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Prepared for:
The Secretary, Standing Committee Foreign Affairs, Defence and Trade

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REPORT

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Terms of Reference

The Senate Standing Committee on Foreign Affairs, Defence and Trade shall inquire into and report upon the scope and opportunity for naval shipbuilding in Australia and in particular:

- (a) The capacity of the Australian industrial base to construct large Naval vessels over the long term and on a sustainable basis;
- (b) The comparative economic productivity of the Australian shipbuilding industrial base and associated activity with other shipbuilding nations;
- (c) The comparative economic costs of maintaining, repairing and refitting large naval vessels throughout their useful lives when constructed in Australia vice overseas;
- (d) The broader economic development and associated benefits accrued from undertaking the construction of large naval vessels

Abstract

This submission demonstrates the benefits to the National Interest by retaining the capability to design, construct, maintain and support in service, indigenously designed and produced submarines. The submission argues Australia's unique strategic circumstances require a Maritime Strategy contingent upon the retention of an indigenous submarine construction industry. Further, this self reliance theme necessitates the retention of current shipbuilding skills as a basis for retaining the ability to design and construct future classes of submarines. An argument is also developed in the submission for the value added benefits of submarines designed and constructed in Australia to meet Australia's unique circumstances, highlighting the warfighting capability resident in submarines as essential for the maintenance of Australia's ongoing national security and thus in the national interest.

The timely acquisition of the next generation of submarines is critically dependent on sustaining a viable and cost competitive naval shipbuilding industry in Australia. Experience gained from the Collins Class submarine construction program (and the Anzac ship program) is used to demonstrate that the construction in Australia of large naval vessels would not only be viable and cost effective but also necessary to ensure ongoing development of the industry to respond to future submarine and other naval shipbuilding programs