

Introduction

Background

- 1.1 On 14 October 2003, during the 40th Parliament, the Joint Standing Committee on Foreign Affairs, Defence and Trade (the Committee) commenced an inquiry into Australia's defence relations with the United States (US).
- 1.2 The Committee received 20 submissions and conducted four public hearings between March and June 2004. When the Federal election was announced on 29 August 2004 the inquiry lapsed.
- 1.3 With the commencement of the 41st Parliament, the Committee resolved to write to the then Defence Minister, Senator the Hon Robert Hill, seeking re-referral of the inquiry. The Minister agreed to this request and on 17 January 2005 wrote to the Committee requesting that it recommence the inquiry.
- 1.4 To summarise progress made on the inquiry in the previous Parliament and to stimulate further discussion where there were gaps in the evidence, the Committee produced an Issues Paper. The paper helped focus debate on the key issues under consideration and stimulated a further four submissions. A final public hearing was conducted in September 2005 which allowed members to seek evidence of recent changes in the Strategic environment in the Asia - Pacific region.
- 1.5 To confirm elements of the evidence to the inquiry and to gain first-hand knowledge of the US perspective on military and strategic policy issues relating to Australia and the Asia Pacific region, the Parliament sent a delegation of seven members of the Joint Standing Committee on Foreign Affairs, Defence and Trade to the United States in July 2005 for an

extensive series of inspections and briefings. The delegation observations are the subject of a separate report tabled in Parliament on 10 October 2005 but deductions made by the delegation also informed the contents of this report.

Report Structure

- 1.6 The remaining chapters of this inquiry report broadly reflect and discuss the matters identified in the terms of reference. The views of various individuals and groups who provided evidence to the Committee are summarised and presented and, in particular, where there are alternative positions these are highlighted.
- 1.7 Chapter Two will consider the contemporary relevance of the ANZUS alliance. It will discuss the potential for alliance entrapment, the degree to which the Australian public are aware of the value and risks associated with the alliance and the impact of New Zealand's approach to the alliance.
- 1.8 Chapter Three will consider the relevance of Australia's military force structure in the context of its ability to meet both emerging asymmetric threats and to contribute meaningfully to the alliance. The chapter will include discussion of the advantages and costs of achieving interoperability with the US and how this impacts on decisions about the purchase of military equipment. Where it is not limited by the classification of material, the report will also discuss the importance to Australia of being part of the US intelligence alliance.
- 1.9 Interoperability leads to consideration of the value to the alliance of combined Defence exercises. The discussion in Chapter Four will include comment on the value of traditional exercises, such as Exercise Talisman Sabre and Rim of the Pacific, and the emerging concepts to achieve a Joint Combined Training Centre (JCTC).
- 1.10 Chapter Five will consider the issues surrounding the Australian dialogue with the US on Missile Defence. The chapter will describe some of the concepts being considered, the advantages and disadvantages for Australia and domestic and regional perceptions.
- 1.11 Chapter Six widens consideration to determine the impact of the Australia US alliance on the Asia - Pacific region. The report will also discuss the impact of strategic developments in the region on Australia and its relationship with the US. In particular the inquiry has considered developments in China, and the impact of tensions over Taiwan. It discusses ASEAN with a focus on Indonesia and on strategic

developments in north Asia where Japan, the Koreas and India were of significant interest.

- 1.12 The report concludes with a discussion of the Australian Defence Industry. The report confirms the importance of a national defence industry capability then considers how the niche Australian industry components can be made most effective. The survival of Australian defence industry is linked to access to the giant US defence market and the report discusses the impact of legislative and other impediments imposed by the US.

