From: Sarah Dingle

Sent: Wednesday, 2 March 2016 4:49 PM

To: 'Media'

Subject: RE: Response to your Defence media request: Interview request - ABC Radio National -

Joint Strike Fighter [SEC=UNCLASSIFIED]

Thank you.

We are going to report that "of the latest order of 58 F-35As ordered, none are currently in production". If that is incorrect, please explicitly state why. Your answer below relates to the first 10 F-35As, not the latest order of 58.

This is urgent because we are now at deadline. Please respond by 6pm AEST today otherwise we will report the above.

Best regards

Sarah Dingle

"Are the 58 F-35As approved for in purchase in 2014 by the Australian Government already in production?

Response:

The Government approved the purchase of the first 14 aircraft under an earlier stage of the program. When combined with the additional 58 aircraft approved in April 2014, the total fleet size is 72. With two aircraft already delivered in late 2014, the remaining 70 aircraft will be delivered from 2018 through to 2023, in accordance with an agreed delivery plan.

Australia's next eight aircraft will be delivered in 2018 under Low Rate Initial Production (or Lot) 10. Long lead time components for these aircraft are already being built globally and will come together on the production line at Lockheed Martin in Fort Worth Texas in mid-2016. When these components and sub-assemblies commence coming together on the production line we are notified by Lockheed Martin and progress is continually tracked.

The F-35 Joint Program Office manage the delivery of aircraft with Prime contractors in accordance with Partner nation production schedule requirements."

From: Media [mailto:Media@defence.gov.au]
Sent: Wednesday, 2 March 2016 3:50 PM

To: Sarah Dingle **Cc:** Media

Subject: Response to your Defence media request: Interview request - ABC Radio National - Joint

Strike Fighter [SEC=UNCLASSIFIED]

UNCLASSIFIED

Good afternoon Sarah,

Thank you for your patience.

Defence is unfortunately unable to facilitate an interview at this time.

However we can provide the following written information in response to questions submitted to the office of the Minister for Defence.

Should you choose to use this information please attribute to a Defence Spokesperson and not a named individual.

Questions and Responses

• What is the total cost, including funds spent, approved expenditure, JSF facilities and SDD phase, to Australia of the Joint Strike Fighter Program?

Response:

As at January 2016, the total approved Australian F-35 budget is AUD17.8 billion (adjusted for January 2016 exchange rates).

The total approved budget includes funding for F-35 support systems including information systems, training, weapons and contingency funding. The total approved budget also includes AUD1.5 billion for F-35 facilities at RAAF Bases Williamtown and Tindal.

The total approved budget for Australia's F-35 Program is routinely adjusted for variances in the US/Australia exchange rates.

As at 30 November 2015, the current total funds spent was AUD897.8 million.

What is the average procurement cost per F-35A to the Australian Government?
 Response:

The F-35 unit costs continue to reduce, with the expected average cost to be US90 million per aircraft.

What is the estimated sustainment cost of Australia's 72 F-35As?

Response:

As the Australian support solution is developed, affordability is a key priority.

The Government approved AUD4.6 billion for Australian operating support costs at Second Pass approval in 2014. This figure covers the period from receipt of the first two aircraft in 2014 to receipt of full fleet of 72 aircraft and achievement of Final Operating Capability in 2023. Defence will provide refined operating support costs to Government in 2020 when the Global Support Solution (GSS) is expected to have matured.

Background:

The US F-35 Joint Program Office is developing the Global Support Solution (GSS) for the international F-35 fleet. The F-35 GSS is based on a global fleet of over 3100 aircraft, so partner nations benefit from increased capability, availability and affordability through economies of scale, interoperability and international cooperation.

An important part of planning for the integration of the F-35 capability into the Australian Defence Force will be the design of an Australian F-35 support solution, which is being developed as the GSS framework gains clarity. While the Australian solution will heavily leverage GSS services, it must assure sovereign support requirements that are strategically important to satisfy capability, national security, self-reliance or other factors, are provided in Australia.

How long do we expect to have the F-35As in service?

Response:

The F-35A's are expected to be in-service for 30 years.

• Are the 58 F-35As approved for in purchase in 2014 by the Australian Government already in production?

Response:

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The F-35 Joint Program Office manage the delivery of aircraft with Prime contractors in accordance with Partner nation production schedule requirements.

Are they part of the block buy currently before US Congress?

Response:

No. The US F-35 Joint Program Office is currently developing a proposal whereby the US, Partner nations, and Foreign Military Sales customers may be provided an opportunity to participate in a block buy of F-35 aircraft over a three year period for Lots 12-14 to be delivered form 2020 through to 2022. Australia's next eight aircraft are part of Lot 10.

A block buy would be in lieu of the annual contracting process currently in place.

The longer-term economies of scale could potentially deliver considerable cost savings and greater certainty to industry, including Australian industry supporting aircraft production.

 Does the commencement of production of Australian F-35As have to go to Congress or can it simply be actioned by the Joint Program Office? Response:

No, Congress plays no role in deciding commencement dates for Australian F-35A production. The US-led F-35 Joint Program Office (JPO) manages the F-35 Program and contracts with prime contractor LM and engine manufacturer P&W on the behalf of Partners under arrangements defined the F-35 Program Memorandums of Understanding.

As noted above, the F-35 Joint Program Office manage the delivery of aircraft with Prime contractors in accordance with Partner nation production schedule requirements.

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