

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Finance and Administration Portfolio**

**Department of Finance and Administration**

February Additional Estimates Hearings 2003-04 – 17 February 2004

**Question: F34.1**

**Outcome 2 Improved and More Efficient Government Operations**

**Output 2.1.1 Government Business Enterprises Ownership and Divestment**

**Topic: Australian Submarine Corporation**

**Hansard page: N/A**

**Written Question on Notice: 17 February 2004**

**Senator Conroy asked:**

Why have Wylie Carnegie and Company been appointed to provide advice on the sale of ASC?

**Answer:**

The Australian Government has appointed Carnegie, Wylie & Company to provide commercial advice to the Government on a range of issues associated with the naval shipbuilding and repair sector and the Australian Submarine Corporation. This includes advice on implementing the naval shipbuilding programme contained in the November 2003 Defence Capability Review, progressing the sale of the Australian Submarine Corporation and other matters relating to the Naval Shipbuilding and Repair Sector Strategic Plan.

**Date:** 25 March 2004  
**Cleared by (SES):** Robin Renwick, David Yarra, Simon Lewis  
**Group/Branch:** Asset Management Group / Asset Sales Branch  
**Contact Officer:** Robin Renwick  
**Telephone No:** 6215 2117

**Senate Finance and Public Administration Legislation Committee**

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February Additional Estimates Hearings 2003-04 – 17 February 2004

**Question: F34.2**

**Outcome 2 Improved and More Efficient Government Operations**

**Output 2.1.1 Government Business Enterprises Ownership and Divestment**

**Topic: Australian Submarine Corporation**

**Hansard page: N/A**

**Written Question on Notice: 17 February 2004**

**Senator Conroy asked:**

How much are Wylie being paid to provide advice on the sale of the ASC?

**Answer:**

Carnegie, Wylie & Company will receive a fixed fee of \$200,000 (inclusive of GST), plus disbursements for travel and accommodation. The Carnegie, Wylie and Company report will cover a range of issues relating to the naval shipbuilding program contained in the November 2004 Defence Capability Review, progressing the sale of the Australian Submarine Corporation and other matters related to the August 2002 Naval Shipbuilding and Repair Sector Plan.

**Date:** 25 March 2004  
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February Additional Estimates Hearings 2003-04 – 17 February 2004

**Question: F34.3**

**Outcome 2 Improved and More Efficient Government Operations**

**Output 2.1.1 Government Business Enterprises Ownership and Divestment**

**Topic: Australian Submarine Corporation**

**Hansard page: N/A**

**Written Question on Notice: 17 February 2004**

**Senator Conroy asked:**

What are Wylie's terms of reference?

**Answer:**

As the independent review by Carnegie, Wylie & Company is an internal Government review of Naval Shipbuilding and Repair Sector issues and the Government's ownership of the Australian Submarine Corporation, it is not intended that the Terms of Reference be released publicly. However, as noted in the attached joint press release issued by the Minister for Defence and myself on 15 January 2004, the review seeks commercial advice on:

- implementing the naval shipbuilding programme contained in the November 2003 Defence Capability Review, which includes: the acquisition of three Air Warfare Destroyers; two large amphibious vessels; one sea lift ship and one operating oiler to be refitted in Australia;
- progressing the sale of the Australian Submarine Corporation, which provides through life support and maintenance of the Commonwealth's Collins Class submarine fleet; and
- other matters relating to the Naval Shipbuilding and Repair Sector Strategic Plan that was developed by Defence in consultation with industry and released in August 2002.

Date: 25 March 2004  
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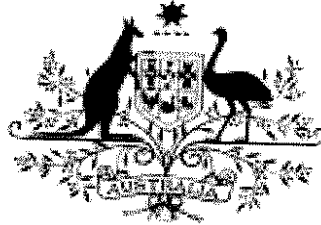
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**JOINT MEDIA RELEASE**

**Senator Nick Minchin**  
Minister for Finance and Administration  
Deputy Leader of the Government in the Senate

15 January 2004

**Senator The Hon Robert Hill**  
Minister for Defence  
Leader of the Government in the Senate

01/2004

**Expert to provide commercial advice on the Naval Shipbuilding and Repair Sector and the Australian Submarine Corporation**

The Minister for Finance and Administration, Senator Nick Minchin, and the Minister for Defence, Senator Robert Hill, today announced the appointment of Mr John Wylie of Carnegie, Wylie & Company to provide commercial advice to the Government on a range of issues associated with the naval shipbuilding and repair sector and the Australian Submarine Corporation (ASC).

Mr Wylie will provide the Government with commercial advice on:

- implementing the naval shipbuilding program contained in last November's Defence Capability Review (DCR), which includes the acquisition of 3 Air Warfare Destroyers; two large amphibious vessels; one sea lift ship and one operating oiler to be refitted in Australia;
- progressing the sale of the ASC, which provides through life support and maintenance of the Commonwealth's Collins Class submarine fleet; and
- other matters relating to the Naval Shipbuilding and Repair Sector Strategic Plan that was developed by Defence in consultation with industry and released in August 2002.

Mr Wylie's appointment underlines the Government's intention to proceed with these matters as priority issues.

Mr Wylie was appointed following a select tender process conducted by the Department of Finance and Administration (Finance) and the Department of Defence (Defence).

Currently the principal of the consulting and investment house Carnegie, Wylie and Company and the former Chair of Credit Suisse First Boston (Australia), Mr Wylie will draw on his considerable government, commercial and industry experience to assist the Australian Government in this matter.

Mr Wylie will report jointly to the Ministers for Finance and Administration and Defence in late March, with the Government to subsequently consider his advice.

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In conducting the review Mr Wylie will work closely with Finance and Defence and will consult with relevant stakeholders.

**Media contacts:**

Catherine Fitzpatrick	(Senator Hill)	6267 7800
Jennifer Eddy	(Senator Minchin)	6277 7400

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February Additional Estimates Hearings 2003-04 – 17 February 2004

**Question: F34.4**

**Outcome 2 Improved and More Efficient Government Operations**

**Output 2.1.1 Government Business Enterprises Ownership and Divestment**

**Topic: Australian Submarine Corporation**

**Hansard page: N/A**

**Written Question on Notice: 17 February 2004**

**Senator Conroy asked:**

Is the scope of their advice different to that of the ASC scoping study, and previous studies? In what way?

**Answer:**

The scope of the Carnegie, Wylie & Company review is different to that of the 2000 Australian Submarine Corporation scoping study regarding the future ownership options for the company and also different to previous studies.

The Carnegie, Wylie & Company review builds on previous work undertaken and will provide commercial advice to the Minister for Defence and myself on a range of issues associated with the naval shipbuilding and repair sector and the Australian Submarine Corporation.

Previous reviews of the Australian Submarine Corporation focused on the Australian Submarine Corporation's business and ownership issues.

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February Additional Estimates Hearings 2003-04 – 17 February 2004

**Question: F34.5**

**Outcome 2 Improved and More Efficient Government Operations**

**Output 2.1.1 Government Business Enterprises Ownership and Divestment**

**Topic: Australian Submarine Corporation**

**Hansard page: N/A**

**Written Question on Notice: 17 February 2004**

**Senator Conroy asked:**

How long has the Commonwealth been negotiating with Kockums on the issue of the Collins Class intellectual property?

**Answer:**

The Australian Government has been discussing the Collins Class intellectual property issue with the Australian Submarine Corporation and Kockums, with a view to confirming the Australian Government's intellectual property rights, since mid April 2000. The Department of Defence has primary carriage of the intellectual property issue.

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