



The National Strategic Fleet Proposal – What is it?

During industry consultations between February and April 2016, a number of industry participants at the sector meetings suggested the need for Australia to maintain a Strategic Merchant Fleet:

- That would operate commercially;
- But be available to be seconded by the Defence Forces for operational requirements in times of crisis.

The Australian Navy currently has no Australian merchant or commercial ships it can rely on:

- In times of crisis; or
- To support heightened security circumstances; or
- For undertaking humanitarian missions.

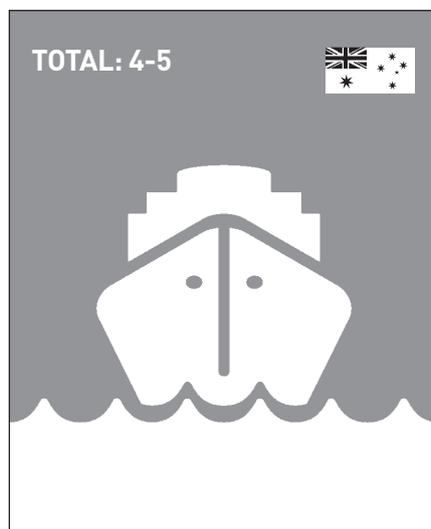
Our major Defence allies all require merchant ship capacity to support their Navy.

Our Key Defence Allies – USA (110 vessels) and United Kingdom (12) – both maintain a significant strategic merchant fleet capability. (Details on reverse side.)

What ships might be suitable for an Australian Strategic Fleet?

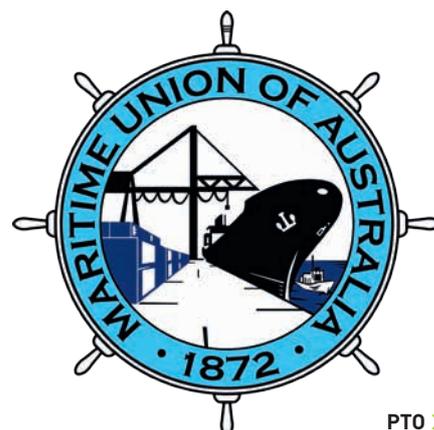
Executives from ship operator companies which have worked closely with the Australian Navy over recent years have suggested an Australian Strategic Fleet might comprise the following ships:

- Product tankers – 2-3
- Heavy lift ship – 1
- Multi-purpose ship – 1



US Presidents from Ronald Reagan to Barack Obama have endorsed the Jones Act as important to national security.

Former President Ronald Reagan offered unequivocal endorsement for the Jones Act, assuring at the time that his Administration would “not support legislation that would jeopardize this long-standing policy (cabotage)... embodied in the Jones Act.”



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United States Military Sealift Command

Access to a strategic merchant fleet is central to the military capability of Australia's key Defence ally the USA.

The US Navy capability is substantially enhanced through its Military Sealift Command.

- MSC has responsibility for providing sealift and ocean

transportation for all US military services, as well as for other government agencies.

- MSC comprises:
 - a 'core fleet' of ships owned by the US Navy;
 - others under long-term-charter;
 - augmented by short-term or voyage-chartered ships.
- MSC covers 5 programs: Combat Logistics Force; Special Mission; Prepositioning; Service

Support; and Sealift.

- As of June 2013, MSC operated 110 ships, and employed 9,800 people (88% civilians).
- The fleet includes: cable laying and repair ship; hospital ships; fleet ocean tugs; and rescue and salvage ships; tankers; large, medium speed roll-on/roll-off ships, high speed vessels, dry cargo ships, break-bulk ships, container ships, survey ships, fleet replenishment oilers.



UK Royal Fleet Auxiliary

The civilian-manned RFA delivers worldwide logistical and operational support for the wide range of tasks the Royal Navy undertakes – including war-fighting, counter-piracy, humanitarian and disaster

relief, and counter-narcotics operations.

The fleet consists of:

- Casualty ship – providing hospital and specialist aviation training facilities
- Forward repair ship – capable of maintaining vessels away from base ports

- Landing ships (3) – designed to transport equipment and personnel

- Stores ships (3) – supplying ships at sea with food, ammunition and spares
- Product tankers (4) – supplying ships on operations at sea with fuel.



The Australian commercial shipping industry has experience in supporting the Navy and Border Force

Australian companies already provide considerable technical and crewing expertise to Defence. For example, Teekay Shipping Australia:

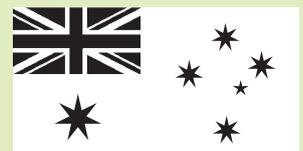
- Contracted to the Defence Materiel Organisation (DMO) to undertake Production Monitoring and Quality Inspections for the construction of Amphibious Assault Ship (LHD) Canberra Class vessels.
- Was awarded a contract to undertake Production Monitoring and Quality Inspections for the construction of 12 Landing Craft in Cadiz, Spain, the LCM-1E type Landing Craft destined for deployment on the Canberra Class vessels.
- Contracted to BAE Systems, Teekay provided a core merchant mariner crew of 16 persons to undertake command, navigation,

manoeuvre and engineering functions during sea trials for both *HMAS Canberra* and *HMAS Adelaide*. This also included the delivery voyage of *HMAS Canberra*.

- Was contracted to undertake worldwide inspections of potential vessels to provide a Humanitarian Assistance and Disaster Relief (HADRC) capability for the Royal Australian Navy.
- Supplied Ship Management, Technical Management and Crew Manning to the

Royal Australian Navy on procurement of the Australian Defence Vessel (ADV) *Ocean Shield*.

- Was contracted to the Defence Materiel Organisation to undertake a Materiel State Inspection of the *Largs Bay (HMAS Choules)* prior to procurement of the vessel.
- Provided a team in Singapore to manage the conversion of *HMAS Success* to comply to International Maritime



- Organisation (IMO) Standards, This included the installation of a second hull internal to the ship.
- Provides technical support to DMO in a variety of smaller projects.

Gardline Australia provides crewing, maintenance and operational support for Australian Border Force ships and for the AMSA rescue/salvage ship located in the Great Barrier Reef region.

