



**STATEMENT TO THE AUSTRALIAN GOVERNMENT  
SENATE ECONOMICS REFERENCE COMMITTEE INQUIRY  
INTO THE  
FUTURE OF AUSTRALIA'S NAVAL SHIPBUILDING INDUSTRY**

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## Introduction

Senators,

Thank you for the opportunity to present the views of the Submarine Institute of Australia.

My name is Frank Owen and, as Secretary of the Institute, I am representing our President, Mr Peter Horobin, who regrets that his absence overseas on business makes him unavailable to testify.

The Institute has been operating for 15 years and its membership includes hundreds of years of experience in all aspects of Australian submarine activity including operations, construction, maintenance, Government policy and national strategy. Its membership is the nation's largest collection of submarine expertise.

It exists to promote informed discussion of submarine matters and it takes some pride in its impartiality.

This afternoon I will focus on Part 2 of your Inquiry – "*The future sustainability of Australia's strategically vital naval ship building industry.*" The SIA believes that the Submarine Building Industry is strategically vital and integral to the Australian Submarine Capability.

In support of this view I wish to make three points:

- The first is about stealth in submarine operations and the all-pervading need for the highest levels of security throughout the life of the submarines to protect that capacity for stealth. This is essential for the safety of the submarine crews in their operations and for the effectiveness of government policy.
- The second is why submarines are important for Australia. They are costly, and require advanced levels of skills to operate and sustain. However, they are the only means available to allow government to exert consistent influence along the full length of our sea lines of communication.

- The third is about the Australian Submarine Capability. It is a unique capacity comprising the submarines themselves, the submariners who serve in them, the serving members of the ADF and their colleagues in the Australian Public Service and the industry that supports the submarines. Australia has invested a lot in this capacity and it is justified in feeling very proud of the results.

The summary of those three points is that this is about owning our future.

## **Stealth**

A fundamental characteristic of successful submarine operations is stealth.

Stealth in the operational area depends on technology in construction and sustainment, competence of the operators and stringent security. Contrary to some of the views reported in Australia, our submarines, the competence of their crews, the state of their technology, and the nature of their operations are held in the highest regard by our closest Allies.

The need to maintain stealth and security in submarine matters is all pervading.

## **Access to the Best, Most Cost Effective and Relevant Technology**

We have a longstanding, mutually beneficial security relationship with the US and the UK on many levels. The US relationship is significant as our combat systems partner and provider of weapons. Whatever platform we choose, it needs to be compatible with this.

However, the US and the UK are not the only sources of submarine technology. France, Germany and Sweden are also important contributors to Australia's submarine capability. There are and will be other nations who can contribute. If Japanese technology meets the Australian requirement we should take advantage of it.

Those suppliers will only contribute if they can be confident that Australia can and will respect and protect their security and their intellectual property.

Suppliers of technology from country A may be very happy to provide their technology to Australia, but unwilling to give country B or C any visibility of the same technology. If the submarines are assembled in a country other than Australia there is an increasing risk that certain technology (that can only be installed in the assembly phase) will not be made available.

If Australia is to continue to have access to the most advanced overseas technologies it must demonstrate its capacity to protect that technology.

Equally, Australia must be in absolute control of the mix of technologies that make up the Australian submarine capability. It is only in that way that it can be confident that its operations are safe.

Stealth, security and the safe conduct of advanced submarine operations are synonymous.

This is about owning our future.

### **Why Submarines?**

Australia relies on trade for its prosperity – most of which is carried by ships, and thus our maritime security is of vital importance. Long-range submarines capable of stealthy operations over the length and breadth of our trading routes are Australia's primary maritime deterrent. Their ability to operate covertly in sea areas denied to other Australian forces deters others from military action and guards against the disruption to our economy that would result from conflict on and around our trade routes.

Australia, can and does deploy other forces in support of its maritime security. The SIA does not suggest that submarines are the only means of protecting our sea lines of communication. However, they would be the only means when access to the sea surface and the air above it is denied.

In peacetime, government has the option to exert quite subtle influence through its use of its submarines. Our membership has good visibility and experience of the regional submarine forces. While our regional colleagues smile uncomfortably at the Australian press criticism of the Collins Class their own experience has told them that the assertions have little substance.

Australian submarines and the Australian submarine capability are the regional benchmark in the safe conduct of operations and in matters of submarine escape and rescue.

Execution of that influence in support of government policy through the full spectrum of contingencies can be achieved by a single submarine through a six week patrol. It can observe and report without being detected, and it can deploy its weapons should that be required.

A capable submarine force is a vital contributor to Australia's prosperity in the 21st century. We cannot afford the gap in the capability that is currently likely when the Collins class submarines reach the end of their life. Such a gap in capability will signal a lack of resolve to deter against aggressors.

## **The Australian Submarine Capability**

This year marks the Centenary of Submarines in Australia. Through the past 100 years, the submarines of Australia and its Allies have supported Australian government intent – whether it was to support the ANZACs as they landed at Gallipoli, to survive the threat of invasion in 1942 or to exert influence in the region in support of Australia's trading interests.

Australian submarines and submariners have been operating in Australia's region of interest continuously for the past 47 years. The current serving submarine community (Navy, public service and industry) is a very well informed buyer. There is no one else with that knowledge, and for our own security we would hope it stays that way.

The people with the best, most comprehensive understanding of Australia's submarine capability and future requirements are Australia's submariners - and the Australian industry involved in submarine support.

## **Lessons learnt from the Collins class experience**

In the Collins class, Australia has developed the world's best large conventionally powered submarines. That was not an easy process. No one else has that experience and we have proven that as a nation we have the resources and skills to do so.

Through this process we have learnt some valuable lessons – lessons we should adhere to in order to ensure we select the 'right' submarine to meet our long-term strategic defence needs.

Five key lessons we would like to highlight specifically are:

1. It took time to learn that we are the “parent Navy” of our submarines. In retrospect it is obvious – if we are to be able to protect our most sensitive secrets then we must take ownership of them. This is what is meant by sovereignty in the context of Australian submarine capability.
2. We cannot give the responsibility for our sovereignty to another country.
3. We need ongoing and respectful relationships with suitable suppliers.
4. A dedicated program of maintenance and investment is absolutely essential to ensure our submarine fleet is fully operable, capable and available.
5. More than six submarines are required to provide an effective deterrent – while various numbers have been discussed, we calculate that at least 12 submarines are required.

## **An informed and timely decision**

There are no easy answers to the future development of Australia's submarine capability and the clock is ticking. We need a national program that delivers a sustainable and affordable capability for the long-term, not just a 'quick fix' replacement of the Collins submarines.

Indeed – there are no “quick fixes” as there also no “MOTS” options. Even the most capable of available of overseas submarines will require modification. That will rely on Australian industrial capability.

We have the capacity to be an “informed” buyer. We can ensure that we have continued access to the submarine technology most relevant to our strategic environment. We must guarantee that we can sustain, maintain and upgrade our submarine capability throughout the next 100 years.

### **Submarine Industrial Capacity in Australia**

The SIA advocates that Australia builds upon the submarine capacity it has fought hard to establish. That it integrates, assembles and sustains its submarine force using the best, most cost effective and relevant technology.

Most importantly, that it preserves its sovereignty to ensure the safe and secure conduct of its future submarine operations.

It seems highly likely that this can only be achieved in an assembly facility in Australia.

### **Whole of Life Costs**

There are any number of guesses at the costs of the Future Submarine available in the public domain.

The true cost in a Defence program is its whole of life cost. Australian industry competes well in delivery of programmes over their life.

The Japanese run a continuous build program. This methodology appears to allow a balance against available resources and can be sustained over many decades.

Applied in Australia the outcome will be a submarine force of the right size and shape to meet Australia’s strategic needs, supported by an industry with the skills and capacity to evolve and enhance the submarine capability to maintain the leading edge essential in the undersea warfare environment.

### **A collaborative approach to submarine selection**

We need a collaborative approach, building on our current and past investment in assets, infrastructure, workforce skills and, most importantly, experience.

This is about Australians owning their future.

## **Conclusion**

To conclude my remarks I wish to re-state the three main points in this brief:

- Stealth is the key to safe, effective and successful submarine operations. Stealth depends on security and the confidence that Australia's most sensitive submarine information is secure. Australian access to other nation's sensitive information is also dependent on our ability to protect that information.
- Submarines have demonstrated their importance to Australia's defence and foreign policy over the past 100 years. They are no longer an optional extra in the Australian order of battle. They are critical to the pursuit of an independent foreign policy. They are part of the Australian armoury for the foreseeable future and for at least the next 100 years.
- The Australian submarine capability includes the ADF, the ADO and industry. This triad has the best understanding of the capability and its needs for the future. While the capability needs access to worlds best technology, only the submarine triad of the ADF, the ADO and the submarine industry have the full understanding of the Australian requirement.

The SIA suggests that it will be virtually impossible to sustain the Australian submarine capability at an effective level without the Australian submarine building industry, and its supporting industries.