



Australian Government

**STATEMENT BY PROFESSOR DONALD C WINTER ON BEHALF OF THE NAVAL SHIPBUILDING
ADVISORY BOARD TO THE JOINT COMMITTEE ON PUBLIC ACCOUNTS AND AUDIT
20 MAY 2020**

Australia's ambitious commitment to not just have an exceptional navy, but to also establish a sovereign national shipbuilding and sustainment industry is unparalleled in the modern history of naval shipbuilding.

It represents a commitment by the Commonwealth to develop the national capability to build, operate and sustain a regionally superior Navy – one underpinned by the creation of an advanced new industrial ecosystem.

Few countries currently possess the sovereign capabilities that Australia has committed to establish.

In embarking on this most challenging effort, the National Security Committee of Cabinet authorised the establishment of an independent, expert Naval Shipbuilding Advisory Board (the NSAB) in 2016.

I was honoured to be asked to chair the Board and have done so since its inception.

The Board is comprised of a diverse set of experts from a variety of backgrounds across Australia and the United States to advise on best practices, risks and emerging challenges. The Board expertise represents the broad range of activities necessary for success of the program, including workforce development, infrastructure design and procurement, program management, supply chain management, research and development, ship design, shipbuilding and ship sustainment. The Board operates under a broad remit to provide advice directly to Ministers and co-opted members of the National Security Committee of Cabinet.

Individual Board members have also undertaken specialised tasks on occasions in between regularly scheduled meetings based on their individual areas of expertise.

The Board has met regularly since its establishment in December 2016 and has been reporting to Government on a continuous basis.

The Board is not a decision-making body. Rather the independent advice provided by the Board directly to Ministers is intended to support regular Cabinet deliberations on the full range of naval shipbuilding and related issues across the national enterprise.

I will note that of the many advisory boards that I have been associated with, the NSAB has been exemplary in terms of its ability to analyse a very complex and evolving program and provide cogent, actionable advice; reflecting the breadth and depth of experience of the Board members.

The Board's efforts have been enabled by the open access provided by the Commonwealth, partner nations and both Australian and international corporations to their plans, proposals and in-process efforts including negotiations, investments and developmental activities.

The access that has been provided is essential to the Board's ability to identify potential risk areas and provide possible responsive mitigation efforts. Each area represents an opportunity for the Commonwealth to enhance the likelihood of a successful program in a timely and cost effective manner.

I trust that Ron Finlay and Lisa Paul will be able to put the NSAB's advice regarding the Future Submarine negotiations into context and help the Joint Committee of Public Accounts and Audit (JCPAA) understand the motivations behind that advice.

At the same time, I would note that the intent behind an independent, expert Advisory Board would be compromised if the risks and opportunities being identified were not appropriately protected, noting the significant commercial and national security harm that could result.

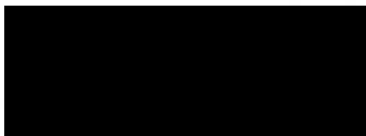
Given the context of a national naval shipbuilding endeavour that will span multiple decades, the Commonwealth will inevitably face a multitude of challenges that will test the Commonwealth's resiliency and resolve.

The bipartisan nature of the support to date for the Naval Shipbuilding National Endeavour, is essential to achieving the capability to produce and sustain a regionally superior navy. That support will be essential in the difficult challenges which inevitably lie ahead.

The ability of the Commonwealth to work through and solve these complex problems will ultimately determine the success of the program. The NSAB is fully committed to the success of this most audacious endeavour.

The progress of the national endeavour observed by the Board to date has been swift, substantial and extremely impressive. There is much to be proud of and celebrate – but there is also still much more to be done.

I regret my inability to participate in today's hearing but I wish to assure you that the Board is committed to supporting the Joint Committee's inquiry into the Future Submarine Project - Transition to Design Auditor-General's Report.



Donald C. Winter

Chair, Naval Shipbuilding Advisory Board