

**THE RETURNED & SERVICES LEAGUE
OF AUSTRALIA LIMITED**

NATIONAL HEADQUARTERS

9 June 2000

Mr Bob Charles MP
Chairman
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600

Dear Mr Charles,

Review of Coastwatch

I write on behalf of the National President of the Returned & Services League of Australia, Major General Peter Phillips, and request the following submission be considered by your Committee in its current Review of Coastwatch, in the light of the Auditor-General's Performance Audit on Coastwatch (*Audit Report No 38. 1999-2000*)

Background

The RSL, regards the surveillance and protection of Australia's Exclusive Economic Zone, in particular our northern sea frontier, as a matter of great importance to national defence and security.

The RSL, has made two submissions on this subject to the Government in recent years: a submission to the Prime Minister dated 29 March 1999 and one to the Minister for Defence dated 17 July 1997. I attach copies of these papers for your information.

The Auditor-General's Performance Audit on Coastwatch

The RSL, has studied this comprehensive Audit Report with great interest and note that all 15 of its Recommendations with regard to the administration of Coastwatch have been agreed by the Australian Customs Service (ACS). We also support these Recommendations and are concerned to note the apparent reluctance of some client agencies to enter into MOUs with Coastwatch.

The Management of Coastal Surveillance

In Audit Report No 38, the Auditor-General noted that, in 1988, the Government of the day rejected an important recommendation of the Hudson Report to the effect that coastal surveillance should be managed by an agency which would be fully independent of client agencies. In the event however, responsibility for the

management of coastal surveillance was assigned to Customs, which itself can be seen as a client agency.

The RSL's longstanding position in this matter is that it would be logical for this responsibility to be carried by the Department of Defence. (Our position is explained in greater detail in the enclosures to this submission.) We note that in 1998-99, Defence expenditure on Coastwatch activities amounted to \$133 million, compared with ACS expenditure of \$35 million.

We therefore welcome the recent appointment of a senior ADF officer, Rear Admiral Shoulders, to fill in the newly created position of Director-General Coastwatch in response to a recommendation by the Prime Minister's Task Force. We understand that this management change has already led to a significant improvement in the vital area of communication and liaison between Coastwatch and the Australian Defence Force (ADF).

We also welcome the changes to the Coastwatch function introduced by the Prime Minister's Task Force.

The Proposal for an Australian Coastguard

We believe that there is some theoretical merit in the concept of an Australian Coastguard as proposed by the Leader of the Opposition in his joint press release dated 23 January 2000.

We have reservations about some aspects of the proposal as it stands and we intend to examine it in greater detail before deciding on our position.

Yours Sincerely,

DEREK J ROBSON
NATIONAL SECRETARY

Enclosures:

1. Submission to the Prime Minister dated 29 March 1999.
2. Submission to the Minister for Defence dated 17 July 1997.

29 March 1999

The Hon John Howard MP
Prime Minister of Australia
Parliament House
CANBERRA ACT 2601

Dear Prime Minister

I am writing to you on the subject of Australian Defence Force involvement in the surveillance of our Exclusive Economic Zone (EEZ) and in particular of our northern approaches. My predecessor General James wrote to your predecessor Mr Keating in 1995 and also to the former Defence Minister Mr McLachlan in 1997, on this subject. In the light of recent landings of illegal immigrants I believe it is appropriate to raise the subject again and request that the government re-examine the whole question of the command and control of surveillance resources with a view to making significant changes.

It has been the RSL's view for some time that the peace time effectiveness of the current system and national defence preparedness could be fundamentally enhanced by increasing the level of Australian Defence Force (ADF) involvement in EEZ surveillance in two ways, namely:

- a. **Control**. The ADF to be made responsible for the overall control and management of EEZ surveillance, (perhaps utilising the existing Maritime Headquarters in Sydney) with the active participation of other interested 'user' agencies, such as AMSA, Customs, AFP, Immigration, Fisheries, Quarantine; and
- b. **Resources**. The RAAF to be provided, at some future date, with the resources needed to undertake all necessary aerial surveillance of the EEZ, thereby superseding the use of civil aircraft under contract.

Our arguments to justify these proposals are set out below.

Control

We consider that the operational structure for EEZ surveillance which would be required in the event of war or national emergency, arising perhaps from sudden and adverse political changes in our region, should as far as possible be the same structure as that which is already functioning in peacetime. Changes of this type are presently occurring to our north with unforeseen consequences, some of which may directly test the present system beyond its capabilities.

As the ADF would need to have control of surveillance of our 'sea frontier' in the event of a national emergency or war, it follows that the ADF should have overall control of EEZ surveillance in time of peace however low the assessed level of threat may be.

A driving factor which makes the ADF the appropriate government agency to manage all offshore surveillance is the emerging strength of that organisation in intelligence surveillance and reconnaissance (ISR). With JINDALEE (JORN) now virtually operational, coupled with national SIGINT resources and other all source intelligence resources, the ADF is the only organisation equipped to process this information with highly developed data fusion capabilities. This capability with which future systems like AWACS will integrate, provides a strong argument for the ADF to assume overall control of surveillance activities.

I venture to suggest therefore that the National Security Committee might consider this proposition, with a view to investigating the merits, feasibility and financial implications of the ADF assuming control of EEZ surveillance as soon as possible.

Resources

As far as surveillance of the inner parts of the northern segment of the EEZ is concerned, we appreciate that the current 'Coastwatch' system managed by the Australian Customs Service and using commercial aircraft for aerial surveillance under contract and supported by ADF Naval resources (approximately 1800 RAN patrol boat days per year) is a comparatively low cost solution and represents an improvement on earlier regimes.

Nevertheless we do consider that aerial surveillance by civil aircraft under contract would be inappropriate in the event of national emergency or war. The problems which we foresee in such circumstances include lack of operational flexibility and shortcomings in communicating with RAN surface surveillance units and RAAF aircraft.

We propose therefore that the RAAF should acquire, at some date in the future, a number of short to medium-range patrol aircraft, optimised for the coastal surveillance task, to replace contracted civil aircraft. (I note that such an acquisition was in fact envisaged by Government some twenty years ago, in the Defence White Paper of 1976).

We are convinced that the deployment of RAAF surveillance aircraft throughout the EEZ would greatly improve operational flexibility and the ability to operate jointly with RAN surface ships, a vital requirement in time of emergency.

With regard to surveillance of the outer parts of the EEZ, we are not suggesting that the current level of deployment of the RAAF's long-range P3C-Orions (approximately 250 aircraft hours per year) should be increased. We presume, however, that surveillance of these areas is likely to be dramatically enhanced by the planned introduction into service of AEW-and-C aircraft and the JORN system.

The implications of acquiring a suitable number of short to medium-range patrol aircraft for the RAAF, equipped for coastal surveillance so as to undertake the tasks currently undertaken by civil aircraft under contract, should be investigated.

Conclusion

To summarise, we submit that these two proposals are very relevant in the Present post-Cold War atmosphere of uncertainty and rapid change in our region and have important implications for our overall level of defence preparedness. The question of command and control of the surveillance systems is the most important structural change which could be made in a very short time with beneficial consequences. The resource question is of importance, although longer term but none the less should be put in train as soon as possible.

While we do not suggest that Australia's coastline can be made impermeable either in peace or war, the recent landings in Cairns of seemingly undetected (at least by Coastwatch) illegal immigrants, leads to the conclusion that the present system is grossly inadequate in peace and would prove disastrous in a national emergency or war.

Yours sincerely

P R PHILLIPS
NATIONAL PRESIDENT

17 July 1997

The Honourable Ian McLachlan AO MP
Minister for Defence
Parliament House
CANBERRA ACT 2600

Dear Minister

I am writing to you on the subject of Australian Defence Force involvement in the surveillance of our Exclusive Economic Zone (EEZ) - and in particular of our northern 'sea frontier' in the light of the points you made in your letter 23 April 1996 addressed to Major General Adrian Clunies-Ross, the Chairman of my National Defence Committee.

I believe that a further approach to you at this point in time is appropriate following the introduction of the current Defence Reform Program, under which, as we understand it, funds saved by cuts in the ADF's 'tail' will be made available to increase the effectiveness of the 'teeth'.

The essence of this letter is to convey our considered view that national defence preparedness should be enhanced as soon as possible by increasing the level of ADF involvement in EEZ surveillance, in two ways, namely:

- a. **Control.** The ADF to be made responsible for the overall control and management of EEZ surveillance, (perhaps utilising the existing Maritime Headquarters in Sydney) with the active participation of other interested 'user' agencies, such as AMSA, Customs, AFP, Immigration, Fisheries, Quarantine; and
- b. **Resources.** The RAAF to be provided, at some future date, with the resources needed to undertake all necessary aerial surveillance of the EEZ, thereby superseding the use of civil aircraft under contract.

Our arguments to justify these proposals are set out below.

Control

We consider that the operational structure for EEZ surveillance which would be required in the event of war or national emergency – arising perhaps from sudden and adverse political changes in our region – should as far as possible be the same structure as that which is already functioning in peacetime.

As, clearly, the ADF would need to have control of surveillance of our 'sea frontier' in the event of a national emergency or war, it follows that the ADF should have overall control of EEZ surveillance in time of peace - however low the assessed level of threat may be.

I venture to suggest therefore that the National Security Committee might consider this proposition, with a view to establishing an inter-departmental study group to investigate

the merits, feasibility and financial implications of the ADF assuming control of EEZ surveillance as soon as possible.

Resources

As far as surveillance of the inner parts of the northern segment of the EEZ is concerned, we appreciate that the current 'Coastwatch' system - managed by the Australian Customs Service and using civil commercial aircraft for aerial surveillance under contract and supported by ADF Naval resources (approximately 1800 RAN patrol boat days per year) – is a comparatively low cost solution and represents an improvement on earlier regimes.

Nevertheless we do consider that aerial surveillance by civil aircraft under contract would be inappropriate in the event of national emergency or war. The problems which we foresee in such circumstances include lack of operational flexibility and shortcomings in communicating with RAN surface surveillance units and RAAF aircraft.

We propose therefore that the RAAF should acquire, at some date in the future, a number of short to medium-range patrol aircraft, optimised for the coastal surveillance task, to replace contracted civil aircraft. (I note that such an acquisition was in fact envisaged by Government some twenty years ago, in the Defence White Paper of 1976). We are convinced that the deployment of RAAF surveillance aircraft throughout the EEZ would greatly improve operational flexibility and the ability to operate jointly with RAN surface ships - a vital requirement in a time of emergency.

With regard to surveillance of the outer parts of the EEZ, we are not suggesting that the current level of deployment of the RAAF's long-range P3C-Orions (approximately 250 aircraft hours per year) should be increased. We presume, however, that surveillance of these areas is likely to be dramatically enhanced by the planned introduction into service of AEW-and-C aircraft and the JORN system.

My second proposal, therefore, is that the implications of acquiring a suitable number of short to medium-range patrol aircraft for the RAAF, equipped for the coastal surveillance so as to undertake the tasks currently undertaken by civil aircraft under contract, should be investigated.

Conclusion

To summarise, I submit that these two proposals are very relevant in the present post-Cold War atmosphere of uncertainty and rapid change in our region and have important implications for our overall level of defence preparedness. I would greatly appreciate your comments on them in due course.

Yours sincerely

W B 'DIGGER' JAMES
NATIONAL PRESIDENT

CC. Major General A Clunies-Ross (Chairman Defence Committee)