

Too Many Eggs in One Basket?

Hon Robert Hill AC

I support purchasing the best Defence equipment that the country can afford....and sometimes even beyond what is affordable. Defence is not optional.

My only qualification would be if I believed the acquisition was strategically destabilising.

Therefore a decision to acquire nuclear powered submarines, rather than conventional, has merit. They have speed, endurance, and stealth capabilities beyond the conventional boats. It is an enhanced capability, but the number we would have on station at any one time would not be strategically destabilising.

If we believe that we need to prepare to face or deter a major power with advanced military capabilities, then in my mind we need to significantly upgrade our defence capabilities and double down on our Alliance with the US. The acquisition of Virginia Class boats contributes to both.

Does that mean we are sacrificing sovereignty? Whilst we maintain legal sovereignty, we committed to shared Defence with a superpower with like values, because it enhanced our security. The price of shared security is a willingness to share the burdens as well as the benefits. The Alliance basically underpins our security in an ever more dangerous world.

It does mean we financially support the American Defence industry. That is a fact of life if we want Virginia Class submarines, which are the best hunter-killer submarine in the world. This is a bit different from the past, in that we will not only be purchasing the boats but will be expected to significantly contribute to the cost of the US covering the loss of the capability they are selling. No doubt Congress will demand a hefty premium, which will probably go towards the development pathway of the successor boat, the SSN(X). But I still accept that cost as an acceptable contribution to the Alliance which is so important to us.

Whilst it's not an argument against purchasing such a high-level capability as the Virginia boats, it is disappointing that we invest so little in Australian indigenous defence capability. Most major nations invest in their own industry, so that industry can significantly contribute to their own economy and security. Australia is an outlier, preferring to purchase even lesser capabilities from others. Despite one of the largest Defence budgets in the world, we have not developed one defence industry Prime!

The scrapping of the French submarine contract was a major blow to the Australian defence industry. This contract is not an answer to their woes. Some hope that AUKUS will give them a real opportunity to invest in US and British capabilities. That will only occur with firm resolve from the Australian government, which will be a real test. Australian governments have not often shown that determination in the past.

The decision to invest in the longer term in a new British submarine is more contestable. It's no surprise that the British government and industry is rejoicing. It means serious Australian money invested in the British economy almost immediately, with little opportunity for the sharp end of Australian defence industry to benefit for many years. Even with a short memory, we can recall how difficult it was for Australian industry to win consequential contracts within the French submarine program.

Over thirty years ago, Australia invested in the Collins submarine program. ASC was and remains our national submarine enterprise. It has a wealth of knowledge and experience in build, sustainment and upgrades. Collins evolved into arguably the world's best conventional submarine. However, unlike elsewhere in the world, ASC has never been allowed to develop new generations of submarines. Conventional submarines are still lethal and will forever have

a place, but maybe they will be smaller and ultimately unmanned. It does not require much imagination to envisage a real and useful growth path for ASC. It could even become a Prime!

This of course raises the question as to what role ASC might have in relation to building the new SSN - AUKUS boats, with the major British and US Primes lining up for the work. Furthermore, we will be investing in the UK shipyard operation with UK boats scheduled to precede ours. That's where the investment in smarts will occur. It's hard to see much work being given to Australian industry, even though we have some of the world's best niche capabilities.

In the meantime, I assume ASC will still be required to proceed with the Life of Type Extension (LOTE) of at least some of our six Collins Class. With Virginia boats not due to arrive until sometime in the 2030s, LOTE will still be essential to avoid a capability gap.

I'm sure the British boat will be very capable, but by the time this next generation of boat is designed, built, tested and ultimately brought into operation in Australia; underwater warfare might have significantly changed. In the same way that surface ships have become increasingly vulnerable, so might large, manned submarines. The technologies of warfare are changing so quickly.

If I had my choice, I'd put ASC on a different growth path with greater certainty, perhaps as suggested above, and back Australian industry to provide much more of the capability we currently purchase from others. That would require mandating Australian suppliers in the same way as others support their own industry.

Instead of investing in the new British submarine, to start being delivered sometime in the 2040s, I'd invest in a fleet of heavy bombers and the weapons they would carry. Even dare to think the B21-Raider! Probably the US wouldn't sell it to us, but it was not long ago that selling Virginia boats was unthinkable. Remember, when Australia invested in the F111, it was said that it was too advanced and we couldn't afford it. And it became a great capability, and its maintenance, support and upgrades a credit to Australian industry. The capability it gave has not been replaced.

And I'd be investing in missile capability. What happened to the Sovereign Guided Weapons Enterprise announced by the last government? Still no contracts and no missiles. It cannot be so hard. Just look around the world!



Hon Robert Hill AC

Hon Robert Hill AC was Australia's Minister for Defence, Minister for the Environment, Leader of the Government in the Senate, and Ambassador to the United Nations.

Robert served on the Defence First Principles Review and was a member of the Council of the Australian Strategic Policy Institute