



THE NAVY LEAGUE OF AUSTRALIA

A.C.N. 008 451 063

PATRON IN CHIEF - HIS EXCELLENCY THE GOVERNOR GENERAL
FEDERAL COUNCIL

October 24, 2002

The Secretary
Joint Standing Committee on Foreign Defence & Trade
Parliament House
Canberra. A.C.T. 6200.

Please find attached the Navy League of Australia Submission
to your Committee.

Yours faithfully,

R.P. CORBOY
Hon. Federal Secretary

Enc.



NAVY LEAGUE OF AUSTRALIA SUBMISSION TO THE JOINT PARLIAMENTARY COMMITTEE ON FOREIGN AFFAIRS DEFENCE & TRADE INQUIRY INTO AUSTRALIA'S MARITIME STRATEGY

The Navy League believes it is necessary to refer to the Government's November 2000 Defence White Paper – "Defence 2000 – Our Future Defence Force" – before addressing matters that are the subject of the present Inquiry.

Defence White Paper 2000 - Ministerial Endorsement

The Minister's introduction to the Defence White Paper 2000 claims that this document has established an historic benchmark for the development of Australia's defence force. It states that the White Paper sets it apart from its predecessors in three key ways.

- The first is the degree of ministerial involvement.
- The second is the Government's decision to lay down the most specific long-term defence funding commitment given by any Australian Government in over 25 years.
- The third is a clear statement of the Government's requirements of its defence organisation.

The League notes the Minister has stated that the White Paper establishes "an heroic benchmark for the development of Australia's defence force".

Australia's Strategic Interests

In considering Australia's strategic interests and objectives the White Paper asserts that the highest priority is accorded to our interests and objectives closest to Australia. It states that:

- Australia's most important long-term strategic objectives is to ensure the defence of Australia and its direct approaches.
- The second objective is to foster the security of our immediate neighbourhood.
- Our third objective is to work with others to promote stability and cooperation in South East Asia.
- Our fourth objective is to contribute in appropriate ways to maintain strategic stability in the wider Asia Pacific region.
- Our fifth strategic objective is to contribute to the efforts of the international community, especially the United Nations, to uphold global security.

Having addressed these objectives the White Paper states that "We will continue to support the United States in the major role it plays in maintaining and strengthening the global security order. Australia also has a strong interest in non-proliferation regimes that prevent the spread of weapons of mass destruction."

Australia's Military Strategy and Priorities.

The Defence White Paper, having established Australia's strategic interests and objectives, comments on Australia's military strategy and priorities as follows:

- The priority task for ADF is the defence of Australia. This embraces self reliance, control of the sea and air approaches and the ability to attack hostile forces as far from our shores as possible.
- The second priority for the ADF is contributing to the security of our immediate neighbourhood. The capability to help our neighbours would be drawn from the forces we have developed for the defence of Australia.
- The third priority for Australia's forces is supporting Australia's wider interests and objectives by being able to contribute effectively to international coalitions of forces to meet crises beyond our immediate neighbourhood. The White Paper states we would do this by contributing to international coalitions, drawing on the forces we develop for higher priority tasks.

Following so closely on the Defence White Paper 2000, the terms of reference for the Joint Standing Committee on Foreign Affairs, Defence and Trade (JCFAD&T) appear to now question Australia's fundamental strategic interests and objectives or, at least, to raise doubts about the completeness of the White Paper.

That being said, the Navy League supports periodic reviews of government policy in relation to defence of Australia, particularly when this has been seen as the consistently highest priority of successive governments.

Since the White Paper was published there have been two major events which have relevance to Australia's fifth strategic policy, namely to contribute to the efforts of the international community, especially the United Nations, to uphold global security. These are the terrorist attacks of 11th September 2001 in New York and the current circumstances in IRAQ. The former led to the deployment of Australian defence personnel and equipment to Afghanistan and the Arabian Gulf, the latter to consideration of Australia's possible involvement in military action against IRAQ.

The JCFAD&T Committee, in the preamble to the Terms of Reference (TOR) appears to re-affirm Australia's "fundamental maritime strategy" requiring the Australian Defence Organisation (ADO) to "maintain and further develop an integrated and balanced joint force" and the preamble also illuminates the reason for the Inquiry in stating that:

- The inquiry aims to develop a comprehensive understanding of Maritime Strategy and its place within Australia's broader military strategy and defence policy, and
- Also seeks to understand the implications of a Maritime Strategy for the other tasks set out in the White Paper.

Terms of Reference

While the foregoing rationale for the Inquiry is clear, one might however question whether there is some underlying reason for it, or whether there is now a perception that insufficient study was put into the development of the White Paper. The latter seems unlikely, noting the previous Minister's perception that the White Paper established an historic benchmark.

The Terms of Reference themselves are of such a broad nature that they give the JCFAD&T full scope to examine and challenge every aspect of the Defence White Paper, including the long held principle that the first responsibility of Government is the defence of our country and our community from armed attack. Given the findings of the Community Consultative Team ("the Peacock Inquiry") that preceded the White Paper it would seem unwise for any Government to change the general order of priority accorded home defence.

The Navy League has contributed to a number of inquiries into defence and maritime-related matters over the past thirty years and is not unfamiliar with the problems government and security planners have had to face. During the whole of that period "change" and "uncertainty" have been words most often used to describe the difficulties of those charged with the responsibility of ensuring the nation's security. It is the view of the Navy League that the White Paper, "Defence 2000", made significant progress in grappling with unknowns of the future.

It is the opinion of the League that, while events overseas during the past 12 or so months have to a degree heightened the uncertainty of forecasting our security needs, the broad thrust of "Defence 2000" remains valid.

Funding

The Committee will be aware that for a number of years money allocated for defence purposes has not kept pace with ever-increasing costs, particularly for equipment but in other areas such as personnel.

In publishing "Defence 2000" the Government estimated that defence spending would need to grow by an average of about three percent per annum in real terms over the next decade, albeit it was acknowledged that such growth is slightly below the average annual growth rate of Australia's economy over the last two decades. However, the Government did speculate that if our economy grows on average as fast as it has over the last two decades, in 2010 we will be spending about the same proportion of GDP on defence as we are today. That is 1.9%.

The Navy League is deeply concerned that the increased demands placed on the Defence Force since "Defence 2000" was published and the possibility of continued and growing involvement with international coalitions of forces has already shown that actual and forecasted funding for Defence is inadequate.

The League does not believe that the solution lies in a recasting of Australia's broader strategic interests, nor in an adjustment of those capability development principles set out in the White Paper. To do so would, in the opinion of the Navy League, more likely than not skew the achievement of the Defence Capability Plan set out in Chapter 8 of "Defence 2000"

The Navy League strongly recommends the JCFA&D acknowledge the increased demands being put on the Defence Force since the White Paper was formulated and include in its report a strong recommendation for additional annual funding.

Other Matters

Maritime Strategy While the Navy League supports in principle the term "Maritime Strategy" as indicating Australia's geographic environment, it believes there is some risk this will be narrowly interpreted as restricted to the sea/air gap between North West Australia and the southern limit of the archipelago area to the north. The strategic reality is that should Australia have to defend itself from an external threat, serious consideration would have to be given to operations beyond the sea/air gap. This could involve ground forces, which would need logistic and combat support from both Navy and Air Force operating beyond the southern limits of the Archipelago

The Navy League recommends the JCFA&D address this issue in their deliberations:

Range of Maritime Activities. The Navy League also wishes to emphasise that a nation's Maritime strategy is not confined solely to military forces but must also include a range of activities associated with the sea. These include merchant shipping a vital factor in the nation's well being; shipbuilding and ship repair and maintenance: the fishing industry and policing of adjacent waters.

The Navy League recommends this be noted.

Naval Force Balance While the composition of the Navy's present combat forces conveys the impression of a reasonably well balanced force to support Government's policies, there is one notable omission. This is the absence of adequate air defence. Without this the operational range of ships must be suspect. With the de-commissioning of the RAN's three Guided Missile Destroyers (DDG's) the Navy is now left with no Tier One surface combatant. This weakness is recognised in the White Paper but it would appear that an adequate platform (3 Air Defence capable ships) will not be available until about the year 2013, this must place undesirable restriction in the flexibility of our naval forces.

The Navy League recommends the JCFA&D seek expert advice from Defence on this perceived weakness.

Employment of Naval Forces The League has some concern about the need for the RAN to use its largest warships for "border protection" in northern waters and occasionally, for dashes to southern waters to apprehend fish poachers. While there are benefits in the experience gained by such operations the Navy League does not believe this is the most cost effective way of employing major combatants. The League thinks this should be a major factor in deciding the size and capabilities of the replacements for the FREMANTLE-Class patrol boat.

The Navy League recommends this view be noted.

Merchant Shipping Industry

For a significant trading nation it is remarkable that Australia has for so long relied on overseas owned/flagged ships to carry cargoes in and out of the country. On two occasions it seemed that Australia had lessened its reliance on other countries. During WW1 following the withdrawal of foreign owned shipping the government acquired 43 ships and traded as the Commonwealth Line of Steamers until a succeeding government disbanded the Line in 1928; and in 1956 under enterprising leadership the Australian National Line traded successfully and profitably for more than a decade before declining in importance due largely to government inertia. Australian flagged shipping has continued to decline.

The Navy League considers a healthy Australian shipping industry to be of vital importance to the nation's wellbeing and an essential part of a credible maritime strategy. The League urges the JCFAD&T to give urgent attention to this matter.

Evacuation of Australian Nationals: The Navy League does not envisage Australia declaring war on or engaging in a pre-emptive strike against any State in the neighbourhood. This is not to say Australia could not become involved in hostile activities instigated by other States, nor preclude a need, in our immediate area, to evacuate Australian nationals in a variety of circumstances.

The 1987 Fijian troubles indicated shortcomings in Australia's ability to evacuate nationals but the conversion of two former USN vessels into multi-purpose ships, the LPAs MANOORA and KANIMBLA, has improved the RAN's ability to meet this requirement. The League does not discount the importance of the Air Force in evacuating nationals but airfields may not always be available.

The Navy League recommends the JCFAD&T note the value of multi-capable Surface Vessels

Australian Defence Industry: The Navy League is aware that the naval shipbuilding industry has been under review and that proposals have been submitted for consideration by the Government. The League desires only to caution against having a "single entity" with which the Government would deal. Instead the League recommends several "preferred tenderers" with known expertise or experience in the field into which the equipment sought by Defence falls.

It will be obvious that shipbuilding is not a self-contained industry as the requirements extend into all types of industry.

The Navy League recommends several "preferred tenders" for defence contracts.

SUMMARY

Notwithstanding the recent tragic loss of innocent lives in Indonesia and uncertainty surrounding events in IRAQ and Australia's present commitments in Afghanistan, the Navy League believes the broader policies outlined in the White Paper "Defence 2000" remain valid. It believes that, on the whole, Australia's military commitments can be met from a force in being tailored for the defence of Australia employing a maritime strategy.

Should the JCFAD&T inquiry reveal weaknesses in the present force structure to meet Australia's strategic priorities the Navy League recommends the solution lies in increasing funding arrangements rather than disruption to long term defence funding projections.