Delhi Policy Group
Advancing India's Rise as a Leading Power

POLICY BRIEF

The Future of Australia's Surface Fleet

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Cover Photographs:

Australia's Hobart Class Destroyers Exercise Together off the East Coast of Australia, December 2020. Source: Australian Navy
USS Annapolis coming alongside at HMAS Stirling in Perth, Australia on March 11, 2024. Source: US DoD

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Introduction

Australia's 2023 Defence Strategic Review (DSR) determined that changed strategic circumstances necessitated that naval capabilities contribute more effectively to the ability of the Australian Defence Force to shape the strategic environment, deter potential adversaries and deny their ability to achieve objectives contrary to Australian national interests[1]. Finding that the current structure of the surface fleet was not fit for purpose and a surface combatant fleet with enhanced lethality was essential, the DSR recommended that an independent analysis of the Royal Australian Navy's (RAN's) surface capability be carried out.

The Australian Government accepted this recommendation and tasked an Independent Analysis Team (IAT) comprising Vice Admiral William Hilarides, USN (Retd.), former Commander of the US Sea Systems Command (2013-2016), Ms. Rosemary Huxtable, former Secretary of the Australian Department of Finance, and Vice Admiral Stuart Mayer (Retd.), former Commander of the Australian Fleet (June 2014 – January 2018), to determine the size, structure and composition of the future fleet[2]. The IAT submitted its report to the Government of Australia on September 29, 2023[3]. An unclassified version of the report, together with the Government's response to its recommendations, was released on February 20, 2024[4].

The IAT report recommends that the future Australian fleet comprise of nine Tier 1 ships (three Hobart-class Destroyers and six Hunter-class frigates), six

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[1] For an overview, see Lalit Kapur, "Assessing Australia's Defence Strategic Review", DPG Policy Brief Volume VIII Issue 16, May 10, 2023, https://www.delhipolicygroup.org/uploads_dpg/publication_file/assessing-australias-defence-strategic-review-4896.pdf

[2] Retired US admiral who has previously advised Australia on shipbuilding to lead fresh review of navy's warship fleet, April 25, 2023, https://www.abc.net.au/news/2023-04-25/retired-us-admiral-to-review-australias-warship-fleet/102262644

[3] Independent Analysis into Navy's surface combatant fleet received by Government, September 29. 2023, https://www.minister.defence.gov.au/media-releases/2023-09-29/independent-analysis-navys-surface-combatant-fleet-received-government

[4] Enhanced Lethality Surface Combatant Fleet: Independent Analysis of Navy's Surface Combatant Fleet, February 20, 2024, https://www.defence.gov.au/sites/default/files/2024-02/Enhanced_Lethality_Surface_Combatant_Fleet_web.pdf

Large Optionally Crewed Surface Vessels (LOSVs), 7-11 Tier 2 ships optimised for undersea warfare, and 25 minor war vessels.

The IAT Recommendations

The IAT has recommended that the existing three Hobart-class destroyers be urgently modernised by upgrading their Aegis system to the Baseline 9 Standard (i.e., with the capability to provide defence against anti-ship ballistic missiles) to reduce risk of obsolescence and increase the range of missions they can conduct. It has also recommended that planning for replacement of the destroyers be commenced now, to enable continuous shipbuilding.

Australia began construction of the first of nine Hunter-class heavy frigates, based on the British Type 26 design, in 2023. The programme has been mired in controversy from its inception. Although larger than the Hobart-class destroyer (it will displace about 1100 tons more), it has 16 fewer Vertical Launch System (VLS) cells for anti-aircraft and anti-missile defence. Its missile capability is the same as India's Nilgiri-class, although the latter displaces nearly 1350 tons less. Moreover, it will carry only one ASW helicopter, as against the two of the Nilgiri-class. Nevertheless, the IAT has chosen to stay with the programme, recommending that the number of ships contracted for be reduced to six and that they be fitted with Tomahawk missiles to enable long-range strike. To supplement numbers and provide a distributed capability, the IAT has recommended that six new LOSVs be acquired. Equipped with 32 launch cells each, these ships will provide enhanced and distributed lethality with a lower cost and crewing impact.

Tier 2 capability is presently provided by the ageing ANZACs, less than half the size of the Hunter-class. The IAT has recommended that the ANZAC-class be progressively replaced by at least seven, and optimally 11, new general-purpose frigates optimised for undersea warfare (the Australian Government has accepted 11). The IAT has further recommended that the fleet include 25 minor war vessels. The mix comprises six Arafura class OPVs (down from the 12 planned earlier), eight Evolved Cape Class Patrol Boats (EPCCBs) for the Navy and 11 EPCCBs for the Australian Border Force.

The IAT has also recommended that in the first phase (2023-2025), the maritime and land strike capabilities of the Hobart Class Destroyers and Anzac Class Frigates be enhanced by replacement of their Harpoon missiles with the Naval Strike Missile and installation of the Tomahawk Missile for long range strike, as well as additional electronic warfare systems. The Government has

accepted the recommendation for the destroyers, but not for the ANZAC frigates, choosing to move faster towards their replacement.

To ensure the replacement general-purpose frigates are inducted in a timely manner, the IAT has recommended that the Government pick from amongst Germany's Meko A-200 (which provided the base for the current ANZAC-class frigates), Japan's Mogami 30 FFM, South Korea's Daegu Class FFX and Spain's Navantia Alfa 3000 designs. To provide perspective, these frigates displace from 3100-4000 tons, substantially smaller than the Hobart class destroyers or Hunter class frigates, and about the same as India's Kamorta-class corvettes.

The Australian Government has accepted these recommendations with minor reservations. This will result in the strength of Australian blue-water surface combatants increasing from the present 11 to 26 ships. An additional A$1.7 billion over forward estimates and A$38 billion over the next decade have been committed towards the surface combatant fleet, supporting continuous shipbuilding in Australia and over 3700 more shipbuilding jobs in Southern and Western Australia[5].

The Size of the Australian Navy

The size of the post-review Royal Australian Navy (RAN), as compared to the current size of other blue water navies in the world, is at Table 1 below.

Country	Aircraft Carriers	Destroyers[6]	Frigates	Corvette/OPV[7]	Total
Australia (present)	Nil	3	8	-	11
Australia (Projected)	Nil	3	17	6[8]	26
France	1	10	11	11	33
India	2	12	12	20	46
Italy	2	4	13	10	29
Japan	4[9]	36	10	Nil	50
ROK	Nil	13	17	5	35
Taiwan	Nil	4	22	3	29

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[5] A Larger & More Lethal Australian Navy, https://www.defence.gov.au/sites/default/files/2024-02/ELSCF_Factsheets_Larger_and_Lethal_Navy.pdf

[6] Bigger surface ships such as cruisers and battlecruisers also included under this designation.

[7] Only ships displacing more than 1000 tons included.

[8] Lare Optionally crewed surface vessels (LOSVs) have been grouped under this head.

[9] Classified as Helicopter Destroyers. Two are being converted in to light aircraft carriers.

Country	Aircraft Carriers	Destroyers[6]	Frigates	Corvette/OPV[7]	Total
UK	2	6	11	11	30
USA	11	88	23	-	122
China	2+1	49	42	72	166
Russia	1	14	12	85	112

Table 1: Present and Projected Strengths of Australian Navy as Compared to Present Strengths of Other Major Navies

If Great Power navies are defined as those with 100 or more ships capable of strike operations in blue waters, and those with 20-50 ships are defined as middle powers, the RAN will come into middle power ranks, at about the same level that the UK, Taiwan and Italy are today. The question remains how suitable this will be in shaping the environment, enhancing deterrence and denying achievement of objectives contrary to Australia's national interests.

Suitability of the Proposed Fleet

Four broad roles - the military, constabulary, diplomatic and benign - have traditionally been assigned to navies. Within these roles, the missions that the surface fleet is expected to be employed in include sea control and sea denial; power projection and expeditionary operations; SLOC protection and SLOC interdiction; seaward defence and defence of coastal and offshore infrastructure; governance of maritime zones and the global commons, showing the flag and providing reassurance to neighbours; and providing aid to civil authority, both within the nation and in the neighbourhood.

Consider sea control and sea denial. The modernised Hobart-class destroyers, the Hunter-class frigates and the LOSVs, when they become available, constitute a substantial capability, capable of air and ballistic missile defence, surface and underwater operations, and more. Assuming a 33% availability at any one time (it will usually be better), they bring to bear a formidable 56 long-range anti-ship / land attack missiles as well as 240 cells for anti-ship/ballistic missile defence. That the number of missile cells they have is on the lower side is a fact; but that this number will be adequate in most situations short of all-out warfare is a reality. In the underwater dimension, the ANZAC / new general-purpose frigates and land-based aircraft will supplement Tier 1 vessels, providing additional capability. This same capability will also come into play for power projection and expeditionary operations, though the RAN can hardly be expected to carry out such operations by itself and will form part of a larger allied or multi-national force.

It is, however, in the denial of objectives under circumstances less than all out war, or after sustaining losses, that the capability becomes questionable. The resilience of a force that has suffered serious damage (as for example, following the Pearl Harbour attack) becomes a matter of fall-back capability and industrial strength. The paucity of numbers in the RAN does not provide for resilience.

The small size of the force will also become a limitation in the SLOC protection missions. A trade-dependent island nation such as Australia should have been more concerned about providing protection for its SLOCs. The Tier 2 fleet size is insufficient to protect inbound or outbound trade, undertaking long voyages towards the west, north and east. Unless the assessment is that the adversary will not resort to trade warfare, prudence dictates the commencement of convoy operations when hostilities are deemed imminent. The RAN will not, on its own, be able to contribute much to SLOC protection duties or sustain them for a prolonged period. Similarly, the protection of coastal and offshore assets will have to be primarily dealt with by land-based systems, with only limited contribution from the RAN.

The revised RAN fleet design does not permit more than limited action in the constabulary role. This encompasses EEZ protection, countering IUU fishing, counter-terrorism, counter-piracy, countering smuggling of drugs, weapons and people, etc. As the last resort of the state, the RAN must be able to step in with tangible impact when other instruments (basically the Australian Border Force) are over-stretched. By accepting the recommendation to cut down the number of Arafura-class patrol vessels, the Australian government has accepted the downgraded priority for constabulary tasks. This will be exploited by China, adept at grey zone warfare.

The diplomatic role comprises more than just showing the flag. For a middle power, it encompasses providing reassurance to regional nations. This was recognised by PM Narendra Modi when he said, "We will work to ensure a safe, secure and stable Indian Ocean region that delivers us all to the shores of prosperity. And, our capabilities will be there for those struck by the ocean's fury. Or caught in distress on the seas"[10]. The reduced size of the Tier 2 force and the focus on offensive Tier 1 capability will be noticed by regional nations, whom Australia is trying to woo. Similarly, in the benign role, the reduction of Tier 2 capability to focus on Tier 1 will not add to reassurance for the region.

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[10] Text of PM's Remarks on the Commissioning of Coast Ship Barracuda, March 12, 2015, http://www.pib.gov.in/newsite/erelcontent.aspx?relid=116881

Other Questions

A number of other questions stand out. Will the future surface fleet have sufficient strength to deny Australia's maritime approaches to an adversary? Adversary forces could approach from at least three different directions: west after entering the Indian Ocean through the Malacca or Sunda Straits; north after transiting the Ombai-Wetar Straits or passages through the Banda and Arafura Seas; and East via the Bismarck Sea and Coral Sea. China has the requisite force levels. Australia will be able to provide a maximum of two Tier 1 ships to defend each approach, this is unlikely to be enough.

Will Australia in parallel be able to secure its SLOCs? The answer must be an unambiguous no.

Will the RAN be able to defend itself against hypersonic weapons, which have already entered service in the PLA (Navy)? Not with the Aegis Baseline 9 Standard, it will have to upgrade to Aegis Baseline 10, which remains untested.

The LOSV technology is untested, presently available only with the US. The RAN, like most navies in the world, doesn't presently have even a concept of how to use this technology. A commitment to it could actually be seen as a commitment to take on research and development costs as both Australia and the US seek to induct an unproven system.

Will the RAN be able to man a substantially larger navy? RAN manpower is presently around 15000 personnel. The addition of 15 new surface combatants will necessitate the induction of around 3000 personnel to man them, plus maintenance and support staff ashore. This is in addition to the manpower required for AUKUS submarines. The DSR and the Surface Fleet Review have both noted that the "Navy faces the most significant workforce challenge of the three services". Can the government find ways to attract additional manpower into the force that already constitutes the most significant challenge for retention?

Where will the precision targeting information for Australia's new long-range weapons come from? Australia itself lacks the wherewithal to provide it, so will need to depend on the US.

Finally, will future governments sustain the substantial additional financial commitments that will be required over the next decade and more?

Conclusion

Will the revised RAN fleet be fit for purpose? That depends largely on what the purpose is. If it is integrating with American power and deterring China through forward deployment of forces, then the fleet structure could be considered suitable. After tying up with the US to build nuclear submarines, Australia has now in effect agreed to supplement USN forward deployed surface capability, including by the Hunter-class ships, the LOSVs (the designs for which can only come from the US), upgradation of the Aegis System to the Baseline 9 Standard and induction of Tomahawk missiles. Shipborne helicopters will also be from the US (Australia already operates the MH-60R Seahawk)[11]. The abiding impression is that the IAT has gone as far as was financially acceptable to Australian representatives in recommending additional US-origin equipment for induction.

If, however, the purpose is seen as defending Australia's northern approaches, strengthening escort capability, enhancing constabulary capability throughout the region, or reassuring regional neighbours, the IAT does not seem to have done justice to these missions. This will definitely be noticed by other nations in the region.

For India, moving towards enhancing its own maritime capabilities in the Indian Ocean and its security ties with Australia, the revised fleet structure is a mixed blessing. On the one hand, there will be increased awareness of how closely Australian policy decisions are driven by US decisions. India can thus count on the RAN presence in the Indian Ocean only to the extent that this fits within the US purpose. On the other, any accretion of Australian capability in the Indian Ocean is welcome, particularly as the expansion of China's power in the Indian Ocean region gathers strength.

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[11] MH-60R-Seahawk, https://www.navy.gov.au/capabilities/aircraft/mh-60r-seahawk

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