Task Force Ph: s47E(d) Date: 18 April 2024	Cleared by Division Head: Major General Matt Pearse Head Plans and Capability Integration Defence Strategic Review Implementation Task Force Ph: s47E(d) Date: 19 April 2024
Consultation: Major General Richard Vagg Head of Land Capability Army Headquarters Ph: s47E(d)	
Cleared by Deputy Secretary: Date: 23 April 2024	

Prepared By:
Name: s47E(d)
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Cleared By:
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Budget Estimates June 2024

Last updated: 23 April 24

Key witnesses: Tom Hamilton, Lieutenant General Simon Stuart; Major General Richard Vagg

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Budget Estimates June 2024

SB24-000360

Last updated: 22 April 2024

Integrated Investment Program – Sea Domain

Key witnesses: Tom Hamilton; Vice Admiral Mark Hammond.

Integrated Investment Program – Sea Domain

Handling Note:

- Deputy Secretary Defence Strategic Review Implementation, Tom Hamilton, to lead on the 2024 National Defence Strategy context.
- Chief of Navy, Vice Admiral Mark Hammond, to lead on maritime domain capabilities, contributions to the integrated focused force, and implementation of 2024 National Defence Strategy maritime domain actions.

Key Messages

- Defence will invest \$53-63 billion to 2033-34 in conventionally-armed, nuclear-powered submarines and infrastructure.
- Defence will invest \$51-69 billion to 2033-34 in maritime capabilities for sea denial and localised sea control operations. This includes an additional \$11.1 billion over the next decade, totalling \$39-55 billion, to deliver the Government's response to the independent analysis of Navy's surface combatant fleet.
- Defence will invest \$5.2-7.2 billion to 2033-34 in the development and acquisition of subsea warfare capabilities and new autonomous and uncrewed maritime vehicles, complementing crewed undersea warfare capabilities and the Navy's surface combatant fleet.
- Planned maritime capability investments will contribute to the ADF's capacity to deliver on each of its five Government directed tasks and each of the six key capability effects.

Talking Points

How does the Maritime Domain contribute to a Strategy of Denial and National Defence?

- Planned maritime capability procurement in the 2024 Integrated Investment Program will contribute to the ADF's capacity to deliver on each of its five Government directed tasks, through six key capability effects, as outlined in the 2024 National Defence Strategy.
- The 2024 Integrated Investment Program prioritises investment in maritime capabilities that can hold potential adversary forces at risk in Australia's northern approaches, and contribute with partners to the collective security of our region.

Prepared By:

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Position: Deputy Director Plans and Capability Integration (Maritime)

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Cleared By:

Name: Tom Hamilton

Position: Deputy Secretary

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Budget Estimates June 2024

SB24-000360

Last updated: 22 April 2024

Integrated Investment Program – Sea Domain

Key witnesses: Tom Hamilton; Vice Admiral Mark Hammond.

How is the Maritime Domain more capable, integrated and focused?

- Defence's acquisition of conventionally-armed nuclear-powered submarines, long-range strike capabilities, and the enhanced lethality surface combatant fleet increases Australia's capacity to deter coercion and to increase the ADF's capacity for impactful projection.
- Planned maritime domain investments contribute to the integrated, focused force by delivering increases in combat and enabling abilities across a range of capability priorities, including:
 - A \$63-76 billion investment to 2033-34 in undersea warfare will enable Navy to undertake a broad range of missions to project force, hold a potential adversary force at risk and maintain persistent situational awareness.
 - : \$53-63 billion of this figure to 2033-34 will be invested in conventionally-armed, nuclear-powered submarines and infrastructure.
 - Navy combat and amphibious capabilities that enable the amphibious capable combined-arms land system.
 - A \$51-69 billion investment to 2033-34 in maritime capabilities for sea denial and localised sea control operations that provide Defence with the ability to deny the use of an area of the sea when needed and provide the ADF with freedom of action.

How does the Maritime Domain deliver capability, posture, and preparedness to the integrated force?

- The 2024 Integrated Investment Program prioritises \$63-76 billion investments to 2033-34 in undersea warfare capabilities that will strengthen the ADF's ability to project force, hold potential adversary forces at risk and provide awareness of potential threats to Australia's security.
- The \$53-63 billion investment to 2033-34 in conventionally-armed nuclear-powered submarines remains a Government priority and is a critical contribution to National Defence, enabling a potential adversary's assets to be held at risk at the furthest distance possible from Australia's shores.
- Defence will invest \$4.5-5 billion to 2033-34 to ensure the six Collins Class submarines will continue to provide a potent and credible capability to conduct operations to safeguard Australia's maritime approaches and sea lines of communication alongside ADF surface fleet and airborne and land based capabilities.

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Budget Estimates June 2024

SB24-000360

Last updated: 22 April 2024

Integrated Investment Program – Sea Domain

Key witnesses: Tom Hamilton; Vice Admiral Mark Hammond.

- Defence will invest \$5.2-7.2 billion to 2033-34 to complement crewed undersea warfare capabilities and the Navy's surface combatant fleet, the Government will invest in the development and acquisition of subsea warfare capabilities and new autonomous and uncrewed maritime vehicles, including through AUKUS Pillar II – Advanced Capabilities.
 - Navy's uncrewed systems will be optimised for persistent, long-range defence missions in high-risk environments including maritime intelligence, surveillance and reconnaissance.
- Defence will invest \$51-69 billion to 2033-34 in maritime capabilities for sea denial and localised sea control operations. This investment includes an additional \$11.1 billion over the next decade, totalling \$39-55 billion, to deliver the Government's response to the independent analysis of Navy's surface combatant fleet.
 - On 20 February 2024, the Government released its response to the Independent Analysis of the Navy's Surface Combatant Fleet. The Government's response to the Surface Fleet Review is embedded in the 2024 National Defence Strategy and 2024 Integrated Investment Program.
 - The Government's investments will acquire a larger and more lethal surface combatant fleet – the largest number of surface combatants since the Second World War. This fleet will be integral to ensure the safety and security of our sea lanes of communication and maritime trade, though operations in our immediate region. This includes investments of:
 - : \$6.5-8.5 billion to 2033-34 on Hobart Class air warfare destroyers;
 - : \$22-32 billion to 2033-34 on Hunter Class frigates;
 - : \$7-10 billion to 2033-34 on the accelerated general purpose frigates;
 - : \$400-500 million to 2033-34 on Large Optionally Crewed Surface Vessels;
 - : \$3.2-3.7 billion to 2033-34 on Arafura Class;
 - : \$150 million to 2033-34 on the Evolved cape Class; and
 - : \$120 million to 2033-34 on the Anzac Class.
 - \$2.4-2.7 billion to 2033-34 to expand Navy's fleet of multi-role helicopters to a total of 36 MH-60R Romeo helicopters.

Prepared By:

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Budget Estimates June 2024

SB24-000360

Last updated: 22 April 2024

Integrated Investment Program – Sea Domain

Key witnesses: Tom Hamilton; Vice Admiral Mark Hammond.

- Defence will invest \$12-15 billion to 2033-34 in sea-based strike. The key investments include:
 - the Tomahawk weapon system to allow Navy's Hobart Class destroyers, Hunter Class frigates (subject to a feasibility assessment), and in the future, Virginia Class submarines, to hold targets at risk at longer ranges; and
 - upgrades to the Aegis Baseline 9 combat system.
 - investment in Standard Missile-2 and Standard Missile-6 long-range, air-defence missiles for the Hobart Class destroyers and Hunter Class frigates, providing the ability to counter airborne threats, including ballistic missiles.

Background

- The 2024 National Defence Strategy sets out the Government's strategic framework to guide the significant and urgent changes required to transform Defence's capability, force posture, force structure, acquisition, recruitment and international engagement.
- This 2024 National Defence Strategy and the 2024 Integrated Investment Program provide a blueprint to deliver an ambitious transformation of the ADF into an integrated, focused force that will be positioned to safeguard Australia's security and contribute to regional peace and prosperity for decades to come.
- The 2024 Integrated Investment Program sets out the specific capabilities the Government will invest in to give effect to the National Defence Strategy.

Supporting Information

Questions on Notice

2023-24 Supplementary Budget Estimates: 25 October 2023

- QoN No. 105, **Defence planning and review publications**, Senator the Hon Simon Birmingham (Liberal, South Australia) asked when the National Defence Strategy was supposed to be completed and provided to Government. **TABLED**

Freedom of Information (FOI) Requests

- Nil.

Recent Ministerial Comments

- On 17 April 2024, the **Deputy Prime Minister** [announced](#) the Government's release of the inaugural National Defence Strategy, which sets out a fundamentally new approach to the defence of Australia and our interests.

Prepared By:

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Name: Tom Hamilton

Position: Deputy Secretary

Group: Defence Strategic Review

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Budget Estimates June 2024

SB24-000360

Last updated: 22 April 2024

Integrated Investment Program – Sea Domain

Key witnesses: Tom Hamilton; Vice Admiral Mark Hammond.

- On 17 April 2024, the **Deputy Prime Minister and the Minister for Defence Industry** [announced](#) that the Government has boosted Defence spending to deliver the 2024 National Defence Strategy and build an integrated, focused force that is ready to deter potential threats.

Relevant Media Reporting

- On 19 April 2024, The Australian published an article by Marcus Hellyer titled '[Spending on subs muddies troubled waters for Defence](#)' outlining that conventionally-armed nuclear-powered submarines are starting to distort the overall Integrated Investment Program. It further stated that even with the additional funding, other capabilities have needed to be cut in order to deliver an affordable Integrated Investment Program that includes the submarines.
- On 19 April 2024, The Australian published an article by Cameron Stewart titled '[Subs US-built 'but will be under our command](#)' that detailed that the National Defence Strategy had been used to outline the full extent of Australia's sovereign control over the Virginia Class conventionally-armed nuclear-powered submarines.
- On 18 April 2024, The Australian published an article by Ben Packham titled '[Long-range billions to counteract China](#)' that outlined the Government's capability investment across the decade. The article provided further commentary from the opposition Defence spokesperson Andrew Hastie outlining that the Deputy Prime Minister had failed a 'leadership test', branding the Defence funding boost as 'very modest.'
- On 18 April 2024, The Australian published an article by Greg Sheridan titled '[Behind the puffery, it's that old four-card trick](#)' critiquing the launch of the National Defence Strategy and the Integrated Investment Program. The articles state the Deputy Prime Minister's 'Defence policy is riddled with contradictions and illogicality' and that 'a lot of the documents are intentionally difficult to interpret'.
- On 18 April 2024, The Australian published an article by Cameron Stewart titled '[It will take too long, but at least we're on the right course](#)' stating that the 'National Defence Strategy nails the growing strategic threat posed by China but concedes that it will take a decade, even with increased funding, to create the sort of defence force needed to respond to a bullying Beijing.'
- On 17 April 2024, the ABC published an article by Andrew Greene and Tom Crowley titled '[Richard Marles unveils \\$50 billion defence spending increase over next decade](#)' outlining the Government's launch of the National Defence Strategy and an increase to Defence spending by \$50 billion over the next decade.

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Budget Estimates June 2024

SB24-000360

Last updated: 22 April 2024

Integrated Investment Program – Sea Domain

Key witnesses: Tom Hamilton; Vice Admiral Mark Hammond.

Division: Plans and Capability Integration	
PDR No: SB24-000360	
<p>Prepared by: s47E(d) Deputy Director Plans and Capability Integration (Maritime) Defence Strategic Review Implementation Task Force Mob: s22 Ph: s47E(d) Date: 15 April 2024</p>	<p>Cleared by Division Head: Major General Matt Pearse Head Plans and Capability Integration Defence Strategic Review Implementation Task Force Mob: s22 Ph: s47E(d) Date: 20 April 2024</p>
<p>Consultation: Rear Admiral Jonathan Earley Acting Chief of Navy Date: 19 April 2024</p>	
<p>Consultation: Commodore Anita Williams Acting Head Navy Capability Royal Australian Navy Date: 18 April 2024</p>	
<p>Consultation: Commodore Eric Young Chief of Staff Navy Headquarters Royal Australian Navy Date: 15 April 2024</p>	
<p>Cleared by Deputy Secretary: Mr Tom Hamilton Deputy Secretary Defence Strategic Review Implementation Defence Strategic Review Implementation Task Force Date: 23 April 2024</p>	

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Cyber & Space Domains

Handling Note:

- Deputy Secretary, Defence Strategic Review Implementation Task Force, Tom Hamilton, to lead on National Defence Strategy context.
- Acting Chief of Joint Capabilities, Rear Admiral David Mann, to lead on cyber and space capabilities, contributions to the integrated, focused force, and cyber and space actions to implement the 2024 National Defence Strategy.

Key Messages

- Australia is reliant on space systems and space-enabled technologies. The space domain is critical to the effective employment of military power and plays a central role in how Defence conducts integrated operations by supporting communications, targeting and situational awareness.
- The Government is investing \$27–36 billion across the next decade in the cyber and space domains, as part of the ADF's shift to an integrated, focused force.
- Through the 2024 National Defence Strategy there will be a focus on space capabilities that enhance intelligence and surveillance, providing resilient communications and counter emerging space threats.
- Cyber capability investments will enable enhanced intelligence, surveillance, and reconnaissance; deliver resilient communications; and provide computer network defence and disrupt options.
- To support the Joint Capabilities Group's progression to a service-like function, Space Command transitioned from the Air Force into the Joint Capabilities Group on 1 July 2023. This achieved the Government's direction in response to the Defence Strategic Review to advance space capability delivery and develop a space workforce, including career pathways that recognise space as an operational domain.
- Establishing the Space and Cyber Career Management Directorate in November 2023, within the Military Personnel Organisation, to manage space professionals as a distinct workforce group is a key step toward realising workforce goals.
- Investment in cyber and space capabilities through the 2024 Integrated Investment Program will contribute significantly to Defence's Strategy of Denial and National Defence.

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Talking Points**How do the cyber and space domains contribute to a Strategy of Denial and National Defence?**

- The 2024 Integrated Investment Program includes \$27–36 billion in investments to enhance cyber and space capabilities and improve their integration with other ADF capabilities.
- This will improve the ADF's understanding of the operating environment and its ability to gain a decision advantage over potential adversaries and respond to threats effectively and decisively.
- Capability effects such as defensive cyber operations, delivered through the cyber domain, provide a credible contribution to a Strategy of Denial as part of the coordinated whole-of-government and whole-of-nation National Defence approach to meet Australia's current strategic challenges.
 - This includes domestic resilience through improved information sharing and closer engagement between the Commonwealth, states, territories and industry to address cyber risks.
 - It also includes ensuring infrastructure in Australia, including telecommunication networks, supports ADF requirements.
- The space domain supports a Strategy of Denial through the delivery of communications, weather, intelligence, surveillance and reconnaissance, and position, navigation and timing information to the integrated force, as well as improved space domain awareness and space control.

How are the cyber and space domains more capable, integrated and focused?

- The 2024 Integrated Investment Program is a responsible plan to shift the ADF from a balanced force to an integrated, focused force, to address Australia's most significant strategic risks.
- The 2024 Integrated Investment Program will deliver cyber and space capabilities to support the integrated, focused force by providing assured networks, communications systems and connectivity across the competition to conflict continuum.
- The Government is investing \$15–20 billion in enhanced cyber capabilities, including:
 - a deployable defensive cyber operations capability for the ADF and the training program to support the growth of the ADF cyber workforce,
 - cyber terrain capabilities to enhance Defence's understanding of the cyber environment and its ability to secure it, and
 - the Australian Signals Directorate's REDSPICE program, which will enhance Australia's cyber capabilities, enable intelligence, surveillance and reconnaissance, and deliver resilient communications and network defence and disrupt options.

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- The Government is investing \$2.7–3.7 billion in enhanced electronic warfare capabilities, including electronic attack, electronic protection and electronic support capabilities to reduce or prevent hostile use of the electromagnetic spectrum and ensure effective use by friendly forces.
- The Government is investing \$9–12 billion in enhanced space capabilities, including:
 - an Australian Defence Satellite Communications System, including communications satellites with ground stations and operations centres. Potential opportunities for Australian industry include software development, certification, security management, engineering, maintenance and training, as well as industry skilling;
 - the introduction of a Deep-space Advanced Radar Capability to continuously detect, track and identify objects in deep space, integrated with other sites in the United States and United Kingdom; and
 - measures to enhance Defence’s space control capability to deny attempts to interfere with, or attack, Australia’s use of the space domain. These will help ensure the ADF is able to continue using space capabilities to support operations.
- The total planned investment for cyber and space across the next decade is \$27–36 billion.

How do the cyber and space domains deliver capability, posture, and preparedness to the integrated force?

- Cyber and space domains are not bound by geography alone. Defence’s strategy, capability acquisition and resources have considered this key aspect, and both the 2024 National Defence Strategy and 2024 Integrated Investment Program reflect the need for cyber and space to deliver capability, enhance posture and assure preparedness.
- Cyber and space domains are highly specialised and skilled. Defence is focussed on attracting and retaining the required workforce to meet this need.
- Cyber and space specialists will form a critical component of the ADF’s transition from a balanced to a focussed force, with Defence seeking to expand by 18,500 by 2040.

How do the cyber and space domains implement the 2024 National Defence Strategy and 2024 Integrated Investment Program?

- The Chief of Joint Capabilities, as the cyber and space domain lead, is responsible for ensuring the Defence Cyber Security Strategy and the Defence Space Strategy align with the 2024 National Defence Strategy wholistically and fit within the form and function of the Defence Strategic Framework.

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What other cyber and space domain capabilities is Defence investing in to deliver a Strategy of Denial?

- Examples of investment in the cyber domain to deliver credible capability as part of a Strategy of Denial include:
 - an uplift to Defence’s networks, providing greater network efficiency, resilience and redundancy,
 - investment in joint networks and applications, providing connectivity for ADF elements operating in denied, degraded, disrupted or low-bandwidth environments, and
 - enhancing defensive cyberspace capability through additional workforce and the acquisition of cyber mission systems.
- Through AUKUS Pillar II – Advanced Capabilities, Defence will pursue a range of trilateral projects, information and technology sharing, including advanced cyber and quantum technologies.

Have the capabilities of the cyber and space domains suffered as a result of the significant spending on the maritime domain?

- No, achieving a Strategy of Denial requires an approach that integrates capabilities across all domains. This is reflected in the investment through the 2024 Integrated Investment Program to prioritise critical capabilities across all five domains to meet the needs of our strategic circumstances in line with the 2024 National Defence Strategy.
- For the cyber domain, investment will enhance Defence’s communications networks, as well as enhance defensive cyber capability through workforce growth and cyber mission systems.
- Additionally, continued investment in the Australian Signals Directorate through REDSPICE will significantly enhance Australia’s cyber capabilities, providing more options to defend Australia’s networks, support ADF capabilities and imposing cost on potential adversaries, including through offensive cyber operations.
- For the space domain, investment will focus on satellite communications, space sensors and space control.

Background

- The 2024 National Defence Strategy sets out the Government’s strategic intent to transform Defence capability, force structure, policy, planning, international engagement activities, workforce and resources in line with the investment priorities laid out in the 2024 Integrated Investment Program.

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Budget Estimates June 2024

Last updated: 28 May 2024

Key witnesses: Tom Hamilton; Rear Admiral David Mann

SB24-000476

Cyber & Space Domains

- The 2024 National Defence Strategy, in tandem with the 2024 Integrated Investment Program, provides a blueprint for the ambitious reform Defence is undertaking to respond to Australia's national security priorities and keep pace with the rapidly evolving strategic environment.
- The 2024 Integrated Investment Program has been rebuilt to meet the requirements of an integrated, focused ADF that can face the significant strategic and technological change that we are seeing throughout the Indo-Pacific.
- New investments and upgrades to existing capabilities have required some changes to be made to previously planned or agreed investments that are now considered a lower priority.

Supporting Information

Questions on Notice

2023-24 Budget Estimates: 15 June 2023

- **QoN No. 92, AUKUS Readiness**, Senator Reynolds (Liberal, Western Australia) asked how Defence planned to address potential security concerns and increase security measures at HMAS *Stirling* and the Henderson shipbuilding yard in light of the AUKUS partnership. **TABLED**

2023-24 Supplementary Budget Estimates: 2 November 2023

- **QoN No. 103, Recruitment and Retention**, Senator the Hon Simon Birmingham (Liberal, South Australia) requested an update on the four recruitment and retention recommendations in the Defence Strategic Review and their implementation progress. **TABLED**

Freedom of Information (FOI) Requests

- Nil.

Recent Ministerial Comments

- On 17 April 2024, the [Deputy Prime Minister](#) announced the Government's release of the inaugural 2024 National Defence Strategy, which sets out a fundamentally new approach to the defence of Australia and our interests.
- On 17 April 2024, the [Deputy Prime Minister and the Minister for Defence Industry](#) announced that the Government has boosted Defence spending to deliver the 2024 National Defence Strategy and build an integrated, focused force that is ready to deter potential threats.

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Budget Estimates June 2024
Last updated: 28 May 2024
Key witnesses: Tom Hamilton; Rear Admiral David Mann

SB24-000476
Cyber & Space Domains

Relevant Media Reporting

· Nil.

Division: Plans and Capability Integration	
PDR No: SB24-000476	
Prepared by: s47E(d) Deputy Director Cyber DSR Implementation Task Force Ph: s47E(d) Date: 19 April 2024	Cleared by Division Head: Major General Matt Pearse Head Plans and Capability Integration DSR Implementation Task Force Mob: s22 Ph: s47E(d) Date: 20 April 2024
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Northern Bases Resilience

Handling Note:

- Deputy Secretary, Security and Estate, Celia Perkins, to lead.
- Acting First Assistant Secretary, Infrastructure, Pat Sowry, to support on matters relating to specific base upgrades.

Key Messages

- The 2024 National Defence Strategy directs that Defence must have a logistically networked and resilient set of bases, predominately across Northern Australia, and to increase the protection of bases to withstand disruption in crisis or conflict.
- Improving the ability to operate from Australia's northern bases was one of Government's six immediate investment priorities in response to the Defence Strategic Review, and is now a key capability priority under the rebuilt 2024 Integrated Investment Program.
- Defence is mitigating resilience risks across the northern base network through traditional infrastructure investment and non-traditional responses (for example the use of deployable, temporary or civilian infrastructure, and energy resiliency).
- The key line of forward deployment for the ADF stretches across Australia's northern maritime approaches.

Talking Points

- As noted in the National Defence Strategy, Australia must have a logistically networked and resilient set of northern bases to enable the impactful projection of military effects from Australia, to project and sustain a deployed force and to drive efficient use of training areas.
- Defence is moving at pace to improve the ADF's ability to operate from Australia's northern bases. This includes enhancing our ability to respond quickly to a range of potential crises in the region, including humanitarian assistance and disaster relief activities.
- Northern bases' resilience is being enhanced through remediation and upgrading facilities and enabling infrastructure at individual bases as well as across the base network.
- Defence has reoriented its estate investment planning processes to prioritise critical infrastructure projects in northern Australia, and accelerate our decision-making and planning practices.

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- While one of our key priorities is to strengthen our northern bases, Defence remains alert to the fundamental contribution our southern bases make to raising, training and enabling Defence.
 - Key Defence sites in southern Australia continue to support ADF training, military logistical, capability research and technology, and explosive ordnance.

Energy Resilience

- Defence is implementing the Government's commitment to addressing climate change, as supported by the 2024 National Defence Strategy, including accelerating the transition to clean energy, and delivering renewable energy across the Defence estate.
 - Defence has assessed the feasibility, and designed or delivered renewable energy systems at several bases across the Defence estate as part of the Defence Renewable Energy and Energy Security Program, including:
 - : installing renewable energy systems to diversify energy supply and increase energy security;
 - : incorporating energy storage systems to increase energy resilience and improve power quality;
 - : piloting micro grid projects at key sites to inform plans for renewable energy to complement existing base electrical networks. This will increase the autonomous operation of a site and reduce reliance on diesel fuel; and
 - : investigating and managing risks associated with the introduction of new technology and electrical systems, such as cyber security and electromagnetic interference.
- In February 2024, the Assistant Minister for Defence launched a 3.2 megawatt solar farm at RAAF Base Darwin. The project provides about 40 per cent of the base's electricity needs, contributing to the base's energy resilience by providing an additional source of onsite power generation, alleviating its reliance on the local energy grid.

Proposed Expenditure

- In 2024-25, Defence is forecasting investment of \$1.442 billion in capital works across our northern bases through delivery phase projects within the Enterprise Estate and Infrastructure Program.
- Between 2023-24 and 2026-27, approximately \$730 million in additional funding is forecast to be spent on projects across northern bases under the Estate Works Program.

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Projects and Achievements

- Defence is currently delivering the following projects in the north:
 - RAAF Base Darwin and Mount Bunday Airfield, Northern Territory. Defence is maintaining aircraft pavements, lighting and airfield drainage at these locations, valued at \$351.7 million, under the National Airfields Capital Works program. Completion is expected in late 2025;
 - RAAF Base Tindal, Northern Territory. Defence is constructing a new aircraft apron and aviation fuel farm, and upgrading and extending the runway and taxiway, valued at \$1.071 billion, under the United States Force Posture Initiatives RAAF Tindal Airfield Works and Associated Infrastructure project. Completion is expected in late 2026;
 - Defence is also upgrading engineering services at RAAF Base Tindal, including power and water, providing new living-in accommodation, and providing new and refurbished facilities, valued at \$511.1 million, under the RAAF Base Tindal Redevelopment project. Completion is expected in late 2026; and
 - HMAS *Cairns*, Queensland Defence is upgrading engineering services, including water and sewerage, and refurbishing buildings, valued at \$15.6 million, under the HMAS *Cairns* Mid-Term Refresh project. Completion is due in late 2024. Defence will also upgrade maritime infrastructure, valued at \$280 million, to support the Arafura Class Offshore Patrol Vessels.
- Projects that have recently obtained Parliamentary approval consist of:
 - RAAF Base Learmonth Redevelopment Enabling KC-30 Operations, Western Australia. On 27 March 2024, Parliament approved the project to improve the airfield, including widening and strengthening the runway and taxiway at \$662.2 million. Construction is scheduled to commence in mid-2024 and be completed by mid-2028; and
 - RAAF Base Darwin Mid-Term Refresh Project, Northern Territory. On 26 March 2024, Parliament approved the project to provide a new main entrance, upgrade the heavy vehicle access entrance, and address condition, capacity and compliance issues with potable water, firefighting water and sewer networks at \$159.9 million. Construction is scheduled to commence in late 2024 for completion by early 2027.

Industry capacity

- Industry capacity may constrain the resilience options available to Defence – something that is being reviewed and planned for on a case-by-case basis.
- The use of deployable, temporary or civilian infrastructure in place of permanent infrastructure may mitigate industry capacity constraints.

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- Defence is exploring how to better leverage investment by other government departments, states and territories and the private sector. This may include the use of Commonwealth equity injection and civil aerodromes and ports, including those operated by the resource sector.
- Regional and remote areas of Australia's north stand to benefit from the economic opportunities of improving northern base infrastructure.

Questions on Notice

- No QoNs asked.

Freedom of Information (FOI) Requests

- On 5 March 2024, an individual made a request seeking a copy of Defence's finalised estimates briefing pack, including an index of back pocket briefs, for the 2023-24 Additional estimates. **The decision to release documents is pending.**
- On 30 October 2023, a media organisation requested Defence's finalised estimates briefing pack for the 25 October 2023 Supplementary Budget Estimates. **The decision to release documents is pending.**

Recent Ministerial Comments

- On 4 April 2024, the Deputy Prime Minister made a [statement](#) to the Sydney Institute in which he stated hardening our northern bases was one of six initial priorities of action in response to the Defence Strategic Review's recommendations

Relevant Media Reporting

- On 4 October 2023, The Strategist published an article by John Coyne titled [To build its future, northern Australia needs clarity from Defence](#), which outlined the Government's support to northern bases in the context of the Defence Strategic Review.
- On 1 December 2023, The Canberra Times published an article by Bradley Perrett titled [Northern exposure: after 18 months, Labor is still not fixing our air bases](#), which argued shortcomings in relation requirements of the northern bases

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Division: Infrastructure Division	
PDR No: SB24-000361	
Prepared by: Sarah Russell-Farnham Assistant Secretary Estate Planning Branch Mob: s22 Ph: s47E(d) Date: 10 April 2024	Cleared by Division Head: Pat Sowry A/g First Assistant Secretary Infrastructure Security and Estate Group Mob: s22 Ph: s47E(d) Date: 16 April 2024
Consultation: Air Commodore Veronica Tyler Deputy Commander Joint Logistics Joint Capabilities Group Date: 12 April 2024	
Consultation: Mr Cyril Karo FAS DSR Implementation Date: 22 April 2024	
Cleared by CFO: Jennifer Makunde A/g Assistant Secretary Finance – Enabling Groups Defence Finance Group Date: 12 April 2024	
Cleared by Deputy Secretary: Celia Perkins Deputy Secretary Security and Estate Group Date: 22 April 2024	

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