

THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED

NATIONAL HEADQUARTERS

ABN 63 008 488 097

From: Major General W J Crews AO (Retd)
National President



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8 August 2006

NP414/06

The Secretary
Senate Foreign Affairs, Defence and
Trade References Committee
Suite SG.57
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam,

Senate Enquiry into Naval Shipbuilding in Australia

The Returned and Services League of Australia was represented at the recent enquiry into Naval Shipbuilding in Australia by Rear Admiral Ken Doolan AO RAN (Retd) and Commodore Terry Roach AM JP RAN (Retd). During the course of their presentation Senator Hogg presented Rear Admiral Doolan and Commodore Roach with a Question to take on Notice. The response to this question is attached for the information of the Senate Committee

Yours sincerely

Bill Crews

Enclosure:

1. RSL Question taken on Notice.

LEST WE FORGET

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THE PRICE OF LIBERTY IS ETERNAL VIGILANCE

The Returned and Services League of Australia

Response to a Question taken on Notice at the Senate Inquiry into Naval Shipbuilding in Australia.

Question

Senator HOGG—I accept that. You may well need to take this on notice and respond later.

Do you have, say, a 10-year, a 20-year and a 30-year perspective as to where our Navy should be at—not necessarily being overly prescriptive but in terms of its capability, its capacity to be able to meet our maritime commitments and needs? If you do not, I can understand. But if you do, it would be of interest to the committee to see such a plan.

Response

The RSL welcomes the opportunity to respond to the question arising from the testimony given by Rear Admiral K.A. Doolan AO RAN (Ret'd) and Commodore T. A. Roach AM JP RAN (Ret'd) to the Committee on 3 July 2006.

A specific and detailed long term naval shipbuilding plan would require the support of a comprehensive and authoritative analysis of emerging strategic circumstances as well as a complementary analysis of the long term economic outlook for Australia. Because the RSL cannot provide such analysis, this response is limited to showing an indicative long term plan for naval shipbuilding in Australia. The plan is included below.

A key assumption underpinning this indicative naval shipbuilding plan is that the stability provided by the balance of power between the eastern and western blocs during the Cold War is unlikely to recur; and that the turmoil of recent years both in our region and beyond is likely to continue and increase. Australia may have to deal with emerging threats (both near and far); the possibility of failed states creating security concerns in our region; and a greater commitment to resource protection in our maritime surrounds. This assumption leads to a conclusion that there is a need for Australia to retain and maintain a fully combat capable fleet of surface combatants, submarines, amphibious warfare ships logistic support ships and all the other essential elements of a fully capable navy for the foreseeable future.

Also relevant to this assumption is that the operating tempo of Australian maritime forces in recent years has been at levels not seen since World War II. The international outlook suggests fleet commitments are much more likely to increase than to diminish in coming years. Thus it is possible that a greater number of Australian warships than are currently in service or planned may be needed to meet these challenges in the future. The option of expanding the

number of naval combatants to meet changing strategic circumstances would be more readily available to Government if a viable Australian based production capacity is maintained.

Other important assumptions underpinning this response are:

- That Australia will maintain a balanced maritime combatant force.
- That capability gaps will be avoided. The decline of the Mine Warfare capability until its reconstitution in the shape of the HUON class mine hunters illustrates the point. There was a lengthy period when our Navy's capability to deal with mine warfare threats was non-existent. During this period Australian ports and the export trade in commodities on which so much of our economic well-being depends, were at risk to a mine threat. Fortunately the threat never arose; nevertheless the vulnerability was real.
- The emphasis of governments of both the major parties on the importance of maintaining and sustaining a viable Australian Defence Industry will be matched by commitment. There have been innumerable Ministerial Statements, almost as many Departmental Studies, and a plethora of Industry Consultative fora. Yet these activities have had little impact on how the Naval Shipbuilding Industry policies have been implemented. The Naval Shipbuilding industry has always had to deal with a series of peaks and troughs with Commonwealth investment into production capacity being wasted as the capacity has been allowed to decline - and then further investment being required when the next project is approved. It would be hard to devise a more wasteful system of Commonwealth investment than the present model.
- Australian governments will abandon the stop/start paradigm for naval shipbuilding in Australia and embrace a new policy of having at least one new major warship in production continuously. These warships would include surface combatants, submarines, amphibious warfare ships and underway logistic support ships.
 - The practice of major midlife upgrades of Australian warships should no longer be required.
 - Major warships will be given a nominal life after which they will be withdrawn from service. For the purposes of the indicative plan below, current warships have been given a nominal life of about 30 years and new construction warships about 25 years. It is emphasised that these warship life spans are indicative. They could be varied to even out the flow of orders to shipyards and to accommodate changes in technologies for warships and their weapons and sensors.

Adoption of a continuous warship production policy would mean that the economic multiplier benefits of ship construction in Australia would be more evenly spread in time; and that training and education opportunities to enhance

the skills of the workforce would be provided on a sustained basis and provide a source of skilled personnel for other industries e.g. mining and the infrastructure to support the export of commodities.

The costs of adopting such a policy have not been estimated. We consider it worthwhile that a detailed examination of such costs be a recommendation which the Committee should entertain. There may well be little variation in the overall cost to Government and economies in the better use of investment funds in the infrastructure.

INDICATIVE AUSTRALIAN NAVAL SHIPBUILDING PLAN

Given the lead time involved in starting-up naval shipbuilding projects, this indicative plan commences at the time the first of the new planned naval shipbuilding projects is expected to deliver a warship. Subsequent years are indicative warship delivery dates.

- 2012 1 Amphibious Warfare Ship (Planned as the replacement for *Tobruk* which is to be withdrawn from service in 2010 leaving a 2 year capability gap.)
- 2013 1 Air Warfare Destroyer (Planned as the replacement for the DDG *Perth* withdrawn from service in 1999 leaving a 14 year capability gap.)
1 FFG/FFH (replacement for *Sydney* which reaches 30 years since commissioning. This indicative plan makes no allowance for the half life upgrade of *Sydney* and is based solely on hull age.)
- 2014 1 Amphibious Warfare Ship (Planned as the replacement of either *Kanimbla* or *Manoora*)
1 FFG/FFH (replacement for *Darwin* at 30 year mark)
- 2015 1 Air Warfare Destroyer (Planned as replacement for DDG *Hobart*)
- 2016 1 AOR (replacement for *Success* which reaches 30 year mark)
1 Amphibious Warfare Ship (Planned as replacement for *Kanimbla* or *Manoora*).
- 2017 1 Air Warfare Destroyer (Planned as replacement for DDG *Brisbane*)
- 2018 1 AOR (capability enhancement given the need for 3 AORs to support the fleet)
- 2019 1 FFG/FFH (to fill the capability gap left by withdrawal of *Adelaide*)
- 2020 1 FFG/FFH (to fill the capability gap left by withdrawal of *Canberra*)
- 2021 1 FFG/FFH (replacement for *Melbourne* at 30 year mark)
- 2022 1 FFG/FFH (replacement for *Newcastle* at 29 year mark)
- 2023 1 FFG/FFH (replacement for *Anzac* at 27 year mark)
- 2024 1 FFG/FFH (replacement for *Arunta* at 26 year mark)
- 2025 1 SSG (replacement for *Collins* at 29 year mark)
- 2026 1 FFG/FFH (replacement for *Warramunga* at 25 year mark)
- 2028 1 FFG/FFH (replacement for *Stuart* at the 26 year mark)
1 SSG (replacement for *Farncomb* at the 30 year mark)

2030 1 FFG/FFH (replacement for *Parramatta* at the 27 year mark)
1 SSG (replacement for *Waller* at the 31 year mark)
2031 1 SSG (replacement for *Dechaineux* at the 30 year mark)
2032 1 FFG/FFH (replacement for *Ballarat* at the 28 year mark)
1 SSG (replacement for *Sheehan* at the 31 year mark)
2033 1 FFG/FFH (replacement for *Toowoomba* at 28 year mark)
1 SSG (replacement for *Rankin* at the 30 year mark)
2034 1 FFG/FFH (replacement for *Perth* at the 28 year mark)
2036 1 AOR (replacement for *Sirius* at the 30 year mark)