

**OFFICIAL**

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**QUESTION TIME BRIEF (QTB)**

**TOPIC OF THE DAY: LAND 400 Phase 3 - Infantry Fighting Vehicle**

**KEY MESSAGES**

- There has been increased media interest in LAND 400 Phase 3 as the project approaches anticipated Government consideration, and how any decision may be influenced by the recently announced Defence Strategic Review.
- The requirement for a relevant and credible capability that affords the best chance of mission success and protects Australian soldiers has not changed.
- The current M113 Armoured Personnel Carrier, which was first introduced into service in 1965, is obsolete and not fit-for-purpose against threats which are prevalent in our region. It has reached the limits of its ability to be enhanced, and must be replaced.
- The Infantry Fighting Vehicle will provide soldiers with a modern close combat vehicle with improved survivability, lethality and communications, allowing Army to sustain mounted combat operations against emerging and future threats, as part of the joint force.
- LAND 400 Phase 3 remains subject to a live tender process. It would not be appropriate to comment further on the project at this time.

**MEDIA**

| <u>Date</u>    | <u>Outlet</u>      | <u>Reporting</u>   |
|----------------|--------------------|--|
| 31 August 2022 | The Advocate       | <i><a href="#">Our soldiers shouldn't be sold short.</a></i> |
| 30 August 2022 | ABC                | <i><a href="#">Concern of funding cut.</a></i>               |
| 15 August 2022 | Geelong Advertiser | <i><a href="#">Review won't stop Land 400.</a></i>           |

**Lead Division**

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## QUESTION TIME BRIEF (QTB)

## TOPIC: Australia's Future Submarine Capability

## ISSUE/S OF THE DAY

In the 12 months since the announcement of AUKUS, the resolve of Australia, the UK and the US has only strengthened as the strategic environment has continued to deteriorate.

Nuclear-powered submarines will help secure Australia and our economic prosperity for the decades ahead.

The work of the Nuclear Powered Submarine Taskforce will determine which platform Australia will acquire. This will inform when Australia can acquire it and whether there will be a capability gap (and the nature of any gap).

*[Information relating to AUKUS Advanced Capabilities refer to QB22-000153]*

**Nuclear-Powered Submarines**

- The optimal pathway is taking shape.
  - AUKUS partners are on track for an announcement early next year, there is a significant amount of work underway to meet that timeframe.
  - I met with principals from the UK and US recently when they were in Canberra continuing to assess the options for our optimal pathway.
  - The fact that senior leads from the UK and US are investing significant amounts of time to progress our work under AUKUS is testament to the trilateral resolve to deliver Australian nuclear-powered submarines.
  - As AUKUS leaders said in their statement of 24 September, ‘we are steadfast in our commitment to Australia acquiring this capability at the earliest possible date’.
- The Government is focused on creating a better future for all Australians.
- To create this future we must secure our nation and our economic prosperity.
- It is important to remember we are a maritime nation.
  - We rely on international trade for our economic prosperity and on multiple seabed cables to connect us to the global trading system.

The closing or blocking of sea lanes would have a critical impact on our economy and security, disrupting our ability to receive essential goods such as fuel and medicines and our ability to export to international markets.

- We must continue to evolve our military forces to ensure our people and economy remain secure.

## QUESTION TIME BRIEF (QTB)

**TOPIC: Australia's Future Submarine Capability**

- Nuclear-powered submarines will help us achieve this security.
- They are harder to detect, can deploy for longer and travel faster.
- They will put the greatest question in the minds of our adversaries.
- Acquiring nuclear-powered submarines is not just an investment in the Australian Defence Force. It is an investment in our economic and national security.

***If Asked: Will the first nuclear powered submarines be built overseas?***

- We are a year into the 18-month consultation period to identify the optimal pathway to acquire nuclear-powered submarines.
- As I have said determining how quickly Australia can acquire nuclear-powered submarines is a key element of this work.
- No decisions have been made, however we continue to make significant progress across the full suite of requirements that underpin the delivery of this capability.

***If Asked: What does this mean for SA Shipbuilding jobs?***

- As I have said, we need to develop the industrial capacity to build a nuclear-powered submarine capability in Australia.
  - We also need to add to the combined industrial capacity of the three AUKUS nations to ensure a timely, ongoing supply of nuclear-powered submarines.
  - This will result in significant opportunities for Australian businesses to contribute to supply chains in Australia, the United Kingdom and the United States.
  - This work combined with the overall naval shipbuilding and sustainment enterprise will see thousands of jobs created, from welding to advanced manufacturing and hi-tech design.

***If Asked: What progress has been made in Australia's acquisition of nuclear-powered submarines?***

- AUKUS partners are working hand in glove to identify the optimal pathway for Australia to acquire nuclear-powered submarines.
  - What we are doing is genuinely a trilateral effort.
- Work is progressing rapidly.
- We recognise the decisions we will be making will not just be about which boat we will acquire.

## QUESTION TIME BRIEF (QTB)

**TOPIC: Australia's Future Submarine Capability**

- We are also considering how we build our industrial base, supply chains and workforce to support this capability.
- While in the UK I also announced that Australian submariners would be training alongside Royal Navy crews.
  - This is an important step allowing us to further strengthen our defence ties and provide opportunities for Australian submariners to gain experience stewarding the nuclear technology on board these boats.

***If Asked: What is the Government doing to ensure Australia's acquisition of nuclear-powered submarines doesn't undermine the Nuclear Non-Proliferation Treaty?***

- AUKUS partners are working together, in close consultation with the International Atomic Energy Agency (IAEA), to develop a rigorous non-proliferation approach for Australia's acquisition of nuclear-powered submarines that is fully consistent with our international nuclear non-proliferation obligations.
- Non-proliferation was a condition of our [Labor] party's support for AUKUS from the outset. Having visited the United States and United Kingdom recently, it is clearly fundamentally important to our AUKUS partners as well.
  - This was reiterated in the recent joint leader's statement, "We remain committed to ensuring the highest level of nuclear safety, security, and stewardship in this endeavour."
- I met with Director General Grossi during his visit to Australia. He was reassured by Australia's unwavering commitment to non-proliferation and was confident that AUKUS partners and the IAEA would be able to reach a successful outcome that will safeguard nuclear material and uphold the basic principle of preventing nuclear weapons proliferation.
- In his September report on IAEA safeguards in relation to AUKUS, Director General Rafael Grossi confirmed his satisfaction with the AUKUS partners' engagement.
  - reaffirmed the commitment of all parties to ensuring that the highest non-proliferation and safeguards standards will be met, and
  - noted that Australia has consistently complied with its reporting obligations under its Comprehensive Safeguards Agreement and Additional Protocol.

**QUESTION TIME BRIEF (QTB)****TOPIC: Australia's Future Submarine Capability**

- The government has been very clear that Australia does not and will not seek nuclear weapons.

***If asked: Why has the Government not made any announcements yet about the boat Australia will be acquiring?***

- The Government is engaging in confidential and sensitive discussions with our AUKUS partners and will not comment on these discussions.
- The work of the Nuclear Powered Submarine Taskforce is progressing rapidly. No decisions have been made.
- It is important that we develop the capability to build nuclear-powered submarines in Australia.
  - We must also build opportunities to contribute to the industrial base of our AUKUS partners.
- I will consider the full suite of issues and options involved in the transition to Australian nuclear-powered submarines, including the continuity of a submarine-based capability throughout the period.
- These are complex issues with many interdependencies. Our pathway to nuclear-powered submarines must include considerations such as:
  - continuing to uphold the highest non-proliferation standards;
  - establishing and maintaining rigorous nuclear safety, security and regulatory standards; and
  - ensuring industrial and workforce readiness to support our current and future submarines.

**Collins class LOTE**

- The Collins class submarine remains one of the most capable conventional submarines in the world.
- Collins class submarines provide a potent and agile capability, specifically designed to meet Australia's operational requirements.
- The life-of-type extension docking is planned to commence in 2026 at Osborne North in South Australia.
  - This life-of-type extension docking will involve a combination of ongoing sustainment, selected capability enhancements, and selected life-of-type extension activities.

## QUESTION TIME BRIEF (QTB)

## TOPIC: Australia's Future Submarine Capability

- The life-of-type extension aims to keep the Collins class submarines operationally capable and available throughout the 2030s and into the 2040s.
- The planned Collins Class life-of-type extension into the 2040's supports continuity of Australia's submarine capability as we transition to the nuclear-powered submarines.

## Future East Coast Navy Base

- A future Navy base will be built on Australia's east coast, increasing Australia's ability to support submarines and other undersea warfare capabilities on both the east and west coasts.
- Port Kembla and, the ports of Newcastle and Brisbane were identified as the three preferred sites following a Defence review of 19 potential sites.
- The 3 sites were shortlisted based on submarine basing criteria, which include: reasonable proximity to exercise operating areas; close to sufficient industrial infrastructure; and proximity to significant population centres to support personnel and recruitment.
- Defence is engaging with the New South Wales and Queensland Governments to determine the feasibility of the sites and recommend an optimal site, which will be informed by the work of the Nuclear Powered Submarine Taskforce.
- Outcomes from the feasibility work will be reported to Government by Quarter 3 2023.

## BACKGROUND AND CHRONOLOGY

- The Joint Leaders Statement on AUKUS was made on 15 September 2021.
- A [Readout of the AUKUS Joint Steering Group Meetings](#) held between 25 and 29 July has been published by the US, UK and Australia.

## MEDIA

| <u>Date</u>       | <u>Outlet</u>                | <u>Reporting</u>   |
|-------------------|------------------------------|--|
| 26 September 2022 | <a href="#">ABC News</a>     | SA Premier says Australian government has 'reassured' him nuclear submarines will be built in Adelaide |
| 26 September 2022 | <a href="#">Michael West</a> | AUKUS was a tough sell already, and now it seems local industry will miss out                          |

## QUESTION TIME BRIEF (QTB)

## TOPIC: Australia's Future Submarine Capability

|                   |                                       |  |
|-------------------|---------------------------------------|--|
| 25 September 2022 | <a href="#"><i>The Guardian</i></a>   | SA premier says buying nuclear submarines directly from US would degrade Australian shipbuilding |
| 24 September 2022 | <a href="#"><i>The Australian</i></a> | US in talks to build first nuclear subs for Australia in America                                 |
| 15 September 2022 | <a href="#"><i>The Australian</i></a> | Nuclear subs' design to match US or UK   |

## Lead Division

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## QUESTION TIME BRIEF (QTB)

**TOPIC: Defence Strategic Review, including Defence Industry Development Strategy**

## ISSUE/S OF THE DAY

- The Government is committed to a careful assessment of Australia's strategic environment and delivering the required Defence capability and posture.
- The Defence Strategic Review will ensure we have the appropriate force structure and that our equipment and our people are best positioned to respond to rapidly changing strategic requirements.
- The Government is also committed to delivering a new Defence Industry Development Strategy to optimise opportunities for Australian businesses in providing the capabilities the Australian Defence Force (ADF) requires.
- This strategy will be guided by, and closely aligned, with the Defence Strategic Review, to provide clarity and direction on how industry and government will interact to deliver on the recommendations of the Review.

***If asked about the Defence Strategic Review***

- The Defence Strategic Review will consider the priority of investment in Defence capabilities and assess the Australian Defence Force's structure, posture and preparedness in order to optimise Defence capability and posture to meet the nation's security challenges over the next decade and beyond.
- The Defence Strategic Review will ensure that Defence's capability and force structure is fit for purpose, affordable and delivers the greatest return on investment.
- The Review's Independent Leads Professor Stephen Smith and Sir Angus Houston will provide me with an update on the Review's progress on 1 November and will submit the Review and its recommendations to Government for consideration in early 2023.
- Australia has always worked to ensure a stable, prosperous and secure Indo Pacific.
  - Increasingly, that will require being better able to deter conflict, and in the worst case scenarios, defend ourselves, sustain our operations, and increase the cost for aggressors who are acting against our shared interests.

## QUESTION TIME BRIEF (QTB)

**TOPIC: Defence Strategic Review, including Defence Industry Development Strategy**

- We want to promote transparency, accountability, predictability, and stability, not inflame an arms race in the region.

***If asked about the Defence Industry Development Strategy***

- The Government is developing a strategy to support defence industry within Australia that will deliver policies and plans to optimise local content, and build up the skills and expertise of the Australian workforce.
- We need a sovereign industrial base to grow our self-reliance and leverage our close allies and partners' technology and industrial base, to their benefit as well as ours.
- Diversification of an allied industrial base helps strengthen supply chain resilience and increase output.
- We will ensure transparent public disclosure of Australian Industry Capability and Australian Contract Expenditure commitments.
  - Appropriate contract measures will be built in from the beginning to enable auditing through the supply chain and to deal with breaches of these commitments.

***If raised: What is the impact of the worsening economic circumstances on planned Defence investments?***

- This will be considered in the Review.
- Government's investments in Defence are considered over the long term in order to weather economic cycles.

***If asked: Will the Defence Strategic Review mean a delay to Defence acquisitions?***

- The Defence Strategic Review will consider the priority of investment in Defence capabilities and assess the Australian Defence Force's structure. It is appropriate to consider all of these decisions together as part of the Review. The Defence Strategic Review will ensure we have the appropriate force structure and that our equipment and our people are best positioned to respond to rapidly changing strategic requirements.

## QUESTION TIME BRIEF (QTB)

**TOPIC: Defence Strategic Review, including Defence Industry Development Strategy*****If raised: Who are the Independent Leads engaging with as part of the Review?***

- The Independent Leads are engaging with a wide range of stakeholders and experts including senior government officials, Defence Industry, national security think tanks, states, territories and key individuals as part of the Review.
- Interested parties are invited to contribute to the Defence Strategic Review via the Defence website (<https://www.defence.gov.au/>).

***If raised: What is the relationship between the Review and the planned acquisition of nuclear powered submarines?***

- The Defence Strategic Review will run concurrently with the work of the Nuclear-Powered Submarine Taskforce, which is working closely with the UK and US over 18 months, to March 2023, to identify the optimal pathway for Australia to acquire nuclear-powered submarines.

## BACKGROUND AND CHRONOLOGY

- Defence is directly assisting Australian small and medium businesses to join our sovereign defence industrial base.
- For industrial capabilities to be sovereign, we must have the ability to have access to, or control over, the essential skills, technology, intellectual property, financial resources, and infrastructure underpinning these industrial capabilities.
- The Government has committed to a Defence Strategic Review, a significant undertaking that holistically looks at how the Australian Defence Force assets and personnel are positioned to deal with the current and future strategic circumstances for Australia and the Indo-Pacific region.
- The Government's Defence Industry Development Strategy will logically underpin the Defence Force Posture Review.
- The last ADF Posture Review was completed in 2012 and made recommendations to enhance the ADF's force posture and readiness.

## QUESTION TIME BRIEF (QTB)

**TOPIC: Defence Strategic Review, including Defence Industry  
Development Strategy**

## MEDIA

| <u>Date</u>             | <u>Outlet</u>                        | <u>Reporting</u>   |
|-------------------------|--------------------------------------|--|
| 28<br>September<br>2022 | The Australian                       | <a href="#"><i>Honeymoon over, it's business time for Anthony Albanese</i></a><br>The Prime Minister's postelection honeymoon and polling support will be put to the test as the federal government responds to a growing list of demands and pressure points.   |
| 26<br>September<br>2022 | The West<br>Australian               | <a href="#"><i>SA premier seeks answers over submarines</i></a> An interim report on Australia's military capabilities and a timeline for nuclear submarines are expected to be provided to Mr Marles in November.<br><br>The final recommendations are expected to be handed down in March next year.   |
| 26<br>September<br>2022 | ABC News                             | <a href="#"><i>SA Premier says Australian government has 'reassured' him nuclear submarines will be built in Adelaide</i></a> How Australia will bridge its defence capability gap is the subject of the <i>Defence Strategic Review</i> , led by former defence minister Stephen Smith and former Chief of the Defence Force, Sir Angus Houston.<br><br>The review will be handed down in March next year.    |
| 25<br>September<br>2022 | SBS One<br>Australia<br>(Transcript) | <a href="#"><i>SBS World News: Deputy Prime Minister Confirms Interim Report</i></a> Richard Marles confirming an interim report into Australia's Defence capability will be delivered to the government in November, as the timeline into Australia's acquisition of nuclear powered submarines is also drafted.  |
| 24<br>September<br>2022 | The Mandarin                         | <a href="#"><i>Australia has just three years to prepare for war, say experts</i></a> The review faces a number of crucial tests but the most important, they say, is whether Australia will be a more resilient and therefore a more secure nation as a result.   |
| 23<br>September<br>2022 | ADPR                                 | <a href="#"><i>OPINION: Indecision risks sovereign capability</i></a> Behind the fanfare of the recently announced <i>Defence Strategic Review</i> , is hundreds of SMEs who have now effectively been told to 'stand by' and wait in case they are needed, highlighting that Labor do not have the slightest understanding of the fundamentals of business, particularly those supporting our Defence forces. |

## QUESTION TIME BRIEF (QTB)

**TOPIC: Defence Strategic Review, including Defence Industry Development Strategy**

|                   |              |  |
|-------------------|--------------|--|
| 21 September 2022 | The Mandarin | <a href="#"><i>Apocalypse soon? Reimagining Defence policy in the fight against catastrophe.</i></a> Sian Phillips and Nicholas Campton-Smith ask whether contemporary defence planning is prepared for the accelerating climate crisis and its compounding impacts on military preparedness.  |
| 21 September 2022 | The Mandarin | <a href="#"><i>Fuel security concerns endanger Australia's defensive capabilities</i></a> Max Blenkin reports on Australia's fuel supply. John Blackburn, former deputy RAAF chief says He hopes some good may come from the <i>Defence Strategic Review</i> commissioned by the Labor government in August for delivery by March.   |
| 21 September 2022 | The Mandarin | <a href="#"><i>Defending Australia means making tough strategic choices</i></a> The <i>Defence Strategic Review</i> must determine the capabilities required to allow the Australian Defence Force to deter an aggressor and fight and win future wars. Time is running out. Tough decisions will be needed on where cuts to military hardware will come from to pay for it all.                                 |
| 21 September 2022 | The Mandarin | <a href="#"><i>Australia has just three years to prepare for war, say experts</i></a> Ian McPhedron writes that the peacetime concept that Australia would have 10 years' advance warning of war is finished. The new reality is more like a timeframe of three to five years, according to some of Australia's top defence experts.   |
| 14 September 2022 | ASPI         | <a href="#"><i>The certainty of uncertainty: why Australia needs a flexible defence force.</i></a> Shane Caughey says that a key task for those carrying out the government's <i>defence strategic review</i> is to consider the ability of the Australian Defence Force to engage in a high-intensity, state-on-state conflict in our region.   |
| 8 September 2022  | ASPI         | <a href="#"><i>Australia must prepare for the infrastructure and logistics impacts of military conflict.</i></a> David Beaumont. Access to supply chains and civilian resources also influences where forces are based and prepared. If the defence strategic review orients force posture to Australia's north, an in-depth conversation about what infrastructure is required for military forces must follow. |

## QUESTION TIME BRIEF (QTB)

**TOPIC: Defence Strategic Review, including Defence Industry Development Strategy**

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|------------------|------------------------------------|---|
| 5 September 2022 | Hansard – House of Representatives | <a href="#"><i>Andrew Hastie MP called on the Government to note that the 2020 Defence Strategic Update makes clear that Australia's strategic environment has deteriorated rapid and guarantee that there will be no cuts to spending on defence, or defence projects as a result of the Government's promised 'Force Posture review'.</i></a> |
| 31 August 2022   | Triple M Townsville                | <a href="#"><i>Interview with Shadow Assistant Minister for Defence Phillip Thompson on Blackhawks.</i></a> Mr Thompson states that soldiers need a reliable helicopter that will be used for humanitarian training as well as combat operations, and we haven't had a reliable helicopter for some years.                                      |
| 30 August        | ASPI                               | <a href="#"><i>Budgets, the economy and the Defence Strategic Review.</i></a> Rob Bourke. Suggests questions that the DSR and its recommendations should address.   |
| 27 August 2022   | The Australian                     | <a href="#"><i>More firepower on Australian Defence Force shopping list-</i></a> Ben Packham. Talks to the release of the final report of the DSR in Feb 2023, including capability being considered.   |
| 27 August 2022   | The Australian                     | <a href="#"><i>Embracing the Defence challenge</i></a> – Editorial. Discusses the framing of the DSR around the regional fallout from a potential Chinese invasion of Taiwan.   |
| 27 August 2022   | The Australian                     | <a href="#"><i>Timeline for Defence Force review accelerated by circumstance.</i></a> Greg Shridan talks about the delivery of the DSR in Feb 2023  |
| 27 August 2022   | WA Today                           | <a href="#"><i>'We need to be a porcupine': Marles says Australia must project lethal force</i></a> Matthew Knott report on the DPM's view that Australia must turn itself into a “porcupine” island fortified with enough lethal weaponry to deter an attack from a hostile rival.   |
| 25 August 2022   | ASPI                               | <a href="#"><i>Defence strategic review must go boldly into space-</i></a> Malcolm Davis suggests that the DSR must, at a minimum, recommend fast acquisition of space capability with an emphasis on locally developed and manufactured small and medium satellites to support long-range responsive strike and other missions.                |

**QUESTION TIME BRIEF (QTB)**

**TOPIC: Defence Strategic Review, including Defence Industry  
Development Strategy**

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Date last Updated: s22

## QUESTION TIME BRIEF (QTB)

## TOPIC: Defence Spending, Delivery and Projects of Concern

## ISSUE/S OF THE DAY

- Rising inflation rates in Australia and overseas is a factor Government agencies consider as part of normal planning and management.
  - The Government is committed to a careful assessment of Australia's strategic environment and delivering the required Defence capability and posture. An independently led Defence Strategic Review (the Review) is scheduled for completion early next year.
  - Defence is committed to delivering the right capabilities at the right time and the impact of rising costs is a consideration that will be taken into account as part of this review.
  - Of the 158 major capability acquisition projects currently underway, there are two Projects of Concern - the Multi-Role Helicopter (MRH-90 Taipan) and Deployable Defence Air Traffic Management and Control System.
  - The Multi-Role Helicopter Taipan (MRH-90) continues to have both availability and cost of ownership issues.
  - The Deployable Defence Air Traffic Management and Control System project has achieved the agreed criteria to consider removal from the Projects of Concern list.
- The funding line established in the *2016 Defence White Paper*, and updated in the *2020 Defence Strategic Update*, provides for long-term growth in Defence funding and takes into account factors including the long term GDP growth rate projected by Treasury at the time.
  - Defence applies a Force Design process to regularly review its force structure and associated Integrated Investment Program (IIP) planning, ensuring ongoing alignment of strategy, capability and resources, and Government priorities.
  - At points in time, the actual rate of inflation will inevitably be lower or higher than the long term assumption.

## QUESTION TIME BRIEF (QTB)

## TOPIC: Defence Spending, Delivery and Projects of Concern

***If asked: Why is Defence replacing the MRH90 Taipan helicopter?***

- Defence forecasts continued high costs, risks and issues associated with operation of the MRH90 Taipan utility helicopter that, in aggregate, severely constrain the utility helicopter capability.
  - As a result, the Royal Australian Navy will acquire a fleet of 12 MH-60R Seahawk Romeo helicopters to replace its fleet of MRH90 Taipans, and the Government will soon consider the replacement of Army's fleet of MRH90 Taipans with the UH-60M Black Hawk helicopter.
- If asked: How will the Black Hawks meet the operating requirements of Army compared to MRH90?***
- The UH-60M Black Hawk is equipped to operate by day and by night and has routinely done so in demanding battlefield conditions. Australia has extensive experience in operating Black Hawks in our region.

- The UH-60M Black Hawk is equipped to operate by day and by night and has routinely done so in demanding battlefield conditions.

***If asked: How much does the spending blow out to in total and can we really afford it?***

- Defence, through the IIP, has a robust and considered processes to manage pressures, including fluctuations in inflation rates.
- The IIP is complex and actively managed to reflect dynamic Government strategic and domestic Defence capability priorities. Government considers the IIP bi-annually to address these changes.

***If asked: What is the impact – will projects be scrapped because of inflationary issues?***

- Government's investments in Defence are considered over the long term in order to weather economic cycles.
- Decisions on projects are made as part of a robust process that takes into account a range of factors, affordability is one of these.
- Like all agencies, Defence works within the funding allocation provided by Government and prioritises activities to achieve outcomes.
- An independently led Defence Strategic Review (the Review) is scheduled for completion early next year.

## QUESTION TIME BRIEF (QTB)

**TOPIC: Defence Spending, Delivery and Projects of Concern**

- The Review must outline funding needs to 2032-33 to ensure longer term strategic investments are progressed. Inflationary pressures will be considered in the Review.

***If asked: What impact has industrial action had on major projects?***

- Industrial action by BAE Systems Maritime Australia's production personnel has not caused delays to our critical assets.

## BACKGROUND AND CHRONOLOGY

- The Projects of Concern framework was established in 2008 and continues to be a successful management tool for remediating difficult projects.
- Since 2008, 24 acquisition projects and one sustainment product have been managed as Projects/Products of Concern. Of the cumulative 25 projects and products – 2 remain under active management, 2 have been cancelled and 21 have been successfully remediated.
- The last Projects of Concern Summit was held on 4 December 2020.
- Defence continues to report on the number of Projects of Concern through the various public reports, and provides an official statement on their status to the Senate Standing Committee on Foreign Affairs, Defence and Trade at a private briefing held ahead of each Estimates hearing.

## MEDIA

| <u>Date</u>    | <u>Outlet</u>  | <u>Reporting</u>  |
|----------------|----------------|---|
| 01 August 2022 | The Australian | The <a href="#">article</a> describes the potential impact of rising inflation on the Defence Integrated Investment Program that risks a \$2b per year reduction in buying power.   |
| 12 June 2022   | Eurasian Times | The <a href="#">article</a> discusses Norway's decision to terminate its acquisition of 14 NH90 medium-lift helicopters from the Airbus-led Consortium, NATO Helicopter Industries. |
| 9 May 2022     | Flight Global  | The <a href="#">article</a> discusses the purchase of 13 additional MH-60R anti-submarine warfare helicopters, and retirement of the MRH-90 from Royal Australian Navy service.     |

## QUESTION TIME BRIEF (QTB)

**TOPIC: Defence Spending, Delivery and Projects of Concern**

|                  |      |  |
|------------------|------|--|
| 10 December 2021 | ASPI | The <a href="#">article</a> discusses the decision by the former Government to explore options to replace the MRH90 fleet and notes the substantial operating costs as a key factor. |
|------------------|------|--|

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## QUESTION TIME BRIEF (QTB)

**TOPIC: Navy Capability (Shipbuilding, Hunter Class Frigates and Attack Class)**

## ISSUE/S OF THE DAY

- The Government is committed to delivering a formidable and agile Australian Defence Force to protect Australia and contribute to the stability and security of our region.
- As a three-ocean nation dependent on seaborne international trade, Australia requires cutting-edge naval capabilities. A strong, vibrant and sovereign naval shipbuilding and sustainment industry is absolutely vital to underpin the Government's national security objectives and will be an enduring strategic asset for Australia.
- Defence has accelerated the acquisition and development of a number of advanced technologies and capabilities to modernise our naval fleet, and to enhance interoperability with our allies and partners.
- The Government's commitment to continuous naval shipbuilding and sustainment in Australia will support at least 15,000 Australian jobs by 2030 – 10,000 direct plus 5,000 in the supply chain.
- BAE Systems Maritime Australia will commence work on the first of four enhanced prototyping blocks by May 2023 – these blocks will be used in the first Hunter class frigate. This ship will be delivered in 2031, with follow-on ships to be delivered on a 20-month drumbeat. Ship nine is expected to be delivered in 2044, consistent with the original schedule.

***If asked about a capability gap?***

- The first Hunter class frigate will be delivered in late 2031 and the ninth ship in 2044, ensuring there will be no 'capability gap.' Defence will undertake an extensive upgrade program of the Anzac class frigates and Hobart class destroyers to enhance their potency and maximise their availability ahead of the delivery of the Hunter class frigates.
- Collins class submarine life-of-type extension dockings are currently on schedule to commence as planned in 2026.
  - These dockings will include a combination of ongoing sustainment, selected capability enhancements, and dedicated life-of-type extension activities.

**QUESTION TIME BRIEF (QTB)****TOPIC: Navy Capability (Shipbuilding, Hunter Class Frigates and Attack Class)**

- The life-of-type extension aims to keep these submarines operationally capable and available throughout the 2030s and well into the 2040s.
- The planned Collins class life-of-type extension into the 2040s supports continuity of Australia's submarine capability as we transition to the nuclear-powered submarines.
- The Government is committed to an independently led Defence Strategic Review. This review will provide the opportunity to consider options to address any potential emerging capability gaps across the full range of maritime capabilities.

***If asked about sovereign capability?***

- The Government is committed to building a sovereign industry capable of supporting Australia's naval shipbuilding and sustainment requirements for the long term. This capability will be realised over the coming decade, and in the interim, the Government will balance the need to deliver capability to the ADF in the short term, including through direct acquisition overseas, with the requirement for long-term self-sufficiency in both acquisition and sustainment of maritime platforms and capability.
- The keel was laid for the fifth Arafura class offshore patrol vessel at Henderson last Friday (23 September), demonstrating continuing progress in sovereign shipbuilding in the west. After acceptance into naval service in late 2024, this ship will be commissioned as HMAS *Illawarra*.

***If asked about the Naval Group settlement?***

- The Australian Government has settled with Naval Group to conclude the Attack class submarine program. The settlement, agreed by both parties to be fair and equitable, was €555 million (around \$830 million).
- The total expenditure for the Attack class submarine program (SEA1000 Phase 1B) is \$3.384 billion (including \$2.20 billion to Naval Group and \$437.1 million to Lockheed Martin Australia).
- Now that the matter is resolved, we are moving forward with our relationship with France.

## QUESTION TIME BRIEF (QTB)

**TOPIC: Navy Capability (Shipbuilding, Hunter Class Frigates and Attack Class)**

## BACKGROUND AND CHRONOLOGY

The naval shipbuilding and sustainment enterprise is currently facilitating the delivery of:

- Nuclear-powered submarines
- Hunter class frigates
- Arafura class offshore patrol vessels
- Evolved Cape class patrol boats
- Accelerated acquisition and development of advanced technologies and capabilities:
  - Tomahawk Land Attack Missile for deployment in destroyers.
  - Naval Strike Missile for deployment in destroyers and frigates.
  - Sea mines for offensive and defensive mining.
  - Modernising mine-countermeasure and military survey systems.
  - 12 additional MH-60R Seahawk helicopters delivered 2025/26.
  - Acquisition of the S-100 Camcopter un-crewed aerial system (deliveries from late 2022).
  - The newly arrived Pacific support vessel ADV *Reliant*, will be the cornerstone of Pacific presence and engagement activities.
  - Integrated Undersea Surveillance Systems to develop Australia's wide area surveillance capability via our AUKUS collaboration.
  - Autonomous systems, including prototyping a range of sovereign un-crewed underwater vehicles.
- Upgrades to the current Fleet will bolster Defence's naval power:
  - Three amphibious ships (HMA ships *Adelaide*, *Canberra* and *Choules*) are undergoing upgrades to combat, sensor, aviation, communications and navigation systems;
  - MH-60Rs will continue to be upgraded to maintain commonality and interoperability with the US Navy;
  - Upgrade to destroyers to enable use of next generation weapons;

QUESTION TIME BRIEF (QTB)

**TOPIC: Navy Capability (Shipbuilding, Hunter Class Frigates and Attack Class)**

- Additional phased array radars and an advanced communications for Anzac class frigates;
- Upgrades to the Collins class submarines include:
  - sonar, communications and electronic surveillance systems
  - combat systems and heavy-weight torpedoes remain in a spiral development program between Australia and the US in an arrangement recently renewed for a further 15 years.
- A life-of-type extension to extend the operational life of each boat by 10 years commencing 2026.

MEDIA

Please see *Attachment A* for further details

| <u>Date</u> | <u>Outlet</u> | <u>Reporting</u> |
|-------------|---------------|------------------|
|             |               |                  |

Lead Division

Contact: Mr Tony Dalton, DEPSEC NSS  
Phone: §22

Action Officer: Stacie Hall, First Assistant Secretary,  
Naval Shipbuilding & Sustainment  
Date last Updated: §22

Contributing Divisions

Division: Navy Capability

Contact: Rear Admiral Peter Quinn  
Action Officer: §47E(d), Chief of  
Staff, Navy Capability Division

Division: Ships Division

Action Officer: Sheryl Lutz, First Assistant Secretary  
Ships

Division: Submarine Division

Action Officer: John Chandler, First Assistant  
Secretary Submarines

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**QUESTION TIME BRIEF (QTB)**

**TOPIC: Bolster Defence's Naval Power (including Shipbuilding, Hunter Class Frigates and Attack Class contract settlement)**

**ATTACHMENT A – MEDIA**

| <u>Date</u> | <u>Outlet</u>               | <u>Reporting</u>  |
|-------------|-----------------------------|---|
| 6 Sep 2022  | The Mandarin                | The Navy activating a specialist deep-water relief and logistics vessel for deployment to the region ahead of the annual cyclone season.<br><br><a href="#"><i>Navy raises flag on Pacific cyclone relief ship Reliant</i></a>  |
| 5 Sep 2022  | The Australian              | Aussie Sailors training on nuclear submarines<br><br><a href="#"><i>Aussie Sailors training on nuclear submarines (stream.com.au)</i></a>   |
| 31 Aug 2022 | Australian Financial Review | We'll get \$45b future frigates into the water on time, Marles vows<br><br><a href="#"><i>We'll get \$45b future frigates into the water on time, Marles vows (afr.com)</i></a>   |
| 29 Aug 2022 | Australian Financial Review | Senior defence officials are unconvinced by a Spanish offer to build extra destroyers, as rival shipbuilder outlines plans to peg back delays to frigate contract.<br><br><a href="#"><i>Troubled \$45b future frigate project starts turnaround</i></a>                                      |
| 29 Aug 2022 | Herald Sun                  | Construction of the \$45bn Hunter-class frigates will begin in Adelaide 13 months earlier than expected, as shipbuilders BAE Systems claw back major ground on the delayed project.<br><br><a href="#"><i>BAE Systems claws back major ground in delayed Hunter class frigate program</i></a> |
| 25 Aug 2022 | The Advertiser              | Firing the first shots in new ship build war<br><br><a href="#"><i>Firing the first shots in new ship build war (stream.com.au)</i></a>   |
| 25 Aug 2022 | The Australian              | A naval plan worth considering<br><br><a href="#"><i>A naval plan worth considering (stream.com.au)</i></a>   |
| 11 Aug 2022 | Australian Financial Review | Australia's new fleet of patrol boats could be "upgunned" and given a more prominent role with the navy....   |

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**QUESTION TIME BRIEF (QTB)**

**TOPIC: Bolster Defence's Naval Power (including Shipbuilding, Hunter Class Frigates and Attack Class contract settlement)**

|             |                             |   |
|-------------|-----------------------------|---|
|             |                             | <a href="#"><u>Australia up against biggest military build-up since WWII, says Marles</u></a>   |
| 04 Aug 2022 | Australian Financial Review | ‘Another inquiry is nice, but real action is needed’<br><br><a href="#"><u>Another inquiry is nice, but real action is needed (stream.com.au)</u></a>   |
| 04 Aug 2022 | The Australian              | Albanese defends Smith for review<br><br><a href="#"><u>Albanese defends Smith for review (stream.com.au)</u></a>   |
| 03 Aug 2022 | ASPI                        | Australia’s recent change of government provides a useful opportunity to reflect on the problems of the South China Sea and the way ahead for our national policies.<br><br><a href="#"><u>Australia must speak carefully and carry a big enough stick in the South China Sea</u></a>   |
| 03 Aug 2022 | Defence Connect             | The shadow defence minister has flagged the potential overhaul of major defence capability projects following the Albanese government’s launch of a new Defence Strategic Review.<br><br><a href="#"><u>Opposition fears defence project cull amid new review</u></a>   |
| 03 Aug 2022 | The Sydney Morning Herald   | Australians will be warned of the risk of state-on-state conflict in an urgent review of the nation's defence amid fears that \$44.6 billion in annual spending is not doing enough to prepare the country for growing threats to its security.<br><br><a href="#"><u>Marles calls in experts to plug gaps in defence</u></a> |
| 03 Aug 2022 | The Australian              | Strategic review to plot Defence blueprint for a decade<br><br><a href="#"><u>Revealed: overhaul of Defence</u></a>   |
| 02 Aug 2022 | ABC News                    | Former defence minister Stephen Smith will join retired Air Chief Marshal Sir Angus Houston in conducting the first review of Defence Force structure in a decade.<br><br><a href="#"><u>Australia’s military structure, preparedness and investments to be reviewed for the first time in a decade</u></a>                   |

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**QUESTION TIME BRIEF (QTB)**

**TOPIC: Bolster Defence's Naval Power (including Shipbuilding, Hunter Class Frigates and Attack Class contract settlement)**

|             |                             |  |
|-------------|-----------------------------|--|
| 02 Aug 2022 | APDR                        | <p>ASC has launched registrations for its New Supplier Forum 2022, a free online event which will assist more Australian businesses to enter the defence industry and work on submarine programs.</p> <p><a href="#"><u>ASC launches New Supplier Forum 2022 to grow local supply chain for Collins Class submarine programs</u></a></p>                   |
| 02 Aug 2022 | Australian Financial Review | <p>Some planned defence acquisitions could be axed, new projects given funding and troops shifted across the country under a sweeping review into the Australian Defence Force led by former defence minister Stephen Smith and former military chief Angus Houston.</p> <p><a href="#"><u>Projects could be cut under sweeping defence review</u></a></p> |
| 02 Aug 2022 | The Advertiser              | <p>ASC is on the hunt for local suppliers to support its submarine programs, offering the chance to share in \$200m worth of work handed to Australian companies each year.</p> <p><a href="#"><u>ASC looks to local suppliers</u></a></p>   |
| 01 Aug 2022 | The Australian              | <p>Soaring inflation is driving down the buying power of Australia's \$48bn-a-year defence budget, threatening a \$2bn-a-year acquisition and sustainment squeeze amid the worst strategic circumstances in a generation.</p> <p><a href="#"><u>Inflation spike shooting down defence drive</u></a></p>  |
| 31 Jul 2022 | The Age                     | <p>The head of the British armed forces says he is envious that Australia doesn't have to suffer the problems his country is facing in the construction of warships promised in a \$44 billion program between the two nations.</p> <p><a href="#"><u>Ship's 'teething problems' good for Australia, says UK admiral</u></a></p>                           |
| 30 Jul 2022 | The Canberra Times          | <p>UK admits glitch in Aus warship project</p> <p><a href="#"><u>UK admits glitch in Aus warship project   The Canberra Times   Canberra, ACT</u></a></p>  |

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**QUESTION TIME BRIEF (QTB)**

**TOPIC: Bolster Defence's Naval Power (including Shipbuilding, Hunter Class Frigates and Attack Class contract settlement)**

|             |  |  |
|-------------|--|--|
| 30 Jul 2022 | ABC  | Admiral Radakin (UK CDS) on Type 26 program<br><br><a href="#"><i>UK defence chief confident Australia's multi-billion-dollar, British-designed warships are on track, despite 'teething problems' - ABC News</i></a>                                |
| 29 Jul 2022 | Defence Connect                              | iXblue and ECA Group have combined to showcase undersea tracking technology before naval representatives in Europe.<br><br><a href="#"><i>iXblue, ECA Group demonstrate subsea tracking capability</i></a>   |
| 29 Jul 2022 | Australian Financial Review                  | The militant MUA is trying to expand its membership into the multibillion-dollar naval shipbuilding industry, raising national security concerns.<br><br><a href="#"><i>Maritime union tries to wedge its way into shipbuilding sector</i></a>       |
| 28 Jul 2022 | The Australian                               | <a href="#"><i>Sacked by Facebook, VR pioneer eyes its engineers</i></a>   |
| 27 Jul 2022 | ASPI   | <a href="#"><i>Australia's force posture review is a much bigger deal than the name suggests</i></a>   |
| 26 Jul 2022 | Defence Connect                              | What interim solutions should Canberra explore ahead of the delivery of the Royal Australian Navy's future SSN fleet?<br><br><a href="#"><i>How can Australia bridge the SSN capability gap?</i></a>   |
| 26 Jul 2022 | Baird Maritime                               | <a href="#"><i>OPINION   How to bridge the capability gap in Australia's transition to nuclear-powered submarines</i></a>  |
| 22 Jul 2022 | The Australian                               | Stopgap subs may be needed, says US security chief. AUKUS 'much more than subs'.<br><br><a href="#"><i>Stopgap subs may be needed, says US security chief</i></a>  |
| 22 Jul 2022 | Australian Manufacturing Technology Magazine | Austal Limited has announced the Department of Defence will order an additional two Evolved Cape-class Patrol Boats (ECCPB's) for the Royal Australian Navy, for \$124m.<br><br><a href="#"><i>Cape-class Patrol boats to be built Henderson</i></a> |

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**QUESTION TIME BRIEF (QTB)**

**TOPIC: Bolster Defence's Naval Power (including Shipbuilding, Hunter Class Frigates and Attack Class contract settlement)**

|             |                           |   |
|-------------|---------------------------|---|
| 21 Jul 2022 | ASPI                      | <a href="#"><i>How to bridge the capability gap in Australia's transition to nuclear-powered submarines</i></a>   |
| 21 Jul 2022 | ASPI                      | <a href="#"><i>Marles's focus for the US-Australia alliance: integrate, integrate, integrate</i></a>  |
| 16 Jul 2022 | The Sydney Morning Herald | To buy or not to buy: government considers \$44b frigate program<br><br><a href="#"><i>Royal Australian Navy: Spain's Navantia pitches to supply three warships by end of 2030 (smh.com.au)</i></a>   |
| 03 Jul 2022 | The Age                   | Quotes President Macron stating 'we will speak about the future, not the past'.<br><br><a href="#"><i>Australia and France once more embrace in Fraternity</i></a>  |
| 01 Jul 2022 | The Australian            | Quotes the Prime Minister stating "my objective here isn't to get the relationship back to where it was, my objective is to strengthen the relationship going forward".<br><br><a href="#"><i>French reset 'to open new doors'</i></a>  |
| 22 Jun 2022 | The Conversation          | There have been numerous reports in the media and commentaries regarding the Hunter class program, citing design, weight issues, safety, speed and endurance issues. The most recent was:<br><br><a href="https://theconversation.com/does-australia-need-interim-submarines-to-tide-it-over-until-nuclear-boats-arrive-a-defence-expert-explains-185300"><i>https://theconversation.com/does-australia-need-interim-submarines-to-tide-it-over-until-nuclear-boats-arrive-a-defence-expert-explains-185300</i></a> |
| 13 Jun 2022 | The Australian            | Reports on Deputy Prime Minister's response to comments by the Shadow Minister for Defence about the settlement with Naval Group.<br><br><a href="#"><i>Marles sinks in the boot over subs</i></a>  |
| 12 Jun 2022 | ABC News                  | Reports on the Prime Minister's announcement of the settlement with Naval Group and quotes the Shadow Minister for Defence, The Hon. Andrew Hastie MP, stating the former Government had been "aiming for a significantly lower figure".<br><br><a href="#"><i>'Champagne corks popping' after Australia's \$830 million French submarine compensation payment</i></a>  |

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**QUESTION TIME BRIEF (QTB)**

**TOPIC: Bolster Defence's Naval Power (including Shipbuilding, Hunter Class Frigates and Attack Class contract settlement)**

|             |                |   |
|-------------|----------------|---|
|             |                |   |
| 31 May 2022 | The Australian | Reports on the settlement of the Attack class contract with Lockheed Martin Australia and quotes a Lockheed Martin Australia spokesperson stating “there is not settlement amount associated with the finalisation of the contract”.<br><br><a href="#"><u>Lockheed Martin retains workforce as it exits submarine deal</u></a> |

**QUESTION TIME BRIEF (QTB)****TOPIC: Status of LAND projects in pipeline/pre-decisional****ISSUE/S OF THE DAY**

- We are committed to delivering a formidable and agile Australian Defence Force to protect Australia and contribute to the stability and security of our region. This includes ensuring Army has the right capabilities, delivered on time.

***If asked on the status of pre-decisional projects currently being progressed by Army for Government consideration:***

- Over the next 18 months, 11 major Army projects will be brought forward for Government consideration.
- This includes a number of significant decisions that are critical to Army's modernisation. These include Combined Arms Fighting System, Long Range Fires capability, Battlefield Aviation, Battlefield Communication Systems.
- The Defence Strategic Review is undertaking important work and we will continue to balance this vital review with capability modernisation urgency.

***If asked on the status of currently approved major acquisition activities***

- We are working to achieve agreed capability outcomes with Defence and their industry partners as they manage acquisition and sustainment programs.

***If asked on the status of any other projects or activities in the 'pipeline'***

- A number of modernisation initiatives and projects are being progressed to ensure our Army remains 'Future Ready'.
- These key capabilities include Long Range Fires, Protected Mobility Modernisation, Electronic Warfare, Soldier Combat Systems, Logistic Enablers, Littoral Manoeuvre, and Command and Control Systems, and are due to be considered by Government from <sup>s47C</sup> [REDACTED].

***If asked about the status of the acquisition of Black Hawk helicopters***

- On 7 December 2021, a Letter of Request was provided to the US Government for the acquisition of up to 40 UH-60M and associated services, to replace the MRH90 Taipan fleet.
- On 25 August 2022, the US Defence Security Cooperation Agency announced the approval of a possible Foreign Military Sale to Australia of UH-60M Black Hawk helicopters and related equipment.

## QUESTION TIME BRIEF (QTB)

## TOPIC: Status of LAND projects in pipeline/pre-decisional

s47C

***If asked about Slovenia scrapping the Boxer deal and seeking other vehicles***

- After a change of Government, the Slovenian Ministry of Defence announced on 20 September 2022 they will cancel a €343.4 million deal to purchase 45 Boxer armoured vehicles.
- The cancellation was a result of the new Government's assessment that an additional 24 armoured vehicles would be required to meet Slovenian's need for a medium battalion battle group and that the contracted price did not include all necessary equipment.
- The Australian Boxer Program delivered through LAND 400 Phase 2 continues to meet Australia's needs, and is not impacted by the Slovenian Ministry of Defence decision.

## BACKGROUND AND CHRONOLOGY

- Within the Land Domain, Army is currently responsible for over 190 projects and products related to the delivery of Land and Joint Force capability. These projects are in different stages ranging from pre-initiation, through to delivery and sustainment.
- A detailed summary of the status of each pre-decision and in-progress Land Domain project is at Attachment A.

## MEDIA

| <u>Date</u>       | <u>Outlet</u>   | <u>Reporting</u>  |
|-------------------|-----------------|---|
| 20 September 2022 | Defense News    | <a href="#"><i>Slovenia to scrap Boxer deal, seek other armored vehicles</i></a>                                      |
| 29 August 2022    | Herald Sun      | <a href="#"><i>Land 400 to go ahead despite Defence Review, minister steps away to avoid conflict of interest</i></a> |
| 26 August 2022    | Defence Connect | <a href="#"><i>New grants program targets Hanwha supply chain</i></a>   |

## QUESTION TIME BRIEF (QTB)

## TOPIC: Status of LAND projects in pipeline/pre-decisional

|                |                                   |   |
|----------------|-----------------------------------|---|
| 26 August 2022 | @AU Manufacturing                 | <a href="#"><u>Hanwha opens new Australian head office</u></a>  |
| 26 August 2022 | The National Tribune              | <a href="#"><u>Hanwha Defense Opens New Australian HQ In Melbourne</u></a>  |
| 25 August 2022 | Premier of Victoria Media Release | <a href="#"><u>Strengthening Victoria's Defence Supply Chain</u></a>  |
| 23 August 2022 | RiotACT                           | <a href="#"><u>Army armoured vehicles project under review</u></a>  |
| 15 August 2022 | Manufacturers' Monthly            | <a href="#"><u>New funding to boost Victoria's defence sector</u></a>   |
| 5 August 2022  | Defence Connect                   | <a href="#"><u>Hanwha hosts defence ministers at future production facility</u></a>                                   |
| 5 August 2022  | Gold Coast Bulletin               | <a href="#"><u>Australia deepens defence ties with South Korea</u></a>  |
| 4 August 2022  | The Australian                    | <a href="#"><u>Richard Marles passes on infantry fighting vehicles tender decision</u></a>                            |
| 3 August 2022  | Geelong Advertiser                | <a href="#"><u>Richard Marles softens on involvement in major government decision worth billions</u></a>              |
| 26 July 2022   | Australian Defence Magazine       | <a href="#"><u>Understanding Armour and why the IFV matters to Australia</u></a>                                      |
| 21 July 2022   | Defence Connect                   | <a href="#"><u>Local firm tapped for air defence radar project</u></a>  |
| 19 July 2022   | Australian Manufacturing          | <a href="#"><u>Raytheon Australia selected to deliver EW capability for ADF</u></a>                                   |
| 19 July 2022   | Army Recognition                  | <a href="#"><u>Raytheon Australia to upgrade Thales Bushmaster Protected Mobility Vehicles with EW capability</u></a> |
| 18 July 2022   | Contact                           | <a href="#"><u>\$75 million upgrade for Bushmasters</u></a>   |

## QUESTION TIME BRIEF (QTB)

## TOPIC: Status of LAND projects in pipeline/pre-decisional

|              |                             |   |
|--------------|-----------------------------|---|
| 24 June 2022 | Australian Defence Magazine | <a href="#"><u>Army commences Integrator UAS training</u></a>   |
| 21 June 2022 | Australian Defence Magazine | <a href="#"><u>Land 400 Phase 3 cut to 300 vehicles</u></a>   |
| 20 June 2022 | Australian Financial Review | <a href="#"><u>Defence poised to slash armoured troop carriers order by a third</u></a>   |
| 17 June 2022 | Australian Financial Review | <a href="#"><u>Marles has some hardware headaches left on his desk</u></a>  |
| 2 June 2022  | Gold Coast Bulletin         | <a href="#"><u>Hanwha Defense shows off Redback infantry fighting vehicle which could be built in Geelong under \$27bn contract</u></a> |

## Lead Division

Contact: Head Land Capability, MAJGEN J King  
Division: Land Capability Division

Phone: s22

Action Officer: s47E(d)

Date last Updated: s22

Date first prepared: 26 August 2022

Originating Source: LCD - Army

## Contributing Division

Contact:  
BRIG John-Paul Ouvrier – A/Head Land Systems  
BRIG Jason Blain – Head Armoured Vehicles  
Division: Capability, Acquisition and Sustainment Group (CASG)  
Date first prepared: 26 August 2022

Phone:

s47E(d)

s47E(d)

Action Officer: BRIG John-Paul Ouvrier and  
BRIG Jason Blain

Date last Updated: s22

## QUESTION TIME BRIEF (QTB)

## TOPIC: Port of Darwin Review

## ISSUE/S OF THE DAY

- The Government is committed to conducting a review of the circumstances of the Port of Darwin.

- As both the Prime Minister and I have stated, the Government will be reviewing the Port of Darwin lease.

## BACKGROUND AND CHRONOLOGY

- The previous government did not make any comments on its review process, other than to say that the review process remained ongoing and that no decision had been made
- In 2015, the Northern Territory Government made the decision to lease the Port of Darwin to Chinese company Landbridge Group. The lease remains controversial and attracts significant media attention.
- Under the arrangements in place at the time, the Commonwealth Government was not required to approve the NT Government's 2015 lease of the commercial Port of Darwin to Landbridge.
- In 2016, the *Foreign Acquisitions and Takeovers Act 1975* was amended to require the Foreign Investment Review Board to consider foreign investments relating to state and territory government assets. Since then, additional measures have been implemented to strengthen the foreign investment framework. These measures do not apply retrospectively.
- The Department of Defence, and other relevant agencies, contributed to a review of the Port of Darwin lease in 2021. The findings were not released by the former government.
- Relevant agencies include the Department of The Prime Minister and Cabinet, the Department of Foreign Affairs and Trade, the Department of Home Affairs, and members of the National Intelligence Community.

## QUESTION TIME BRIEF (QTB)

## TOPIC: Port of Darwin Review

- Defence interests in the Port of Darwin are covered by a robust governance regime. This includes a legally-binding Deed of Licence with the NT Government, signed on 13 May 2015. There is a range of options available to the NT Government, including under the *NT Ports Management Act 2015*, to enforce Landbridge's obligations under legislation and the lease.
- Defence also has a general power to access the port facilities under the *Defence Act 1903*, which provides for the Governor-General to do all things necessary or desirable for the defence of the Commonwealth.
- On 8 June 2022, the Prime Minister stated that the Government 'will have a review of the circumstances' of the Port of Darwin.
- On 22 August 2022, the Prime Minister stated that 'I have said that we will be reviewing the Darwin Port lease. I have asked for advice and when we receive it we will make it public.'

## MEDIA

| <u>Date</u> | <u>Outlet</u>            | <u>Reporting</u>   |
|-------------|--------------------------|--|
| 29 Aug 2022 | ABC                      | <u><i>Chinese-owned company Landbridge rejects 'myths and mistruths' about Darwin Port lease</i></u> – reports that a Landbridge board member has stated that the Chinese Government has 'no input' into the operations of the port and that there is no need for another review. Also outlines the effect that 'uncertainty' created by the reviews is having on the company and foreign investor confidence. |
| 24 Aug 2022 | Australian Chinese Daily | <u><i>The new governments re-examines the Darwin port lease</i></u> – translated from Chinese, reports that the Government has committed to reviewing the lease and will make the results public.  |
| 23 Aug 2022 | Sky News Extra           | <u><i>DPM appearance on Sky News breakfast</i></u> – interview with DPM, where he stated that the Port of Darwin lease will be reviewed.   |
| 23 Aug 2022 | ABC News Breakfast       | <u><i>DPM appearance on ABC News Breakfast</i></u> - interview with DPM, where he stated that the Port of Darwin lease will be reviewed.   |

## QUESTION TIME BRIEF (QTB)

## TOPIC: Port of Darwin Review

|              |  |  |
|--------------|--|--|
| 23 Aug 2022  | ABC<br>(syndicated to others)                | <a href="#"><u>Darwin Port review will examine potential 'impropriety' in lease to Chinese-owned firm Landbridge, Labor MP says</u></a> – reports that Member for Solomon, Luke Gosling OAM, MP, stated that the Government is reviewing the lease for any impropriety related to the granting of the lease in 2015. |
| 22 Aug 2022  | The Canberra Times<br>(syndicated to others) | <a href="#"><u>PM pledges to reveal Darwin port review</u></a> – reports that the Prime Minister has sought advice on the Port of Darwin lease and will make it public.  |
| 22 Aug 2022  | ABC  | <a href="#"><u>National security review of Darwin Port to remain secret, but Defence releases 'talking points'</u></a> – reports on the FOI documents released to the ABC by Defence on 19 Aug 2022.   |
| 25 June 2022 | The NT News                                  | <a href="#"><u>Potential buyer for Port</u></a> – Outlines comments made by the CEO of Australian investment company Sentinel Property Group regarding its desire to purchase the Port of Darwin. The article also mentions that Defence's review of the lease reportedly found no national security concerns.       |
| 16 June 2022 | The Australian                               | <a href="#"><u>Labor must cancel Darwin port lease as part of China strategy</u></a> – Peter Jennings argues that the Government should cancel the Port of Darwin lease on national security grounds.  |
| 09 June 2022 | The Australian                               | <a href="#"><u>Labor to review Chinese Port of Darwin deal</u></a> – Report on comments made by the Prime Minister regarding a review into the Port of Darwin lease.   |
| 08 June 2022 | SMH<br>(syndicated to others)                | <a href="#"><u>Port of Darwin lease to be reviewed: Anthony Albanese</u></a> – Report on comments made by the Prime Minister regarding a review into the Port of Darwin lease.   |
| 08 June 2022 | Australian Financial Review                  | <a href="#"><u>Albanese promises fresh review to kick Chinese firm out of Darwin Port</u></a> – Report on comments made by the Prime Minister regarding a review into the Port of Darwin lease.  |

## Lead Division

Contact: Peter Sawczak, First Assistant Secretary  
Division: Strategic Policy

Phone: s22

Date first prepared: 24 June 2022  
Originating Source: MO

Action Officer: s47E(d)

Date last Updated: s22

## QUESTION TIME BRIEF (QTB)

## TOPIC: Review of Defence Recruitment and Retention

## ISSUE/S OF THE DAY

- As much as we must grow our unmanned capabilities, and develop the use of cutting edge AI, none of it works without people. And nor, should I say, would we want it to.
  - As we grow our defence capabilities, Defence must achieve substantial growth in its workforce. Action is required to stabilise the current workforce and set the conditions for growth to achieve capability.
  - A dedicated internal review team has been established to take an enterprise wide view to consider where further effort may be required to meet immediate and longer term challenges for both ADF and APS growth.
  - The Government will consider these options as a matter of priority and assess the scope of any additional, independent review of Defence recruitment and retention.
- 
- Heightened workforce risk is experienced across the entire Defence portfolio with shortages being felt more acutely in specific workforce segments such as engineering, intelligence, communications and cyber.
  - Defence is currently taking action to stabilise the current workforce through targeted retention initiatives that are focused on critical ADF categories and Defence APS occupations, along with a number of long term ADF growth strategies.
  - Across Defence there are more than 150 retention and recruitment initiatives underway. Some longer term initiatives, such as a renewed ADF recruiting contract and the ADF Employment Offer Modernisation Program, will deliver improvements to the Employee Value Proposition over FY 2022-2023.
  - Defence has undertaken an internal review of APS and ADF recruitment and retention and the review team have made recommendations designed to stabilise the workforce.
  - Following an extensive consultation period, with individuals and teams across our organisation, the review team's report identifies options to respond to workforce challenges, including pay and conditions, housing, health and education assistance, as well as broader programs to uplift Defence's value proposition to current and future employees and their

## QUESTION TIME BRIEF (QTB)

## TOPIC: Review of Defence Recruitment and Retention

families. In addition to the internal Defence work, the Government may also commission an external review of ADF recruitment and retention.

- *If asked: What is Defence currently doing to address ADF recruiting achievement?*
- Defence is implementing initiatives to increase recruiting achievement in the short term. These include:
  - Increased candidate care and contact through the recruiting process.
  - Increasing the number of events and engagements Defence Force Recruiting attends, particularly in schools, following a dramatic decrease in face to face engagements due to COVID-19. Defence will also maintain the virtual engagements and processes that were effective through COVID.
  - Developing better targeted advertising to explain how Defence's employment offer can address the contemporary needs of young Australians.
- **New Recruiting Services Contract** - Defence Force Recruiting has partnered with industry to deliver ADF recruiting services since 2003. ManpowerGroup are the incumbent contractors and have been for nearly 20 years. The current contract expires on 30 June 2023.
- The retender of the current contract provides an opportunity for Defence to update and refresh the current ADF recruiting system in order to achieve current and future demand from the Navy, Army and Air Force. This is particularly important to meet future growth from the workforce transformation outlined in the 2020 Force Structure Plan and 2020 Defence Strategic Update.
- Defence is seeking a single legal entity arrangement in which one contractor will have overall responsibility for the provision of all elements of recruiting expertise required.
- The aim is to source a capability partner that can bring innovative ideas and approaches to modernise Defence's recruiting system through a highly interactive multi-stage procurement process with industry.
- The new arrangements will provide an opportunity to contract for a system to deliver 100 per cent of targets in 100 days (from application to letter of

## QUESTION TIME BRIEF (QTB)

**TOPIC: Review of Defence Recruitment and Retention**

offer), supported by candidate-centric behaviours; in other words, the contract will deliver volume, velocity and a positive candidate experience.

- Negotiations with the preferred tenderer have commenced and the procurement is on track with a tight schedule. Following contract negotiations, Ministerial approval will occur in September 2022 for contract signature in October 2022. Contract transition will commence in November 2022 prior to the new contract becoming operative on 01 July 2023.

*If asked: What is Defence currently doing to address ADF separation rates?*

- Retention is an ongoing focus, particularly for the middle ranks of the ADF: the Corporal, Sergeant, Captain, and Major equivalents with six to 10 years of service experience.
- ADF members are provided with an employment package which consists of housing (including the Defence Home Ownership Assistance Scheme), remuneration (including superannuation), medical and dental care, and professional development opportunities. The employment package also supports families who are an important factor in enabling our members to undertake their unique roles.
- The current ADF employment offer is comprehensive, however it has over time become overly complex and outdated making it difficult for members and their families to understand and for Defence to maintain and administer. Following a consultation period with ADF members, led by CDF, Defence is progressing options to:
  - provide more flexible housing solutions to better meet contemporary needs and offer greater choice
  - contemporise the categorisation system that determines member benefits and allowances, and
  - modernise and simplify the complex ADF allowances framework.

## BACKGROUND AND CHRONOLOGY

- The Government has made commitments to an independent ADF Recruitment Review including:

## QUESTION TIME BRIEF (QTB)

## TOPIC: Review of Defence Recruitment and Retention

- current recruiting and retention initiatives including pay and conditions, housing and health assistance, the ADF Gap Year program and the Total Workforce System, and
- potential new recruitment and retention initiatives.

Link: [ADF Recruitment Review | Policies | Australian Labor Party \(alp.org.au\)](#)

- On 10 Mar 2022, it was announced that the number of ADF personnel will increase by around 30 per cent by 2040, taking the total permanent ADF to almost 80,000 personnel.
- Overall, Defence's total permanent workforce will increase to over 101,000 by 2040 – an increase of 18,500 over baseline growth already agreed in the 2020 Force Structure Plan.
- In accordance with the Defence Monthly Workforce Report, as at 1 June 2022:
- The SERCAT 7 and 6 (Permanent Force) excluding SERVOP G (Gap Year) separation rate was 11.1%, which is an increase from 9.2% this time last year. The annual separation rate for:
  - Navy increased from 7.0% as at 1 June 2021 to 9.6% as at 1 June 2022;
  - Army increased from 11.3% as at 1 June 2021 to 13.2% as at 1 June 2022;
  - Air Force increased from 7.2% as at 1 June 2021 to 8.6% as at 1 June 2022.
- In Financial Year 20/21, 88% of the ADF enlistment target was met; the expected achievement against Financial Year 21/22 targets is 78.9%, a reduction of 8.7%.
- As at 1 September 2022, Defence forecasts that it will achieve 72.2 per cent of the 2022/23 ADF enlistment target.
- The Defence APS separation rate has increased from 10.6% as at 1 June 2021 to 14.6% as at 1 June 2022. Recruiting in the APS remains challenging due to a competitive labour market.

MEDIA

## QUESTION TIME BRIEF (QTB)

## TOPIC: Review of Defence Recruitment and Retention

| <u>Date</u>          | <u>Outlet</u>                     | <u>Reporting</u>   |
|----------------------|-----------------------------------|--|
| 24 June 2022         | News Corp<br>Australia<br>Network | <a href="#"><u>Pressure mounts on ADF recruitment</u></a>                                    |
| 12 September<br>2022 | The<br>Australian                 | <a href="#"><u>Defence 'faces uphill battle' to recruit key staff</u></a>                    |
| 12 September<br>2022 | The Canberra<br>Times             | <a href="#"><u>'We need to grow': ADF</u></a>  |
| 12 September<br>2022 | Australian<br>Financial<br>Review | <a href="#"><u>Marles warned to boost Defence pay or risk missing recruiting targets</u></a> |

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