

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2014-15

Finance Portfolio

Department/Agency: Australian Submarine Corporation Pty Ltd

Outcome/Program: General

Topic: Cost of construction of submarines

Senator: Wong

Question reference number: F117

Type of question: Hansard, F&PA Committee, Pages 7-9, 20 November 2014

Date set by the committee for the return of answer: Wednesday, 31 December 2014

Number of pages: 2

Question:

Senator Cormann: In relation to any questions about calculations, I will take those on notice so that we can properly assess whether there is any public interest immunity that may be in play, given that we have to protect the national interest in the context of these sorts of considerations.

...

Senator WONG: All right. Perhaps I will tell you what I want on notice. I would like the cost range for construction of six by 3,030-tonne submarines at Collins cost and today's technology cost; for 12 of the same size at both Collins cost and today's technology cost; and then for six by 4,000 tonnes and 12 by 4,000 tonnes at Collins cost and today's technology price. Then, for the same quantity and size, I would like the average unit sail-away price in billions—and all of those figures in Australian dollars 2014, which I know ASC has calculated. That is my request.

Senator Cormann: Take it on notice.

Answer:

Defence has advised that ASC does not have the specifications for the Future Submarine. Without these, Defence advises it is not possible for any potential industry participant, including ASC, to reliably estimate program costs, which would also need to take into account design, infrastructure, weapons and training requirements, as well as other necessary elements.

ASC has advised that it has estimated total project costs for:

- 6 x 3,030t submarines at Collins' costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$9.8 billion in 2014 prices.
- 6 x 3,030t submarines at today's technology costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$11.9 billion in 2014 prices.

- 12 x 3,030t submarines at Collins' costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$15.2 billion in 2014 prices.
- 12 x 3,030t submarines at today's technology costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$18.7 billion in 2014 prices.
- 6 x 4,000t submarines at Collins' costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$12.4 billion in 2014 prices.
- 6 x 4,000t submarines at today's technology costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$15.0 billion in 2014 prices.
- 12 x 4,000t submarines at Collins' costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$19.5 billion in 2014 prices.
- 12 x 4,000t submarines at today's technology costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$24.0 billion in 2014 prices.

ASC has advised that it has estimated the average unit sailaway prices for:

- 6 x 3,030t submarines at Collins' costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$1.1 billion in 2014 prices.
- 6 x 3,030t submarines at today's technology costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$1.4 billion in 2014 prices.
- 12 x 3,030t submarines at Collins' costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$1.0 billion in 2014 prices.
- 12 x 3,030t submarines at today's technology costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$1.3 billion in 2014 prices.
- 6 x 4,000t submarines at Collins' costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$1.5 billion in 2014 prices.
- 6 x 4,000t submarines at today's technology costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$1.9 billion in 2014 prices.
- 12 x 4,000t submarines at Collins' costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$1.3 billion in 2014 prices.
- 12 x 4,000t submarines at today's technology costs in a Collins-like program in the absence of, and without any reference to, Australian Defence capability specifications or a schedule for the Future Submarine project at AUD\$1.7 billion in 2014 prices.