



Senator the Hon Linda Reynolds CSC
Minister for Defence
Senator for Western Australia

MB20-000299
30 March 2020

Minister Florence Parly
Minister for the French Armed Forces
14, rue Saint-Dominique
75700 PARIS SP 07
FRANCE

Dear Madame ^{Florence} Parly

Thank you for your undertaking that Naval Group is committed to a level of Australian industry capability of at least 60 per cent of the contract value spent in Australia on the Future Submarine Program. I was pleased to announce this commitment on 24 February 2020. The commitment was also made by M. Jean-Michel Billig during his opening statement to the Senate Economics Reference Committee on the same day.

As we have discussed at length, maximising the involvement of Australian industry in the delivery of the Attack class submarine fleet, remains of the highest priority to the Australian government. Ensuring that Australia has the capability to undertake the build, operation and sustainment of the fleet in Australia is central to the Australian Government's sovereignty objectives. Naval Group was selected on the basis that they were most likely to be able to meet both our exacting capability needs, but also our Australian industry and sovereignty requirements.

I consider it important to capture the commitment in the contractual arrangements between the Department of Defence and Naval Group, namely the Strategic Partnering Agreement, which details the overarching and enduring provisions under which the Commonwealth and Naval Group will work to design, construct and deliver the fleet of Attack class submarines. I understand that my Department will seek to commence these negotiations shortly.

I look forward to monitoring the practical implementation of these commitments at our future meetings.

On behalf of the Australian government, I wish to offer our ongoing appreciation of the efforts being made by the Government of the French Republic, to ensure that we can successfully deliver this important program.

Yours sincerely


Linda Reynolds