

#### Navy League of Australia Western Australia Division News update

A reminder that the 68th. Annual General Meeting of The Navy League of Australia Western Australia Division will be held on Saturday 29th. August 2020 commencing at 1100 in the HMAS Perth (I) Memorial Facility. If you haven't already filled in your nomination form to serve on the executive now is the time to do it. Please also send your attendance or non attendance so catering can be finalised. It is hoped that a presentation by Austal shipping will also be included your executive is awaiting confirmation. Part from that it's a chance to catch up with each other and for the first time we have placed the AGM on a Saturday morning so more of our senior members are able to attend. Over the past three months we have had eight new members join and we welcome them aboard. The league is undertaking a maintenance and refurbishment program of the HMAS Perth (I)) Memorial Facility to coincide with the new extension to the memorial. The executive have purchased a large electronic screen for use by the league, Foundation and ANC to be able to deliver future programs for our members and guests, this was used for the first time during the foundation's AGM and proved most valuable in our inaugural presentation. Our Vice President Brad Barrett has been working hard putting together programs and benefits that will benefit our members . Stay tuned as these initiatives are rolled out. A reminder to all members membership subscriptions are now due for the period 2020/2021

#### **HMAS PERTH (I) Memorial Foundation INC**

The foundation held its first AGM on the 8th. August and it was well attended by over 30 members and guests. An overview of the project was shown and discussed by Charlie Smith from Smiths Sculptors and Artists and back up by Naithani Colgan from Colgan Industries who will undertake the build. Guests included the Commanding Officer HMAS Stirling CAPT Ainsley Morthorpe RAN, Lisa O'Malley MLA Member for Bicton and Jim O'Neill Mayor of The Town of East Fremantle. Trevor Vincent did us proud once again providing a Moorish morning tea. David Nicolson did a marvellous job of operating our new electronic screen and computer and the presentation went off without a hitch.

Four of our team attended the East Fremantle Town Council Councillors meeting and gave a presentation on the project which was well received by council. The first round of grant applications have ben submitted and the Navy League of WA donated \$15000 towards the project which is jointly progressed through the league and foundation

Our Website and Facebook page is achieving many hits and drawing new members into the foundation with some joining the executive committee. Over the next few days the new executive positions will be agreed upon and published in the next newsletter. The existing executive over the past few months have been extremely supportive of the project and have advanced our program to wear we will shortly be able to present our application and plans to council for approval. Our treasurer has achieved approval for the foundation to be recognised as a charitable organisation and currently we awaiting federal parliament's response to our application to be approved for gift deductibility through taxation for those individuals and companies able to claim there donations as tax deductable.









HMAS Perth (I) Memorial Foundation INC 1st. AGM 8th, August 2020

Above photo Colin Bancroft

Left photo from L-R Charlie Smith, Jim O'Neill, MLA Lisa O'Malley, East Fremantle Mayor Jim O'Neill and Nathan Colgan Colgan Industries

#### VVOOLOTTI / MOLIMINA DIVIONOTI



Hon Secretary PO Box 735 Fremantle Western Australia 6959 Email: bandjoneill.1@bigpond.com Telephone: 0413 688 447

15<sup>th</sup>.. August 2020

Dear Member

The 68<sup>th</sup>. Annual General Meeting of the Western Australia Division will be held on Saturday 29<sup>th</sup>. August 2020 in the HMAS Perth (I) Memorial Facility Riverside Road East Fremantle. Commencing at 1100.

#### **Business**

To confirm the Minutes of the 2019 AGM held on Wednesday 28<sup>th</sup>. August 2019.

To receive the President's report

To receive the balance sheet and accounts for the financial year ending 30<sup>th</sup>. June 2019/2020

Receive nominations and to elect the Executive Committee for the financial year 2020/2021

Guest speaker for the morning to be notified

Morning tea will be served at the completion of the AGM

For catering purposes, please complete the form below and return to the Hon Secretary **NO LATER THAN 24**<sup>TH</sup>. **AUGUST 2020.** (By email if possible)

Name:

Number of guests

WILL / WILL NOT BE ATTENDING

Yours Aye

Gim

Jim O'Neill CMDR ANC RTD Hon Secretary

The Navy league of Australia was established in Australia in 1900 its aims today as it was in 1900, is to create an interest in the sea and to keep before the Australian people the fact that we are a maritime nation and that a strong navy and a sound maritime industry are indispensable elements to our national well-being and vital to the freedom of Australia The Navy League of Australia invites you to join us in this important national task

www.navyleague.org.au Facebook: Navy League of Australia WA Division

#### NOMINATION FORM

I wish to nominate ......, a member of the W.A. Division of the Navy League of Australia for a position on the Executive Committee.

Proposer ...... Seconder .....

<u>PLEASE NOTE</u> Proposer, Seconder and the person nominated, must all be financial members of the W.A. Division of the Navy League of Australia.

Completed NOMINATION FORMS to be returned to the Hon. Secretary no later than 20<sup>TH</sup>. AUGUST 2020 Email: bandjoneill.1@bigpond.com



Shining the Tampions May the 05th. 1960 HMAS Vanguard



# SAILOR UNIFORM

Uniforms had a function and could save your life. Your white hat, or cover was a water carrier and bail bucket. The flap on the back of your uniform was to help pull you out of the drink. Your bell bottom pants could be kicked off with shoes in water, and the bottoms tied off and made into a flotation device. The kerchief was a tourniquet or splint as needed. The 13 buttons close a flap that could be opened when needed. These designs were brought forward from the wooden ship days.

### HMAS STIRLING PHOTGRAPHS by CAPT Ainsley Morthorpe RAN















#### South Korea formalises finishing touches for first aircraft carrier



#### **MARITIME AND**

#### **UNDERSEA WARFARE**

18 AUGUST 2020

By: Stephen Kuper

Responding to growing concerns about a sneak attack crippling its landbased air base infrastructure, South Korea has released further details about plans for the nation's first aircraft carrier based on the existing Dokdo Class vessels, with power projection missions also on the cards.

As both China and Japan surge ahead with plans to build potent aircraft carrier capabilities, South Korea has joined the race and announced plans to build a modified large-deck aircraft carrier based on the Republic of Korea Navy (ROKN) Dokdo Class amphibious warfare ships.

At the end of the Second World War, the aircraft carrier emerged as the apex of naval prestige and power projection. Unlike their predecessor, the battleship, aircraft carriers in themselves are relatively benign actors, relying heavily on their attached carrier air-wings and supporting escort fleets of cruisers, destroyers and submarines to screen them from hostile action.

In recent years, nations throughout the Indo-Pacific have begun a series of naval expansion and modernisation programs with traditional aircraft carriers and large-deck, amphibious warfare ships serving as the core of their respective shift towards greater maritime power projection.

Driving this change is an unprecedented period of Chinese assertiveness in the South China Sea and the growing capabilities of the People's Liberation Army Navy (PLAN), which has seen the Chinese fielding or preparing to field a range of power projection capabilities, including aircraft carriers and supporting strike groups, fifth-generation combat aircraft, modernised land forces, area-access denial and strategic nuclear forces, combined with growing political and financial influence throughout the region.

Building on this, the long-term threat from North Korea has prompted South Korea to embark on a series of land, air and sea acquisition programs that support the Republic of Korea's transition towards developing a robust, deployable, conventional power projection and deterrence focused force – the first stage of this redevelopment is the planned construction of a 30,000-ton short-take off, vertical landing (STOVL) aircraft carrier.

However, further developments, including recent submarine-launched ballistic missile tests by North Korea, combined with the growing capabilities of the PLAN following the recent sea trials for the fleet's second short-take off, barrier arrested landing (STOBAR) aircraft carrier and the launch of its first large deck amphibious warfare ship, has spurred a South Korean response.

#### **Building on the success of the Dokdo Class**

The first of South Korea's aircraft carriers is an enlarged variant of the currently in service Dokdo Class landing platform dock ships, which are more akin to Australia's Canberra Class LHDs and the US Navy's Wasp and America Cass LHDs. Construction of the LPX-II Class is expected to commence in 2021 by Hydundai Heavy Industries (HHI) for launch later in the 2020s – the proposed vessel is expected to be longer and heavier than the Dokdo Class vessels with a displacement of approximately 30,000 tons and capable of accommodating 20 F-35Bs and an unspecified number of helicopters.

Unlike the preceding Dokdo Class vessels, the LPX-II will not include a well dock, enabling the ship to carry more fuel and munitions to support the sustained fixed wing naval aviation operations against heavily defended airspace or naval formations.

The Ministry for National Defense stated, "The 30,000-ton level aircraft carrier can transport military forces, equipment and materials and can operate fighter jets that are capable of vertical take-off and landing.

"It will enable the military to more effectively suppress threats and dispatch forces and materials to a disputed region in the sea by playing a role of a controlling vessel for the navy unit."

While China's rapidly growing naval aviation and power projection capabilities have been well documented, potential sneak attacks and commando raids hindering the availability and survivability of South Korean air fields appears to be a major driving force behind the Korean development.

Former US Navy captain and a former director of operations at the US Pacific Command's Joint Intelligence Centre, Carl Schuster, explained to <u>CNN</u> the driving force behind the acquisition, stating, "The primary advantage a small carrier offers South Korea is its use as a mobile airfield. If North Korea targets South Korea's air bases ashore, being able to manoeuvre and attack from ever-changing locations has tactical and operational advantages.

"It signals the ROK Navy intends to operate farther from home than it does now." Korea's focus on establishing itself as a regional power capable of intervening in regional affairs serves as a model for Australian force structure planners – the comparable economic, political and demographic size of Australia and South Korea combined with the similarity in the platforms and systems operated by both nations serve as a building block for both interoperability and similar force structure models.

As an island nation, Australia is defined by its relationship with the ocean. Maritime power projection and sea control play a pivotal role in securing Australia's economic and strategic security as a result of the intrinsic connection between the nation and Indo-Pacific Asia's strategic sea-lines-of-communication in the 21st century.

Further compounding Australia's precarious position is an acceptance that 'Pax Americana', or the post-Second World War 'American Peace', is over and Australia will require a uniquely Australian approach and recognition that the nation is now solely responsible for the security of its national interests with key alliances serving a secondary, complementary role to the broader debate.

Increasingly, multi-domain air power plays an important role in the efficacy of naval forces and serves as a key component in both the force structure and capability development plans for both South Korea and Australia – these similarities support not only closer relationships between the two nations that share unique geopolitical and strategic similarities but also provide the opportunity to develop robust force structures to respond to the rapidly evolving regional strategic environment.

Both fixed-wing naval aviation and amphibious capabilities are one of the key force multipliers reshaping the Indo-Pacific. The growing prevalence of fixed-wing naval aviation forces in particular serves to alter the strategic calculus and balance of power.



USS Bonhomme Richard
On fire in San Diego July 2020



#### Op-Ed: How level is the defence industry playing field?



18 AUGUST 2020 By: **Chris Skinner** 

While the development of Australia's defence industry continues to go from strength-to-strength, debate and questions continue to swirl regarding the playing field the nation's burgeoning industry finds itself in when competing with global primes, explains former RAN sailor Christopher Skinner. Friday, 14 August was an auspicious day for Australian defence industry. The Senate economics references committee heard from no less than seven organisations, all but one of which had made submissions on Australia's sovereign shipbuilding capability, and Australian Naval Infrastructure the last to appear by late invitation.

This made two important Defence publications came to my notice:

A guidance document titled <u>'Consideration of broader domestic economic benefits in procurement'</u> supporting the <u>Commonwealth Procurement Rules</u>, as announced by Minister for Defence Industry Melissa Price;

• The Defence Science and Technology [DST] Group publication OUTLOOK 2020 -2021 Edition including foreword by Linda Reynolds, Minister for Defence, and opening interview with Chief Defence Scientist Professor Tanya Monro. Featured was the Defence Science and Technology Strategy 2030.

Minister Price made some important announcements regarding procurement economic benefits and is reported to have stated: "All potential suppliers must be treated equitably and must not be discriminated against on the basis of their size, location or ownership."

But that works both ways – if the overseas supplier is larger and their price is less then no preference can be made for a local company even if they could become the basis for sovereign industry capability essential for whole-of-life sustainment of the defence asset.

In the Senate hearings there was a clear message from all the witnesses that reform was needed to achieve sovereign defence capability but none of them had studied the newly minted procurement guidelines to assess how well the reform had been progressed.

Dr Marcus Hellyer appearing for the Australian Strategic Policy Institute in considering the naval shipbuilding industry was most concerned about the lead times for major programs to deliver their Attack Class submarines and Hunter Class ships.

He noted that the recent Defence Strategic Update had stressed the acknowledgement that we no longer could rely on 10 years' warning time and hence there is an urgency in major defence programs that was not the case when the 2016 Defence White Paper was published.

Dr Hellyer went on to note that offshore patrol vessels [OPV] currently under construction in Osborne, SA, and Henderson WA, could be enhanced as arsenal ships with more guided weapons, an area that needs greater Australian industrial focus.

Similarly, we should be putting more effort into autonomous vehicles and treating submarines and ships as the platform from which they were launched, controlled during their mission employment and then recovered.

Shipbuilding was the major focus of the testimony from both the Australian Industry Group (AiG) and the Australian Industry and Defence Network (AIDN), who collaborated very well to present the views of both larger industrial enterprises and small and medium enterprises (SME). They agreed that for Australian industry capability and content (AIC) there needed to be clear objectives set and measurable targets included in contracts.

Several witnesses noted the difficulty of translating the AIC proposals from main contractors' bids and proposals into contractual commitments that were measurable and auditable. Experience from the construction industry is that substitution of less expensive materials and subcontractors often occurs after contract award.

Department of Finance was clear that while they published the procurement guidelines the achievement of value for money criteria was the responsibility of the contracting body, in this case Defence.

The adherence to the guidelines was within the purview of the Australian National Audit Office (ANAO) but how that translated into specific AIC achievement was a matter for Defence to assess.

The good news from Defence is that an independent audit program for AIC is being developed and is nearing completion. Neither AiG nor AIDN had been consulted in preparation of that program.

Another hopeful development is the review of the Centre for Defence Industry Capability (CDIC) is nearing completion and Minister Price has said that the findings from the review will be made public.

Both AiG and AIDN stressed that a major challenge to achieve sovereign defence industry capability was the size and makeup of the workforce from apprentices all the way to design engineers and skilled tradespeople.

Defence witnesses gave a further insight into the submarine, OPV and frigate programs especially as they had embodied AIC objectives and achievements. One in particular caught my attention on the source selection for submarine main batteries.

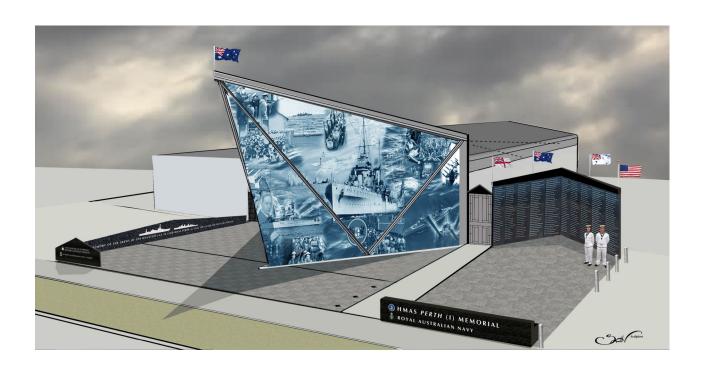
The competition between an Australian proven supplier and an overseas alternative was justified on the basis that, notwithstanding that Australian PMB Defence had supported the Collins program in excellent fashion for three decades, the requirements for the Attack Class went further and beyond the experience of PMB even in their R&D programs.

The broader subject of R&D was mentioned by several witnesses and the short-fall in university research funding from the drop in overseas students could be an opportunity for Defence to sponsor more research there. The Defence S&T Strategy 2030 includes the statement 'DST needs the growing network of university, research and industry partners.

Overall then, the Senate hearing foreshadowed some of the issues that the updated procurement guidelines is intended to address. Current major programs will become subject to more searching audit but that won't change the current contracts.

Fortunately the future submarine and frigate construction contracts are still to come and by then the AIC process should be working more effectively with greater certainty for industry – large and small.

Christopher Skinner served 30 years in the RAN at sea in SEATO deployment based in Singapore, the Vietnam War and surveillance in the north-west Indian Ocean. He is a councillor of the Australian Institute of International Affairs, NSW division.



Proposed final extension

HMAS Perth (I) Memorial



# THE GREATEST 'LEADER IN SERVICE' I EVER KNEW

By Will Martin on 11 August 2020 7:21:55 PM



Leaders whose overwhelming desire is to serve their people reside, I believe, where humility meets generosity. They create constructive cultures where brilliant ideas, creativity and innovation are bountiful, and mistakes tolerated. These 'Leaders in Service', exceptionally comfortable in their own skin, personify the words of the great Robert Greenleaf, who pioneered Servant Leadership in the 70s. He said that "Leadership must, first and foremost, meet the needs of others".

My Father, officially Rear Admiral Sir David Martin, KCMG, AO, RAN (Retd) who died 30 years ago yesterday after stepping down as Governor of NSW, was a remarkable leader in all facets of his life. But it was his innate want during 41 years in the Navy and 18 months in public life, to serve downwards, rather than look upwards, that made him standout. He was a man born with natural talents for people leadership but it was his learned behaviours, honed over time and displayed with exquisite timing that made him a much-loved leader.

During my years in the Navy, 30 years astern of Dad, I was regaled with countless stories of his actions and words. Stories about how he would just show up, in service of his people at exactly the right time. This isn't a talent one is born with but is a skill one learns and perfects.

Never once was I told a story about how he introduced some new piece of policy or procedure that changed the direction of the Navy. No, it was always the human stuff. A sailor preparing to throw a rugby ball into a line out in pouring rain during a ship v ship rugby match, with no one but the ref watching, amazed to be handed the ball by (your dad) the skipper, with a wink and a word of encouragement "give it to 'em Wacca – no backward step". A sailor recovering in hospital, feeling very deflated and missing his shipmates when "bugger me, (your dad) the Skipper walks in with a hip flask and sat down for a chat!" A female who only recently recounted a story from the 70s about how 'the Commodore' made dozens of (male) sailors on ceremonial duty pause for three minutes so he could stop and congratulate her on a recent promotion. She told me she was bullet proof for weeks. These tiny moments with a large and disproportionate impact reflect the way that David Martin led his people.

On Dad's final day in the Office of Governor, an appointment he and Mum enthusiastically took on for barely 18 months, he insisted on being driven along Macquarie St in an open top car, so people could farewell him. This might sound like ego, arrogance and self-importance but it was quite the opposite. In his mind to not do so would have been selfish. To quietly slip away in an ambulance, which is what his dire condition required and what his doctor was demanding, would have been selfish. He was giving of himself, his precious time, energy and essence, right to the very end so people could say goodbye and thank you. Gasping for oxygen from a canister he'd been carrying for many weeks, he was doing it out of loyalty to the Office and service to the people. As I say, Leaders in Service hang out where humility meets generosity.



Dad's Service Leadership didn't stop with his death. In Office he'd occasionally done the night rounds with Mission Beat and had been hugely disturbed by the sight of homeless children on Sydney's streets, living in culverts and dark alleyways. In his final days he agreed to have his name used as the banner for a new charity, sitting within the then Sydney City Mission. The Sir David Martin Foundation (SDMF) was born and this week we celebrate all that it's achieved in 30 years. \$65M raised, 3000 young lives (16-24yo) saved from addiction, destitution and death. Strangely we can't give Dad too much credit as he's been absent on duty the entire time! Mum is the heroine of this story, bringing SDMF to life through hard work, duty and loyalty. And of course, she's also a Leader in Service. While pausing to look back on 30 years this week, SDMF is now firmly focused on the future, aiming to save more young lives while honouring Dad's vision of "safety, hope and opportunity for all young Australians".



Written by Will Martin







# HARRY DEWOLF-CLASS ARCTIC AND OFFSHORE PATROL SHIP



# PCU HARRY DEWOLF DELIVERED FOR 2021 COM-MISSIONING

JULY 31, 2020 ADMIN 25MM. AOPS, HALIFAX, HMC DOCKYARD, MK38, PCU HARRY DEWOLF

July 31, 2020 – Precommissioning Unit (PCU) Harry DeWolf was delivered today in Halifax. This ships is the first of six Arctic and Ocean Patrol Ships (AOPS) for the Royal Canadian Navy (RCN) and two for the Canadian Coast Guard.

The six ships of this class will be the first ships capable of Arctic operations since 1957. Although able to land a helicopter the size of a CH-148 or CH-149, the usual embarked helicopter will be for law enforcement of scientific purposes.

The only armament is a MK38 25MM gun, which appears to not have any fire control fitted on the mounting.

PCU Harry DeWolf will remain at Jetty NJ at HMC Dockyard while the RCN conducts its post-acceptance trials and training, including operations near Newfoundland and Labrador. Once this post-acceptance work is complete, she will undergo a formal commissioning ceremony in summer 2021.

Construction for the following three ships is ongoing, with construction of the fifth and sixth ships expected to begin in 2021 and 2022, respectively.

# **NAVY ODAILY**

## Teddy Sheean to be awarded posthumous Victoria Cross

Published on 13 August 2020 LSIS Kylie Jagiello (author), Mr Jay Cronan (photographer)



Chief of Navy Vice Admiral Michael Noonan AO speaks after the announcement by His Excellency General the Honourable David Hurley AC DSC (Ret'd), Governor-General of the Commonwealth of Australia, that Her Majesty, Queen Elizabeth II has approved the posthumous awarding of a Victoria Cross to Ordinary Seaman Edward 'Teddy' Sheean of the Royal Australian Navy, at Government House, Canberra on 12 August.

Ordinary Seaman Edward 'Teddy' Sheean's family fought for more than 30 years to get recognition of his brave actions during World War II.

During a special media event at Government House on 12 August, it was announced that the Queen has approved a posthumous <u>Victoria Cross</u> for Ordinary Seaman Sheean.



Ordinary Seaman Edward 'Teddy' Sheean. (Australian War Memorial Collection).

He is the first Royal Australian Navy member to be awarded a VC. Governor-General General (Ret'd) David Hurley said he relayed the news to Ordinary Seaman Sheean's nephews. "It is a momentous day for the Sheean family and their pride and emotion was evident," Governor-General Hurley said. "We will now work with the family and the Navy to arrange an investiture ceremony that will pitch the magnitude of the award."

In 1942, Ordinary Seaman Sheean was the youngest crewman on the Australian mine-sweeper <u>HMAS Armidale (I)</u> as a loader for the ship's Oerlikon anti-aircraft guns. Less than six months later in the vicinity of Timor, HMAS *Armidale* came under coordinated torpedo and bomb attack by enemy Japanese aircraft.

Returning to his station while wounded, the 18-year-old Sheean strapped himself to the anti-aircraft gun and opened fire at the enemy. He tried to defend his shipmates who had abandoned ship and were being strafed by gunfire from the enemy aircraft. Witnesses described how he hit at least two enemy aircraft before he went down with the ship. Attending the announcement, Chief of Navy Vice Admiral Mike Noonan said Ordinary Seaman Sheean's heroism was a standard by sailors of the modern Navy to aspire to. "It is indeed a great day for our Navy, our nation and for a young Australian sailor who paid the highest price to save his shipmates from certain death," Vice Admiral Noonan said.

"His spirit of courage, sacrifice and service is an enduring part of our Navy, living on through our fleet and our people. "This is a proud moment for his family who have fought for many decades for this outcome and I congratulate them on their perseverance. "The Victoria Cross for Australia is a great honour for the late Teddy Sheean, for his shipmates, for the RAN, for the ADF and for our nation."

<u>HMAS Sheean</u>, a <u>Collins Class submarine</u>, is the first and only ship in the RAN to bear the name of an Ordinary Seaman.





**NUSHIP Supply completes sea trials** 

#### 17 August 2020

NUSHIP *Supply*, the lead ship for the RAN's new Supply class Auxiliary Oiler Replenishment (AOR) ships, successfully completed its Sea Acceptance Trials in Ferrol, Spain last week. The sea trials lasted three days and two nights and included testing of the RHIB davit and a Dryhookup with the Spanish Navy's AOR, SPS *Cantabria*. The vessel sailed with a crew of 135 on-board comprised of a mix of Navantia and RAN personnel. Navantia Australia's Managing Director, Alfonso García-Valdés, said the achievement of this milestone particularly given the challenges of COVID-19, is most welcomed and is an example of Spanish – Australian collaboration to advance Australia's sovereign naval shipbuilding and sustainment industry.



"Whilst constructed by Navantia in Spain, Australian industry is playing a key role in the build of the AORs," said García-Valdés. "There is a high level of Australian Industry Capability involved comprised of Australian products, skills and expertise and represents an investment of over \$120 million." "Australian companies such as Scientific Management Associates (SMA), Baker and Provan, Taylor Bros, Saab Australia and Raytheon Australia have all participated in the build. 4,500 tonnes of steel used in the construction of the vessels has been sourced from BlueScope." The arrival of the AOR Supply also marks the commencement of a five-year sustainment contract, primed by Navantia Australia.



#### GROUNDED BULK CARRIER WAKASHIO BREAKS APART

By Baird Maritime - August 18, 2020



The grounded bulk carrier Wakashio

after it split in two off Mauritius on August 15, 2020 (Photo: Mr Sébastien Lecornu, French Minister of Local Authorities)

The bulk carrier *Wakashio*, which ran aground in an area off southeastern Mauritius late last month and has remained there since, broke in two at approximately 16:30 local time on Saturday, August 15, Mauritian and French officials have confirmed. This latest mishap to befall the Panamanian-flagged vessel owned by Japan's Nagashiki Shipping occurred even as operations were being carried out to drain it of all remaining oil prior to being refloated. No injuries have been reported, though the vessel's remaining oil has spilled into the surrounding waters. Officials said that containment booms were already in place, these having been installed within hours of *Wakashio*'s grounding near Point Desny on July 25.

Nagashiki had earlier said that the vessel was in danger of breaking up after inspectors identified a gradually expanding breach in the hull. It was through this same breach that over 1,000 tonnes of very low sulphur fuel oil (VLSFO) had leaked into the surrounding waters over the last couple of weeks.

However, officials have assured that most of the 4,000 tonnes of VLSFO and 200 tonnes of diesel that the vessel had on board when it ran aground had already been recovered prior to the incident on Saturday. The French Ministry of Local Authorities, which has been providing assistance in the salvage effort, said that the vessel's forward section will now be towed away from the area while the aft section will remain in its current position and will likely be scrapped there.

The salvage and debris recovery effort on *Wakashio* had also included personnel from both private and government-run organisations from various countries including India, South Africa, and Singapore.



#### ASPI swipe at subs program hides call for industry policy



10 AUGUST 2020

#### By: Stephen Kuper

Cost overruns, build rates and concerns about Australia's industrial capacity have all coloured the political and public view of Australia's multibillion-dollar future submarine program. Graeme Dobell, writing for ASPI, uses the troubles facing the program to hide his final point: Australia needs an integrated industry policy.

It is the gift that keeps on giving, Australia's multibillion-dollar SEA 1000 program continues to stir debate among Australia's strategic policy, defence and industry communities and even the public as the government and Defence seek to avoid the early program troubles of the Collins Class.

Growing concerns about cost, capability and especially the proposed delivery time frame have been further exacerbated following the release of a damning <u>ANAO</u> report, *Future Submarine – Transition to design*, building on the fallout from a fiery exchange at Senate estimates in late-2019.

During which time, Future Submarine Program manager Rear Admiral Greg Sammut explained to the Senate estimates hearing that the 'out-turned' cost of Australia's future fleet of submarines was estimated to be around \$80 billion – a figure frequently cited but subsequently rubbished by former defence minister Christopher Pyne and other Defence officials.

Further compounding the costs associated with the acquisition is the continuing concerns about the capability of the proposed vessels, with many expressing, often vocally, concerns about the obsolescence of lead-acid batteries and the conventional power plant expected to power the vessels out to the 2080s. However, with the first vessel expected to enter the water in the mid-to-late 2030s, concerns regarding the cost, delivery and capability of the vessels is serving to raise questions about the value proposition for a conventional submarine at a time of increasing technological advancement in comparable vessels operated by peer and near-peer competitors in the Indo-Pacific.

These issues have been further compounded by continuing concerns regarding not only fair access to commercial opportunities for Australian business in the generational program, but equally, concerns about Australia's capacity to meet the demands placed upon it throughout the build phase.

Recognising this, Graeme Dobell has penned a piece for the Australian Strategic Policy Institute (ASPI) titled <u>'The strange submarine saga: how did we get there?'</u>, in which he asks important questions regarding the factors leading up to the current predicaments facing the future submarine program, namely Australia's lack of a true industry policy.

Dobell highlights the now well known concerns regarding the rapidly ballooning costs associated with developing Australia's future, 'next-generation' Attack Class submarines, through the design, build and well into the operating and sustainment phase, stating:

"'Out-turned' is Defence-speak for 'accounting for inflation'. As it's turning out, the dollars are blowing out. The \$80 billion figure quickly turned upwards.

"The July strategic update upped the acquisition cost of the Attack boats to \$89.7 billion, in a forecast extending beyond 2040.

"The precision of that last \$700 million in the \$89.7 billion forecast, 20 years from now, is a nice touch — nearly \$90 billion, but not quite. 'In the order of \$80 billion' in November; in the order of \$90 billion by July. A billion here, a billion there, and that's another 10 billion. Truly, this is a very hungry future submarine."

This cost explosion is further exacerbated by an apparent 'slip' in the planned commencement date for construction of the lead boat, HMAS *Attack*, which was widely publicised as 2022-23 and has now subsequently been pushed back to the 2024 time frame – further exposing Australia's ageing Collins Class vessels to potential adversary over match.

RADM Sammut was quick to explain this away, like a skilled operator, informing Senate estimates that the slated time frame was referencing the standing up of construction personnel, tools, infrastructure, processes and equipment to commence the construction of HMAS *Attack*'s pressure hull in 2024.

Finally, with the first vessel expected to enter the water in the mid-to-late 2030s, concerns regarding the cost, delivery and capability of the vessels is serving to raise questions about the value proposition for a conventional submarine at a time of increasing technological advancement in comparable vessels operated by peer and near-peer competitors in the Indo-Pacific.

These points are expanded upon by Dobell's ASPI colleague and defence economist Marcus Hellyer, who highlights concerns raised by former submariner and independent senator Rex Patrick regarding the wildly fluctuating costs associated with 'out-turning' the future submarine fleet and the ramifications it will have on the capability delivered to the Royal Australian Navy.

"If the \$50 billion constant/\$80 billion out-turned estimate hadn't changed since Naval Group was selected, then the window in which the estimate increased must have been between the receipt of bids from the participants in the competitive evaluation process at the end of November 2015 and the announcement in April 2016," Hellyer posits.

Building on this, he states, "What caused the change? Recently there's been discussion — for example, at Senate estimates — about whether the Commonwealth has been commercially 'captured' by Naval Group because it chose a single provider too early, exposing itself to cost increases. While that's an ongoing risk to guard against, it doesn't explain cost increases during the competitive evaluation process when there was still competitive tension.

"There are likely two reasons for the growth of the estimate during the competitive evaluation process. The first is that Defence's \$50 billion out-turned figure was already too low. ASPI's 2009 estimate of \$36.5 billion constant becomes around \$42 billion constant when rebaselined to 2015. Out-turned, that becomes \$67 billion.

"The second reason for the increase is the more demanding performance requirements. The 2016 white paper moderated the requirements for the future submarine by dropping its strategic strike role, which should also have reduced the cost. But the white paper also introduced the undefined term 'regionally superior'. If anything was going to lead to an open-ended expansion of requirements, that would be it."

#### The cause? Playing politics and a lack of industry policy

For Dobell, the politicking of Canberra has had a dramatic impact upon the progress of the program and the costs associated — largely focused on the instability and inconsistency that riddled the Coalition government between 2015 and 2018, namely the push by former prime minister Tony Abbott to shepherd in the Japanese bid.

"Abbott wanted submarines based on the Japanese Soryu Class, designed and built in Japan. He embraced Japan's Shinzo Abe as a kindred conservative spirit. Getting a Japanese-made sub would cement a quasi-alliance with Japan within the trilateral relationship with the US," Dobell articulates.

"Powerful arguments could be mounted: defence policy is too important to masquerade as industry policy. Every defence dollar must get the maximum bang for the buck. The Japanese sub would cost less and enter service quicker than an Oz build. Australia must move swiftly to deal with a darkening strategic outlook. It'd be a fiendishly difficult debate — even within the Liberal Party — but this big policy argument sank before being launched."

The backflip enacted by former prime minister Malcolm Turnbull following his successful coup against Abbott saw Turnbull continued Abbott's post-February coup politicking, seeming to place domestic political concerns at the forefront, with the business oriented Turnbull shifting the focus to an international field from France, Germany and Japan.

Dobell states, "As the tender process concluded, Turnbull worried that Abbott had encouraged Abe to believe the decision would be 'political' and Japan would get the nod. Adelaide politics trumped Tokyo.

"Calling Abe in April 2016 to tell him that France had won, Turnbull said the Japanese leader 'felt, with some justification, that they'd been let down ... The political way in which the tender arose always had the potential to create awkward misunderstandings in Japan'."

For Dobell, however, the primary cause for the challenges we now face is identified in his final paragraph, "Politics is like that. And aligning Oz defence needs with industry policy makes for difficult politics with a mega price tag." Australia's long-term lack of industry policy and substituting or in some way, transplanting the government's planned defence industry strategy into the public consciousness as an industry policy is politicking, without the impact of a true national industry policy, making a lose-lose situation for defence and the nation's economic diversity.

Given the geographic area of responsibility Australia will become increasingly responsible for and dependent on, will the RAN and the recapitalisation and modernisation programs currently underway be enough for Australia to maintain its qualitative and quantitative lead over regional peers?

As an island nation, Australia is defined by its relationship and access to the ocean, with strategic sea lines of communication supporting over 90 per cent of global trade, a result of the cost-effective and reliable nature of sea transport. Indo-Pacific Asia is at the epicentre of the global maritime trade, with about US\$5 trillion worth of trade flowing through the South China Sea and the strategic waterways and chokepoints of south-east Asia annually.

The Indian Ocean and its critical global sea lines of communication are responsible for more than 80 per cent of the world's seaborne trade in critical energy supplies, namely oil and natural gas, which serve as the lifeblood of any advanced economy.

Submarines are critical to the nation's ability to protect these strategically vital waterways and key naval assets, as well as providing a viable tactical and strategic deterrent and ensure the nation's enduring national and economic security. Recognising this, the previously posed questions will serve as conversation starting points.

Traditionally, Australia has focused on a platform-for-platform acquisition program – focused on replacing, modernising or upgrading key capabilities on a like-for-like basis without a guiding policy, doctrine or strategy, limiting the overall effectiveness, survivability and capability of the RAN.



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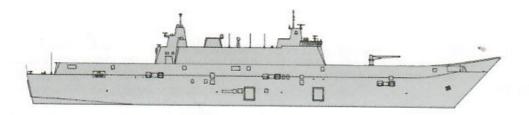
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