

Senate Standing Committees on Foreign Affairs Defence and Trade - Legislation

Budget Estimates – 26 and 27 October 2020

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: SSFADT – BE – 26/27 October 2020 – Q171– Plans for Medium Range Ground Based Air Defence - Senator KITCHING

Question reference number: 171

Senator: Kimberley Kitching

Type of question: Written

Date set by the committee for the return of answer: 11 December 2020

Question:

In relation to the 2020 Defence Force Structure Plan and plans for Medium Range Ground Based Air Defence:

- Is the item in Chart 4 on page 57 of the Force Structure Plan “Medium Range Ground Based Air Defence” at a cost of \$4.9 billion to \$7.3 billion the same capability as the Integrated Investment Program’s provision for “Medium Range Air and Missile Defence”?
- If no, what are the different capabilities involved in these two items?
- If yes, why has the cost risen from \$1 billion to \$2 billion in the IIP to \$4.9 billion to \$7.3 billion in the Force Structure Plan?
- Is this the capability being acquired through the AIR 6500 Phase 2 project?

Answer:

Yes, the Medium Range Ground Based Air Defence capability referenced within the Force Structure Plan 2020 is the same as the Medium Range Air and Missile Defence capability referenced within the 2016 Integrated Investment Program. The Medium Range Ground Based Air Defence capability to be acquired under AIR6500 Phase 2 was renamed and renumbered to AIR6502 Phase 1 as part of the Force Structure Plan process. This was to emphasise the importance of the desired capability effect as an independent acquisition activity, and potentially a standalone capability.

The project received an increased Integrated Investment Program allocation under the Force Structure Plan to more accurately reflect the need of a genuine medium range system. The previous (pre-Force Structure Plan 2020) cost estimates were modelled on an earlier related capability solution that would not provide the required level of protection against the anticipated threats the ADF may face; with threat systems evolving at a greater pace than

predicted in the 2016 Defence White Paper. These threats include aircraft with improved speed, reach and payload, and missiles that fly further and faster.

The revised cost model is based on a system that will provide a substantially greater capability, and when combined with the National Advanced Surface to Air Missile System provides a layered defence, which will be critical against some of the more capable threat systems the ADF may encounter in our region.