

A contribution to
An analysis of medium to long-term impacts on the Australian Oceans

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1.1 Border Protection

In 2017-18, the Federal Government outlined \$200 billion in the Integrated Investment Program for Defence over the next decade, which includes naval ship-building program to support the activities of the Royal Australian Navy. It is forecasted an increment to 6.1% per year of capital expenditure over the five years through 2023-24 (Figure 1)(IBISWorld 2018, IBISWorld 2019). In addition naval capacity may increase in some regions in recognition of the increasingly strategic position that Australia holds, with emphasis on submarine and surface warfare. By the mid-2030s, it is predicted that the submarine force will double and the current frigate fleet will be replaced with a more capable one (Paper Defence White 2009) (Paper Defence White 2016) . This sector is influenced by economic growth drivers (i.e. workforce participation and productivity;(Musker 2017)).

Drivers

- Economic growth, global and Australian GDP (including workforce participation and productivity)
- Technology developments to assist defence in protecting Australia's national interest

Restraints

- Disease outbreaks, international terrorist threats
- Government regulations and compliances

Interaction with other sectors

- Future population, tourism, economic growth drivers (i.e. global GDP).

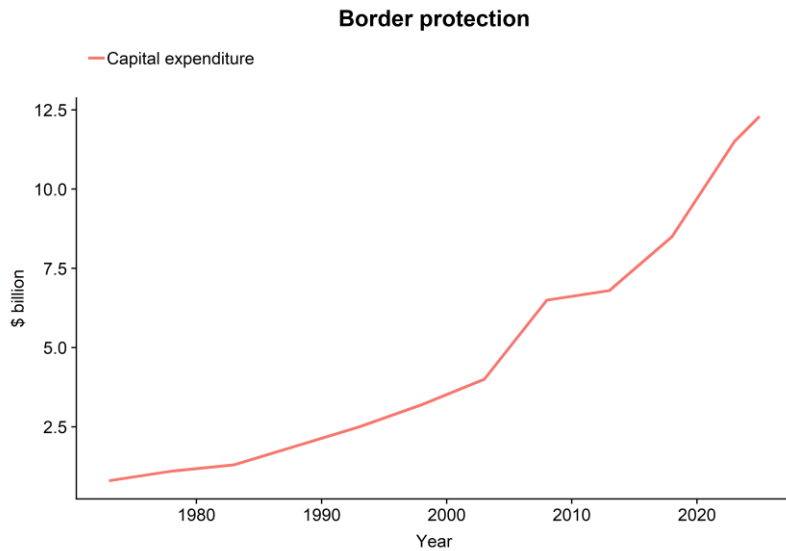
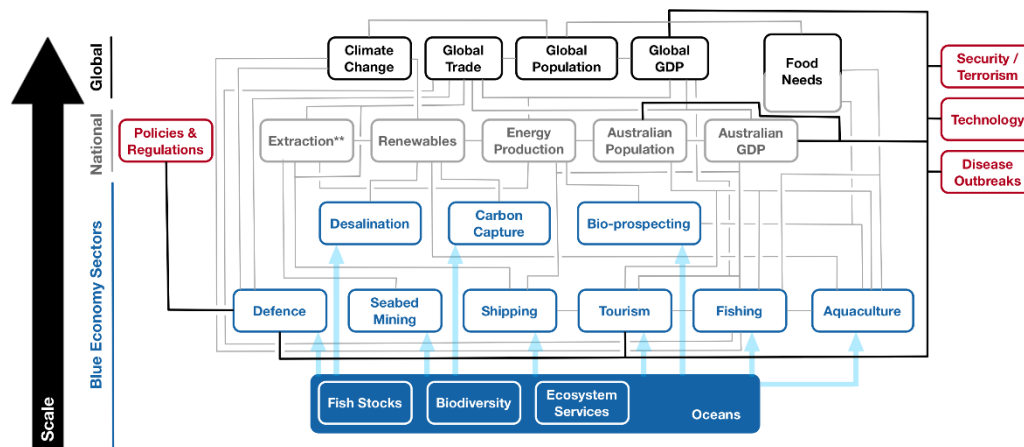


Figure 1. Capital expenditure in defence (including investment in ships, aircrafts and weapons platforms)

1.2 Sector-specific conceptual model



** Extraction - land and sea

Figure 2. The initial conceptual model in Figure 1 in the main document, complemented with information about sector-specific drivers obtained from the analysis of sector projections. See main text for more information.

1.3 References

- IBISWorld (2018). Capital expenditure on defence, IBISWorld Business Environment Profile.
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