

I do not think that we have yet got to the point of providing the Army with a really clear statement of what it is meant to be doing ... To my mind at least, one of the key objectives of the present process is to make sure that we do that.<sup>1</sup>

## **Australia's Defence Strategy**

### **Introduction**

- 3.1 In Chapter 2 we identified a long-standing tension between the Army's assigned peacetime role and its actual employment over the last century. This tension will hopefully be resolved within the course of the Government's public discussion process on Defence Policy. This Chapter constitutes our contribution to both the resolution of this tension and the discussion process.
- 3.2 This Chapter will consider the Army's role in Australia's Defence Strategy by considering:
- The Evolution and Growth of Australian Defence Strategy
  - Community Views on Current Strategy
  - Australia's Future Defence Strategy
  - The Army's Role In Future Strategy - Conclusion

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<sup>1</sup> Mr H White, Defence Strategy Debate, Transcript, p. 58.

## The Evolution and Growth of Australian Defence Strategy

### The Background to Current Defence Strategy

3.3 In the 28 years since Australia ended its involvement in Vietnam, defence strategy has followed a more or less consistent path. This path has been followed both during and after the Cold War. Commencing with the 1976 White Paper, *Australian Defence*,<sup>2</sup> successive governments have emphasised:

- National self reliance in defence – but not self sufficiency.<sup>3</sup>
- A focus and priority on defence of territorial Australia, including its islands and territories.<sup>4</sup>
- A defence strategy orientated towards defeat of aggressive forces in the oceans and skies to the north of Australia.<sup>5</sup>
- The availability and use of intelligence to reduce both strategic and operational risk.<sup>6</sup>
- The use of technology as a means of maintaining capability and limiting expenditure on manpower.<sup>7</sup>

### The Influence of Previous Defence White Papers

3.4 *Australian Defence, 1976*, was a seminal White Paper in focusing the Defence Forces on being able to ‘... operate with substantial independence in our own environment’ and avoiding the ‘... development of defence capabilities that are not relevant to our own requirements’.<sup>8</sup> The emphasis on self reliance was marked.

3.5 *Defence of Australia, 1987 (DoA87)* maintained a clear emphasis on self-reliance while articulating more forcefully the priority for territorial

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2 Department of Defence, *Australian Defence*, Australian Government Publishing Service, Canberra, 1976.

3 Self reliance is discussed in: *Australian Defence*, 1976, p. 10; *The Defence of Australia*, 1987, p. 74; *Australia’s Strategic Policy*, 1997, p. 29.

4 Defensive of territorial sovereignty is discussed in: *Australian Defence*, 1976, p. 10; *Australia’s Strategic Policy*, 1997, p. 29.

5 For a short summary of the basic defensive strategy in 1987 see *The Defence of Australia*, 1987, p. 31, paragraph 3.45.

6 The importance of strategic intelligence for threat warning is included within: *Defending Australia*, 1994, p. 25.

7 Technology is discussed in: *The Defence of Australia*, 1987, pp. 69–74; *Defending Australia*, 1994, pp. 26–27.

8 *Australian Defence*, 1976, p. 12.

defence of Australia and the broad strategy for achieving this. Territorial defence was to be achieved by defeating an enemy within the 'sea-air gap' to Australia's north. This was to be the central focus of the force-in-being. These capabilities were to be oriented towards credible threats that could arise at short notice. The credible short notice threats were defined in terms of low and escalated-low level. The paper proposed that force structures arising from strategy should be based on an assessment of required capabilities rather than an assessment of specific threats. The paper emphasized the importance of intelligence both strategically and operationally. Good strategic intelligence would help the ADF detect and prepare for more substantial threats.

- 3.6 The concept of self reliance within DoA 87 made clear the need for defence of Australia's sovereignty from armed attack. This concept proposed the use of the force-in-being operating within an area defined as Australia's area of direct military interest (ADMI).<sup>9</sup> This was seen by Professor Dibb as a means of resolving a disagreement within the structure of Australian Defence 1976. This disagreement centred on uncertainty on whether defence priorities lay with shorter term contingencies or timely expansion against other contingencies.<sup>10</sup> Professor Dibb believed that DoA87 gave less emphasis to the expansion base and more focus on credible lower level threats.<sup>11</sup> The priority for maintaining an expansion base was significantly reduced by statements of major conflict warning times of seven to ten years.<sup>12</sup>
- 3.7 In resolving conflicting priorities within Australian Defence 1976, DoA87:
- Posited a threat scenario which, given the Army's commitments throughout the 1990's, appears unlikely to occur before the force-in-being is committed to resolving instability in areas which may subsequently affect Australia's security.
  - Defined security priorities in narrow terms - short warning territorial threats to Australia.
  - Played down the ability for the services to generate and expand forces. DoA87 appeared to misjudge the speed with which more substantial calls could be made on Defence. As a consequence the institutions, policy and practices needed to scale to meet threats have been lacking.

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9 *Defence of Australia*, 1987, p. 2.

10 Dibb, P, *Planning a Defence Force Without a Threat: A Model for Middle Powers*, Strategic and Defence Studies Centre, Canberra, 1996, p. 16.

11 *Defence of Australia*, 1987 identified the need for the Army to be able to expand however it afforded it a priority which, as Army noted in its submission, resulted in little emphasis on an ability to expand the force. See *Defence of Australia* 1987, p. 53 and Army Submission 47, p. 757.

12 Defence Strategy Debate, Transcript, p. 7.

3.8 Defending Australia, 1994, maintained the focus on territorial defence but it also conceded that a:

purely defensive response to any form of armed aggression would be very demanding on the Australian defence force ... Our response to conflict would therefore include options to respond proportionately against the aggressor's own interests, including if necessary strike against military assets or selected infrastructure.<sup>13</sup>

Possibly as a consequence of Australia's commitments to the Persian Gulf, Somalia, Rwanda and Cambodia, the paper appeared to expand the notion of the role of the Armed forces in wider security issues<sup>14</sup>. There appeared to be a shift in the government's expectations of the force-in-being. The concept of low and escalated low-level threats was not as forcefully articulated.

3.9 Australian Strategic Policy 1997, the current policy document, identified that the ADF could be required to defeat attacks on Australia; defend our regional interests; and support a global security environment that discourages interstate aggression. The then Minister for Defence suggested that while the capability to defeat attacks on Australia is the highest priority, the defence of the nation does not begin at Australia's shoreline.

Indeed, our strategic geography dictates that we should plan on more pro-active operations which focus on defeating attacks in our maritime and air approaches before they reach Australian territory. That doesn't mean a return to "forward defence". Rather, it is about being prepared to contribute actively to our objective of a secure Australia in a secure region.<sup>15</sup>

3.10 Australia's Strategic Policy 1997 (ASP97) outlined four priority areas for the future development of ADF capabilities:

- the knowledge edge, that is, the effective exploitation of information technologies to allow Australia to use our relatively small forces to maximum effectiveness;
- developing military capabilities to defeat any future threats in our maritime and air approaches;
- maintaining an effective ADF strike capability, that is, the ability to operate pro-actively against hostile forces in the defence of Australia and our interests; and

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13 *Defending Australia 1994*, p. 29.

14 *ibid.* pp. 103-107. This white paper reflected the heavy commitments that Australia had engaged in under United Nations auspices at the end of the Cold War.

15 Minister for Defence, Hon I McLachlan, MP, Statement, MIN 160/97, 2 December 1997.

- developing capabilities to defeat threats on Australian territory.<sup>16</sup>
- 3.11 ASP97 moved away from an assumption that the ADF would necessarily have a prolonged period of warning before being involved in conflict. It appeared to see a limited role for the Army in defeating threats in the maritime approaches to the continent. ASP97 therefore placed the development of the bulk of the Army at fourth priority. Elements of the Army relevant to the 'knowledge edge' or strike would be accorded an appropriate higher priority. ASP97, like AD94, moved towards a more complex view of security to that provided in DoA87. Unlike DoA87 both AD94 and ASP97 have internal inconsistencies. The role of the force-in-being appeared to be widened while, at the same time, the force development priorities suggested a much narrower strategy.
- 3.12 On 27 June 2000, the Government released a public discussion paper on Defence Policy.<sup>17</sup> The paper cited three reasons for conducting a review of defence policy. These were:
- Changes in Australia's strategic environment;
  - Cost and budgetary pressures on Defence; and
  - Changes in military technology

The aim of the discussion paper was to elicit community views on what the armed forces should do, where they should operate, how they should be structured and how the Defence budget should be spent.<sup>18</sup> The paper proposed three options for structuring the Defence Forces to support strategy. These were to defend Australia, defend the region or to engage in operations other than war.<sup>19</sup> These options are at slight variance from the themes we detected within the evidence we received.

## The Army's Role in Strategy

- 3.13 The role of the Army has, of the three services, seen the most drastic shift in both priority and role since the Vietnam War. As Professor Paul Dibb noted:

... the army has traditionally been seen as the most important element of the force structure: in both world wars, Korea and

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16 *Australia's Strategic Policy, 1997*, pp. 56-65. (ASP97).

17 Department of Defence. *Defence Review 2000 – Our Future Defence Force: A Public Discussion Paper*, Defence Publishing Service, Canberra, 2000.

18 *ibid.* p. v.

19 *ibid.* pp. 59-62.

Vietnam it played the leading role in Australia's combat experience.<sup>20</sup>

At the conclusion of the Vietnam War, the Army had a strength of approximately 45,000 regular and national servicemen and was structured for operations in South East Asia under a strategic concept of forward defence. After the war the Army reduced to approximately 34,000 regular personnel with a reserve component of 20,000. The 1976 white paper directed the Army to develop and test '... tactics and techniques relevant to operations in Australia, while retaining the capability to operate overseas in areas relevant to our defence'.<sup>21</sup>

- 3.14 In 1987 the Army's role within defence was more tightly defined and it clearly lost its pre-eminence within the force structure. Operationally the Army was to focus on protective operations and the defeat of incursions. Its role was to provide the last line of defensive depth to Australia's strategy of defeating attacks within the sea-air gap.
- 3.15 The Defence of Australia concept was exercised during Kangaroo 89 when ground forces were arrayed across the north of Australia. One consequence of this exercise was to highlight the shortfall in personnel necessary to implement the defence of Australia concept. This resulted in new initiatives to better utilise reserve force manpower.<sup>22</sup> The Force Structure Review<sup>23</sup> and commercialisation in the early 1990's saw the army continue this role of home defence but with progressive permanent manpower reductions to 23,000 full time personnel.
- 3.16 *Defending Australia, 1994*, fundamentally maintained the guidance provided by its predecessor document. The significant commitment of Australian ground forces to Somalia, Rwanda and Cambodia was recognised but did not lead to an adjustment in basic defence strategy. Peace operations were declared to not '... influence the force development process other than at the margins'.<sup>24</sup>
- 3.17 Within the Army, the concepts behind the territorial Defence of Australia reached their apogee in 1997 with the Restructuring the Army (RTA) Initiative (RTA).<sup>25</sup> This initiative laid out an operational strategy for how

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20 Dobb, P, *Planning a Defence Force Without a Threat*, p. 20.

21 *Australian Defence 1976*, p. 21.

22 Coates, J and Smith, H, *Review of the Ready Reserve Scheme*, University College, University of New South Wales, Canberra, 1995, p. 4.

23 Department of Defence, *Force Structure Review*, AGPS, Canberra, 1991, p. 1.

24 *Defending Australia 1994*, p. 106.

25 Department of Defence, *Restructuring the Army*, Directorate of Publishing and Visual Communications, Canberra, 1997.

the Army could be used to defeat raids and incursions into Australia. To some extent these concepts were sidelined by the arrival of ASP97.<sup>26</sup>

3.18 ASP 97 conceded that the Defence of Australia might involve operations forward of Australia's shoreline. In this regard it arguably broke with DoA87 in placing heightened emphasis on the pursuit of security interests external to territorial Australia.<sup>27</sup> Overshadowing ASP97 were:

- the unforecast occurrence and impact of the Asian economic crisis, and
- the inability for the defence budget to meet the perceived funding necessary to realise the strategy.

3.19 The shifts in emphasis in ASP97 were not reflected in any real shift in the Army's declared tasks or priorities. Land force planning was discussed in terms of protective and surveillance tasks in defence of Australian territory.<sup>28</sup> Despite this, the Army considered, and appeared to plan for, what it termed manoeuvre operations in the littoral environment<sup>29</sup> – both on and off continental Australia.<sup>30</sup>

3.20 The Fundamentals of Land Warfare is an Army doctrine publication that has tried to place the Army within a defence strategy which allows for

... more pro-active operations which focus on defeating attacks in our maritime and air approaches before they reach Australian territory.<sup>31</sup>

The publication has emphasised the role of the Army in littoral operations in defence of Australia and its interests. While not reflected in ASP97 the Army's concepts on its role in maritime warfare appear to have some defacto recognition within the Department of Defence.<sup>32</sup>

## Conclusions on the Recent Evolution in Strategy

3.21 In reviewing Australia's defence strategy since Vietnam we detected the following trends:

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26 The Australian Defence Association argues that aspects of the RTA process failed to recognise the evolution of new strategies – such as those contained in ASP97. (See Australian Defence Association Submission 46, p. 687).

27 *Australia's Strategic Policy 1997*, pp. 31-36.

28 *ibid.* p 65.

29 Land Warfare Doctrine 1: *The Fundamentals of Land Warfare*, Australian Army CATDC, 1998, p. 3-18.

30 This approach appeared to reflect a mismatch between declared land force priorities in ASP97 and what was actually being planned within the Department.

31 Minister for Defence, Hon I McLachlan, MP, Statement, MIN 160/97, 2 December 1997.

32 For an illustration of this see Admiral Barrie, Transcript, pp. 88-89.

- A consistent commitment to self-reliance<sup>33</sup> and the exploitation of intelligence and technology.
- Maintenance of a priority focus on the defence of Australia using the force-in-being (FIB) to achieve this.
- A progressive shift in the conception of national security from narrow territorial issues to include wider regional and global issues.
- A growing tension between defence of Australia and wider, more immediate, security demands. This tension appears to be caused by a tendency to view the pursuit of wider security demands, rightly or wrongly, as not central to the defence of Australia.
- A growing tension between the funds available and the funds thought necessary to implement strategy.

3.22 We also detected a striking contrast between the consistent role assigned to the Army in defence strategy in comparison to its actual employment. The Army appears to lie at the intersection between the Defence Department's longer term preparations for the defence of Australia and the very real and increasing demands to address immediate security issues. This reinforces our findings when reviewing the history of the Army in Chapter 2. Some of the evidence received from the community during the inquiry further reinforced this perception.

## **Community Views on Australia's Strategy**

- 3.23 A diverse range of views relating to recent defence strategy were received. To make sense of these views they have been logically grouped into three categories:
- Differing concepts on the nature of security
  - Differing concepts on the mechanics of armed defence and the implementation of strategy
  - Differing views on defensive capacity or 'How Much is Enough'

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33 The Australian Defence Association asserts that this concept is poorly defined. For the Committee this does not alter the consistent policy guidance given to self-reliance. See Thomas, T J, 'Working up to the DY2K, *Australian Defence Business Review*, Vol 19, No. 4, 14 April 2000, p. 11.



## Differing Concepts of Security

- 3.24 Australia's defence strategy since 1987 has been fundamentally directed toward defeat of aggression against Australian territory. Most respondents did not appear to argue that a capacity for the successful defence of sovereign territory was critical.<sup>34</sup> However, not all believed that Australia's security was served by a singular focus on some future decisive battle in the maritime approaches.
- 3.25 The inquiry heard a diversity of views as to the likely and most pressing threats to Australia's security. These views did not exactly align with the force structuring options presented in the Government's defence policy discussion paper.<sup>35</sup> The spectrum of potential threats to national security included:
- The threat to Australia from regional instability
  - The changed nature of threats arising out of the process of globalisation
  - The threat of an assault on Australia or invasion

## Regional Instability

- 3.26 Events occurring during the inquiry left us in little doubt that Australia was entering a period of increasing regional instability. This was reinforced by the Prime Minister when he stated that:

Without in any way being alarmist, but just being realistic, the region ... is potentially less stable<sup>36</sup>

In the twelve months of the inquiry, news reports were received on:

- Breakdown of law and order in PNG;<sup>37</sup>
- Instability within some island states of the South West Pacific;<sup>38</sup>

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34 There were some exceptions to this view. The Australian Defence Association infers that there has been a fundamental shift in warfare, stating: '*There is a powerful body of opinion that there will be no more big wars because modern warfare is simply too costly and too destructive to withstand.*' Australian Defence Association Submission 46, p. 685.

35 See *Strategic Review 2000*, pp. 59–62.

36 *Financial Review*, 'Trading Blows: PM fears regional instability', 6 April 2000, p. 13.

37 PNG was reported as suffering problems of internal stability as well as being engaged in the protracted dispute in Bougainville. In an article in *The Age* the inference was made that, while other nations, such as the US, were interested in developments in PNG it would fall to Australia to bear the responsibility for resolving issues. This included resolution of tensions on the West Papua border. (Daley, P, 'Why PNG troubles are bad news for us', *The Age*, 9 March 2000, p. A19).

38 Continuing unrest in the Solomons was reported during the inquiry. On 31 March 2000 *The Australian* quoted a Red Cross source that estimated as many as 20,000 Solomon Islanders had been forced from their homes as a result of ethnic tensions over land ownership (*The*

- Social unrest and separatism in Indonesia;<sup>39</sup> and
- Uncertainty as to the future of North Asia including the role China intends to play within the Asia-Pacific region.<sup>40</sup>

3.27 Concern about the deterioration in Australia's region was common amongst the more established commentators on defence matters. The Australian Army felt that the region was less benign than it was previously and that the Army must be able to respond to this instability if needed.<sup>41</sup> General Sanderson, a previous Chief of the Army, reinforced this view by stating that the region had, in the preceding 12 months, become increasingly unstable. The point was made that the problem with regional conflicts is that they may be the only ones in which Australian security might be challenged without the nation having recourse to rapid international assistance.<sup>42</sup>

3.28 We were aware however, that these concerns about the region, of themselves, do not necessarily represent a threat to Australia's physical security.<sup>43</sup> There was concern about regional insecurity but few statements on how this insecurity impacts on the security of Australia. For Professor Paul Dibb the central issue was the role of the region as Australia's strategic shield:

The future of South-East Asia as a strategic shield to our northern approaches is now highly uncertain. ASEAN in my view is a weak, dispirited, introverted group of countries which are more vulnerable to penetration by potentially hostile major powers.<sup>44</sup>

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*Australian*, 'Solomons in civil war alert', 31 March 2000, p. 7.) An article by Robert Garran on 14 April 2000, discussed proposed peace talks to help reduce the country's 'festering ethnic unrest'. (Garran, R, 'Tasman Pact Aids Solomons Peace', *The Australian*, 14 April 2000, p. 8).

39 The Committee was made aware of continuing unrest in Aceh, the Mulakas and West Papua as well as the problems facing Indonesia's economic recovery. It was also aware that Australia's commitment to Timor was likely to continue at least for two years (*The Australian*, 'Timor a two-year job, says Cosgrove', 14 March 2000, p. 8).

40 Tensions in the between China and Taiwan as well as problems within North Korea were all evident during the inquiry. Commentators were divided on what Australia's response should be. Some were critical of Australia's apparent acquiescence to China on issues relating to Taiwan (Fisher, R D Jnr, 'Time to take a strong line against tyranny', *Financial Review*, 17 February 2000, p. 21). Others, such as the former Prime Minister, Malcolm Fraser, were more critical of the United States and concerned that US attitudes to China would work against Australia's interests (Fraser, M, 'US relations the ties that bind: The sooner America butts out of the region the better', *The Australian*, 19 January 2000, p. 13).

41 General F Hickling, Transcript, p. 66-67.

42 Mr A McCormick, Submission 28, p. 322.

43 Mr G Barker reinforced this point during the Defence Strategy Debate. See Transcript, p. 22.

44 Professor P Dibb, Transcript, p. 200.

- 3.29 We accepted Professor Dibb's view of the region as a strategic shield. (The term being adopted within the press was Australia's 'inner arc' or 'arc of instability'.) However, we also felt that the significant involvement of Australian citizens and businesses in the region also added another element to security that must be factored into defence strategy. In the longer term, regional instability might leave Australia open to a major aggressor. In the short to medium term regional instability could threaten the lives and livelihood of Australians. Pursuit of regional security by Australia must address both these issues as they do not seem mutually exclusive but complementary.
- 3.30 A final dimension to regional security was brought to the fore by the crisis in East Timor. It is evident from the public's response to this crisis that the community's expectations of the Defence Force are greater than those perceived by the Department of Defence. There is also an expectation amongst the smaller nations within our region. We noted that during the period of our inquiry the Prime Minister of the Solomon Islands requested Australia to provide military assistance to 'defuse tensions' in Guadalcanal.<sup>45</sup> Resolving gross abuses of human rights, peacekeeping and relieving humanitarian crises may not be seen by the population at large as an 'optional extra' for defence strategy. This theme is expanded upon within the next section.

### Globalisation and the Changed Nature of Threats

- 3.31 The issue of globalisation was used to suggest that the nature of national security has changed. The perceived trend towards globalisation was used to argue that Australia's security interests were not served by a singular focus on the territorial defence of Australia. In fact one respondent argued that:
- Australia's military strategy has been directed towards a threat to this country which has never existed ...<sup>46</sup>
- 3.32 In general, globalisation was seen as a reason for Australia to engage more actively as a good world citizen. The end of the Cold War was seen as ushering in a new age of economic interdependence and reducing the likelihood of conflict between advanced economies.<sup>47</sup> Australia's concepts for achieving security, it was argued, must move beyond the narrow and mistaken confines of territorial defence. In a globalised world a potential aggressor must factor in not only the military costs of aggression but also the 'enormous political damage' and 'severe multinational retaliation'

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45 Wright, J, 'Australia 'shirking' Solomons', *The Courier Mail*, 14 June 2000.

46 Mr P Jones, Submission 39, p. 398.

47 Dr G Cheeseman, Submission 30, p. 392.

associated with an attack.<sup>48</sup> Evidence was also received about non-military threats to Australia's security, including those from international crime,<sup>49</sup> terrorism,<sup>50</sup> diseases<sup>51</sup> and mass migration of refugees.<sup>52</sup>

- 3.33 The number of respondents who defined national security in terms broader than territorial defence was noteworthy. Not all were agreed on how best to pursue a broader concept of security. The Australian Defence Association, while not overly concerned about a threat to territorial Australia, appeared to advocate the retention of conventional forces and warfighting capabilities. Others argued, that if the United Nations can be made effective at maintaining the peace, then Australia's long term security is more assured.<sup>53</sup> World Vision Australia argued that it was more cost effective to invest in conflict prevention rather than conflict resolution.<sup>54</sup>
- 3.34 Admiral Barrie, the Chief of the Defence Force, acknowledged the complexity of the factors which undermine security. The prevalence of poverty, inequality and 'warlordism' were contributory causes to conflicts within states today. While not negating the need for military defence he recognised the importance of preventative measures. This included a good level coordination of the complex forces needed to ensure security is achieved in the broadest sense. He suggested that in the future:
- ... Governments will be more inclined to explore the possibilities of creating a closer relationship and mission between defence forces, aid organisations and development agencies.<sup>55</sup>
- 3.35 It was felt that existing defence strategy may perhaps be too narrowly focused on achieving security through territorial defence. Since 1987 defence strategy has given increasing attention to other aspects of security
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48 Australian Defence Association, Submission 46, p. 692. The views expressed by the Defence Association are backed up by Dr Graham Cheeseman where he argues that any aggressor risks international economic sanctions and stands little to gain. See Dr G Cheeseman Submission 30, p. 388. Supporting views were also expressed in somewhat different form during the Defence Strategy Debate. See Mr R Garran's comments, Transcript, 30 June 2000, pp. 23-24.

49 For one view on non-state threats to security see *The Fundamentals of Land Warfare*, pp. 4-3.

50 Discussed in a confidential submission.

51 See Mr T King, Submission 31, p. 473 for mention of other non-state threats to Australia, including the introduction of diseases.

52 Mr M Hamilton-Smith, Transcript, p. 25.

53 Brigadier R Atkinson, Submission 44, p. 656.

54 World Vision Australia, Submission 53, Appendix A. This appendix provides an estimate of the cost savings if nations invested in strategies of conflict prevention rather than resolving a conflict after it had broken out.

55 Barrie, C, 'Food, Water and War: Security in a World of Conflict', *Keynote Address to the Crawford Fund*, August 2000, Canberra, p. 19. We felt that the logical mechanism for achieving Admiral Barrie's suggestion was the creation of a national security policy. This policy would be developed and maintained by a National Security Council. (See Chapter 9)

where they do not detract from preparations for the defence of Australia. We acknowledge that articulating a more comprehensive defensive strategy has implications for resources and must be very carefully structured. However, real concerns remain in the community over defence of Australian territory. Not everyone in the community attaches the same importance to the globalisation process. Some feel a genuine concern that Australia is inadequately defended and exposed. This is the subject of the next section.

### The Prospect of Invasion

- 3.36 It is against the prospect of territorial assault that the current defence forces have been clearly structured since 1987. This is still seen as the overriding priority for Australia's armed forces. The need for Australia to be able to defend itself seems, to some, all the more necessary because we do not have the certainty of alliance and security benefits which are afforded to countries such as Canada.<sup>56</sup> This sense of vulnerability and the potential for equivocal support from allies was made on more than one occasion.<sup>57</sup> Once again, while some respondents were united in their perception of threat, they were often divided on how to respond to an assault on territory or invasion.
- 3.37 The official strategic preference is predominantly for the use of air and naval forces to intercept and destroy enemy forces when they are most vulnerable. This requires an ability to engage an enemy in the maritime approaches to Australia. A concern was expressed that, in the aftermath of the Army's involvement in East Timor, there may be a temptation unwisely to water down this strategy.<sup>58</sup>
- 3.38 Others have perceived a dangerous over reliance on the Air Force and high technology in the defence of Australia. Australia's strategy, which is based on a small number of expensive sea and air platforms, is seen as vulnerable and lacking depth.<sup>59</sup> It appeared to the Committee that a desire to create significant depth in Australia's defence led a number of respondents to propose national service schemes:

Australia needs a national training scheme for its young people. ... the scheme will be controversial .. With your indulgence, I will give you a one paragraph summary of the benefits, of a national training scheme. As well as the military components, it would

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56 Mr A McCormick, Transcript, p. 189.

57 See Mr J Gallaway, Submission 9, p. 80. During public hearings the issue of perceived equivocation by the United States in the East Timor crisis was raised.

58 Air Marshal D Evans, Transcript, p. 116.

59 Colonel D Chalmers, Submission 50, p. 4.

cater for the objector or person with physical or other limitations. It would supplement , emergency service, rural fire, life saving, land care, coastal reconstruction, assistance to veterans and the more elderly citizens, etc etc. ...<sup>60</sup>

Suggestions similar to this one were expanded to include proposals for armed neutrality. Switzerland, which maintains very small regular forces but can mobilise a very large army, was used as an example of successful armed neutrality.<sup>61</sup>

- 3.39 It was clear that a significant number of respondents attached great importance to Australia maintaining a credible ground force that could deter attack. Even advocates for defeating an enemy in the maritime approaches to Australia emphasized the need for a highly capable army to provide deterrence and defensive depth.<sup>62</sup> We found it difficult to agree with one witness that certain nations could be identified as currently posing a threat to Australia.<sup>63</sup>
- 3.40 Despite the absence of a clear threat, we felt that, in general, Australians would not accept a defence strategy which did not satisfy the requirement for a highly credible national defence capability. What was not initially clear was how this could best be achieved while still addressing the legitimate concerns of other Australian's for regional and global security. Part of the answer was thought to lie in the actual mechanics of using armed forces and how strategy is implemented.

## **The Mechanics of Defence and the Implementation of Strategy**

- 3.41 At the heart of the differing views on Australia's security policy lies a clear divergence on how armed force can be used to achieve security. Recent defence strategies provide broad guidance that must be interpreted and implemented by the Department of Defence.

### **The Mechanics of Defence**

- 3.42 The 1987 defence of Australia concept provides a good illustration of differing views on the mechanics of defence. Supporters of the strategy, such as Air Marshal Evans, see the concept as an inherently logical solution to an invasive threat on a large island nation with a limited

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60 Mr T King, Submission 31, p. 471

61 Most notable amongst these proposals was that made by Mr R Downey, Submission 3.

62 See Air Marshal D Evans, Submission 54.

63 Mr R Downey, Transcript, p.233-234.

population.<sup>64</sup> DoA87 consistently focused the conduct of defence on and from Australian territory. The concept has been criticised because:

- It unnecessarily concedes strategic depth by effectively limiting Australian responses to the range of ground based air power which can be projected from continental Australia.<sup>65</sup>
- It lacks balance by placing too much reliance on a limited number of highly expensive air and sea assets that we may be reluctant to risk, or may be quickly lost in a conflict.
- It inaccurately describes Australia's geo-strategic circumstances by basing strategy on a sea-air gap, which in reality includes significant landmasses that the strategy ignores.<sup>66</sup>

3.43 The consequences of not appreciating the mechanics of defence appear to have been brought home during Exercise Kangaroo 89. This exercise demonstrated the huge cost in resources necessary to contain multiple low level threats by restricting defence to northern Australia.<sup>67</sup> In one sense it forced Australia to mobilise a disproportionate amount of force to defeat a lesser force. Perhaps as a concession to this lesson AD94 opened up the strategic option of 'striking against the aggressor's own interests'.<sup>68</sup>

3.44 The impact of geography bears most heavily on the mechanics of force development. DoA87, AD94 and ASP97 focused the Army's structural development on addressing surveillance and response tasks predominantly on continental northern Australia. The possible consequences of this focus may be the development of an Army that procures mobility platforms, sensors, logistic and weapons systems optimised for the wrong environment.<sup>69</sup>

## The Implementation of Strategy

3.45 We were made aware of perceptions that, within the guidelines of defence strategy, there was still room for interpretation that may not reflect the government's intent. Professor Dibb has been sensitive to suggestions that DoA87 restricted the Army to an overly constrained role of low level territorial defence. Professor Dibb asserted that this was not what DoA87

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64 Air Marshal D Evans, Transcript, p. 121.

65 See Dr J Wood about defensive depth Submission 32, p. 495. Also see Brigadier Brian Cooper where he argues that there is a need, in successful defence to push threatening air power as far away from Australia's shores as possible – Brigadier Cooper, Transcript, p. 224.

66 Defence Strategy Debate, Transcript, 30 June 2000, pp. 40–41.

67 See *Review of the Ready Reserve Scheme*, p. 4.

68 *Australia's Defence 1994*, p. 29.

69 See comments by Brigadier B and Mr S Cooper on the impact of terrain on mobility platforms. Submission 19, p. 149.

directed; however, he conceded that recent policy (ASP97) may have placed the Army at too low a priority.<sup>70</sup>

3.46 Perceptions that the Department of Defence's interpretation of strategy had been biased against the Army were not uncommon. Some considered that the Army had been constrained to the task of 'bayoneting the shipwrecked' left over by the successful air and naval defence of the sea-air gap.<sup>71</sup> Other criticisms relate to perceptions that:

- The provision of high technology and state of the art equipment extends only to the RAN and the RAAF. The strategic preference for a technologically superior force is selectively interpreted when applied to decisions on the Army.<sup>72</sup>
- The Army itself has selectively interpreted strategy. It has failed to prepare a deterrent capability in the form of a demonstrable capability to mobilise. It has concentrated on immediate tasks for the regular force-in-being to the detriment of its primary role. It has decided to neglect half of its available combat force represented by the Army Reserve.

3.47 We also observed a tension between ASP97's declared tasks and priorities for the Army and the Department's own task list. The task list implies that the Army is required to do more than is articulated within current strategy.<sup>73</sup>

3.48 A final criticism of the implementation of strategy was the simplistic approach taken to strategy. It was suggested that there was an over-emphasis on equipment and a failure to look at capabilities.<sup>74</sup> It was also suggested that there was a need to look at strategy in a more comprehensive all-of-Government approach. The need for a more sophisticated approach to the implementation of strategy was made by General Baker:

It is not a question only of defence. It is a question of coordinating all of our national assets, our foreign and trade policy, our economic development, our Defence Force and our industry to produce a nation which can punch above its weight within the

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70 See Professor P Dobb's statements in Transcript, p. 194.

71 See Dr J Wood, Transcript, p. 163 and, for perceptions on resourcing, Mr C Gardiner, Submission 45, p. 667.

72 For a discussion on this issue see Lieutenant General J Sanderson, Transcript, p. 152-153.

73 The Department of Defence's task list for the Army appears to extend beyond the force development guidance provided in ASP97. See Department of Defence, Submission 35, p. 556.

74 See comments by Mr D Woolner, Defence Strategy Debate Transcript, 30 June 2000, pp. 50-51.



region, not just in defence matters but in all matters of global concern.<sup>75</sup>

## How Much is Enough?

### Introduction

3.49 There are clear limits to what Australia can do. Because there are limits we felt that Australia should be clear on the outcomes it cannot influence and those that it must influence. In between these two extremes are a number of outcomes that Australia probably should prepare for. In preparing for any defence contingency, because national resources are limited, there will inevitably be the need to manage risk. This section discusses the limits of national power under the following headings:

- The Limits of National Power
- The Obligations of National Power
- Risk Mitigation.

### The Limits of National Power

3.50 We detected, in a number of submissions, a marked reluctance to address the issue of Australia's resource limitations. This sometimes reflected an understandable concern amongst some elements in the community that our forces-in-being could not defeat a major threat. As a result, proposals for forms of national service were proffered as means of raising sizeable forces at relatively low cost. In the absence of a large-scale identifiable threat, it was difficult to see such schemes as being acceptable to the majority of Australians. They also did not seem cost effective.<sup>76</sup> We did accept the underlying concern that has generated these ideas. Australia, as a sovereign nation, must have a demonstrable and credible capability for preserving its sovereignty.

3.51 We also rejected suggestions that Australia has the resources and capability to militarily produce meaningful political outcomes well distant from the nation. Australia's contribution to military outcomes on the Eurasian land mass will always be diminished by:

- the distances at which forces have to be projected and sustained; and

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75 Defence Strategy Debate, Transcript, 30 June 2000, p. 12.

76 For a discussion on these issues see Mr R Downey, Transcript, pp. 236-238.

- the far greater forces able to be generated by the nations occupying Eurasia.<sup>77</sup>

This appeared to be accepted by the Army.<sup>78</sup> Other commentators agreed that the Army, but not necessarily the other services, was limited in this regard.<sup>79</sup> We could not support the contention that the greater level of interoperability of the RAN and the RAAF with the United States conferred on them a capability different from the Army. In large-scale coalition operations in Eurasia, all three services lack the 'weight' to make a decisive contribution.

- 3.52 Structuring of forces for significant operations in Eurasia would be a clear return to a concept of 'forward defence'. Under forward defence Australia's forces were not decisive, but seen as a means of procuring future good will and security from major allies. This approach had significant domestic ramifications while being insufficient to resolve the situation. During the Vietnam War the force was too small to affect the military outcome. Yet to provide even this small force required conscription which the community eventually decided was not justified.
- 3.53 Australia's geo-strategic situation does not afford it the same security as countries such as Canada, or smaller European countries cosseted under European Union umbrella, such as Ireland. National resources must be applied to security issues in such a way that Australians feel confident in the nation's ability to protect its sovereignty and its regional interests. With only limited resources for security the nation must accept risks in developing its security policy.<sup>80</sup> However, because of Australia's wealth it must also accept obligations.

### The Obligations of National Power

- 3.54 Although Australia's power is limited it remains the largest economy in South East Asia and the thirteenth largest economy in the world. Within the South Pacific Australia is by a wide margin the dominant economic and military power. To some extent Australia might be seen to have an obligation to the nine million people spread within the South Pacific. Mr Michael O'Connor, in discussing the closer region considered that:

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77 See Professor P Dibb, Transcript, p. 195; and Defence Strategy Debate, Transcript, 30 June 2000, pp 16 and 47 for discussions on the limits of Australia's power in a conflict on Eurasia – eg, Korea.

78 See Lieutenant General F Hickling, Transcript, p. 70; and Lieutenant General J Sanderson, Transcript, p. 147.

79 See response to questions from Dr A Southcott, MP, in public hearing - Mr M O'Connor, Transcript, p. 171.

80 See comments by Hon Dr S Martin, MP, on the impact of Australia not sitting within a NATO-style organisation. Defence Strategy Debate, Transcript, 30 June 2000, p. 33.

... we cannot walk away from [it]. That is an area in which we have to be able to contribute to ensure, if nothing else, that the countries in the region remain in the hands of people friendly to Australia.<sup>81</sup>

- 3.55 Another problem for Australia's strategy is the absence of regional forces, particularly in the South Pacific, which can provide sustained military contributions. It was pointed out that in Bougainville the ADF eventually bore the bulk of the commitment.<sup>82</sup> In other words Australia cannot regionally burden share as much as other countries. We noted however, the significant and ongoing commitments of New Zealand and many other regional countries, including those within ASEAN, to peacekeeping.

## Mitigating Risk

### The Resource Imperative

- 3.56 The need for risk management was underscored throughout 2000 by concerns over the defence budget. Based on the existing implementation of strategy, it was estimated that, by 2020, the defence budget would have to double to pay wages, maintain operations and procure proposed new and replacement capabilities. Under this scenario the 2020 defence budget would be \$26 billion. This situation was seen as exceeding:

... any projection of likely defence budget increases that it could not be achieved without considerable changes to the nature of the Commonwealth budget and/or current fiscal policy.<sup>83</sup>

- 3.57 Continued implementation of defence strategy, as it has been interpreted, appeared not to be an option. This may well be in spite of the current Government's recognition and intention to increase defence expenditure.<sup>84</sup> Regardless of the merits of the current strategy, clearer guidance would have to be provided to the Department of Defence to permit calculated risk tacking. These approaches to risk management would have to be more comprehensive than those previously adopted. These are discussed further below.

### Previous Risk Mitigation Strategies

- 3.58 The mitigation of risk in previous defence strategy appeared to be addressed by:

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81 Mr M O'Connor, Defence Strategy Debate, Transcript, 30 June 2000, p. 27.

82 Defence Strategy Debate, Transcript, 30 June 2000, p. 44.

83 Woolner, D, *Pressures on Defence Policy: The Defence Budget Crisis*. Parliamentary Research Paper No. 20, 1999–2000, p. iv.

84 This intention was flagged by the Prime Minister on the launch of the Defence Public Discussion Paper on 27 June 2000.

- An intention to use intelligence to provide warning.
- Strategic assumptions about warning times available to generate forces once intelligence had detected an emerging threat.
- An implied capability to generate forces to meet a major threat should one arise.
- Maintenance of a minimum viable force with sufficient balance to provide depth to defence (avoiding placement of all the defensive eggs in the one strategic basket)
- Maintenance of agreements, such as the Five Power Defence Agreement (FPDA), and a significant programme of defence regional engagement.

### The Role of Intelligence

3.59 DoA87 recognised the limits of both national power and the amount of resources Australians were willing to commit to military security. DoA87 considered that the risks associated with limited resources could be mitigated through good strategic intelligence:

Defence policy depends heavily on a high level of performance of intelligence monitoring and assessment of international events to detect changes in adequate time.<sup>85</sup>

We agreed with the existing and previous defence policies in assuming the absence of a discernible threat; Australia's own geography and good intelligence do permit calculated risk taking.

3.60 It has been difficult for committees such as ours to make informed statements about the role of intelligence within Australia's defence posture. During the inquiry we were pleased by the open and frank briefing on intelligence matters provided to us by the Department of Defence.<sup>86</sup> Because of this briefing we felt more confident in the role and utility of intelligence within Defence strategy. Armed with a better understanding of our intelligence organizations we believe the critical question that arises for the community and government is what is an acceptable assumption of warning time. This assumption is critical to plans for force generation to address more significant threats.

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85 *The Defence of Australia, 1987*, p. 29.

86 The Head of the Defence Intelligence Board, Mr M Brady, provided a private briefing on intelligence matters to the Defence Sub-Committee during the course of the inquiry. The Committee would like to acknowledge this briefing as a significant and healthy departure from previous intelligence briefings provided to the Joint Sanding Committee on Foreign Affairs, Defence and Trade.

### Assumptions of Warning Time

- 3.61 Previous guidance has suggested that major threats to Australia's sovereignty could not arise within 10 years.<sup>87</sup> ASP97 has been more cautious about defence planning based on assumed warning times although it provided no explicit guidance for defence planners.<sup>88</sup> Previous concepts of warning time have been questioned in submissions.<sup>89</sup> A study looking at conflicts since 1939 concluded that the average warning time was approximately 14 months.<sup>90</sup> This suggestion of warning time has not been debunked by recent experience with the Gulf in 1991 or commitments such as East Timor in 1999.
- 3.62 Outside of established arms races there appears no precedent for a democracy observing a threat 10 years in advance and then acting upon this assessment. Australians were concerned about a Japanese threat forty years prior to World War II. Two years prior to the loss of the 8<sup>th</sup> Division in Singapore, Australia had not acted decisively to address a Japanese threat. As General Sanderson pointed out to the Committee, the events occurring in East Timor and Australia's commitment to them, would not have been considered 12 months before they happened.
- 3.63 The lesson for us was that deteriorating international or regional situations have a tendency to create opportunism and collateral effects that cannot be forecast. Defence policy should be created on this assumption – not on a misplaced assumption that events progress linearly. Significant security situations can arise with little warning and, it would appear, concurrently. The Army's ability to sustain a response to significant concurrent operations is questionable.

### Force Generation

- 3.64 The experience of the combined commitments in Bougainville and East Timor, at a time of further tensions within the Solomons, Fiji and PNG, indicate that multiple concurrent demands may arise for the Defence Force. Managing concurrent security situations is also a matter for judgement and risk management. However, it is now conceivable that

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87 Defence Strategy Debate, Transcript, 30 June 2000, p. 8.

88 Note that ASP97 modified strategic guidance to concede 'decisions on the posture and preparedness of the ADF cannot be based on any robust estimate of the amount of warning we would get at the outset of a crisis', see *Australia's Strategic Policy 1997*, p. 38.

89 See Dr J Wood, Submission 32, p. 506, for a discussion on warning times and the ten-year rule and the 1991 Persian Gulf Conflict. Also see Lieutenant General J Sanderson, Transcript, p. 146, concerning the speed with which Australia's strategic circumstances have changed.

90 O'Neill, R and Horner, D (Eds) *Australian Defence Policy for the 1980*, University of Queensland, St Lucia, 1982, p. 234.

Australia might have two significant regional commitments occur concurrently.

- 3.65 From our own observations it would appear that Australia must be able to generate forces to meet significant security threats in periods under two years. This does not mean that all the forces necessary for the resolution of the conflict must be generated in this time frame. Nor does it follow that such a capability requires a large force in-being. It does suggest that if Australia is to react to a major threat, or concurrent smaller threats, it will have to do this in time frames well within ten years. It must also have the forces and equipment in planning to meet a more significant threat.
- 3.66 The difficulty associated with generating forces for Timor and other contingencies suggested that the issue of force mobilisation, as a risk management tool, has been neglected. This appears to be a direct result of over confidence in warning times and misplaced assumptions about our ability to react to security situations.

### **Maintaining Balanced Forces**

- 3.67 Since 1976 the need to maintain balanced forces has been recognised. This is central to a concept of self-reliance. It provides depth and therefore mitigates the risk if one element of the force is defeated. Balance sometimes refers to the mix of air, sea and land forces. However, in this case, we were concerned that the balance of investment in the force was unnecessarily skewed towards the creation of a force-in-being.
- 3.68 We did not consider that the force-in-being, on current or anticipated defence expenditure, would be able to generate sufficient force in sufficient time to deal with a significant regional or territorial threat. Yet there appeared no demonstrable plans to generate this force. This seemed to be taking unnecessary risk by investing in a force-in-being facing a low threat while neglecting a future force that may have to deal with a major threat or concurrent lesser threats.

### **Conclusions on Community Views on Strategy**

- 3.69 We felt that there was bedrock of concern, within the community, that Australia must be able to defend itself. We also noted community concerns that other regional and global security issues had implications for Australia's security. We concluded that:
- Defence of Australia was the priority security concern within the community.

- Successful defence of Australia rested, in the first instance, on Australia's immediate region maintaining the stability and security necessary to preclude the development of a direct threat to Australia.
  - In a wider context it was in Australia's interests to contribute to global security concerns<sup>91</sup> and to explore more comprehensive options for achieving security other than armed force alone. To achieve this there was a need to explore a more comprehensive 'all of government' approach to security policy.
- 3.70 An ability to credibly address the above spectrum of concerns would result in a national security policy that was relevant to Australians. It would also be very comprehensive and provide great depth to Australia's security. It would however, unless it was carefully thought out, be very expensive. We believed that by paying more attention to the issues of strategy implementation and risk that such a national security policy could be created.<sup>92</sup>

## Australia's Future Defence Strategy

### Discussion

- 3.71 There has been, in all Government Defence policies since 1987, a sense that Defence of Australia could not include the addressing other security concerns. The force development priorities for the Army in these documents have it consistently bolted to the territorial defence of Australia. This suggests that structuring the Army for wider and more immediate security concerns is exclusive of this core task. Even the recent Government discussion paper suggests that the option for engaging in regional security is somehow different to defence of Australia.<sup>93</sup> Mr Michael O'Connor argued against this concept of mutual exclusivity by claiming that:

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<sup>91</sup> It should be re-emphasised, given the limits of Australia's economic and military power, that its ability to affect decisively distant crises will always be limited. More often than not Australia can best contribute on a global stage through diplomatic and other means of non-military support. These global activities can enhance Australia's security if they are guided by a planned and integrated program of national activity oriented towards defined national security objectives.

<sup>92</sup> See Chapter 9 for discussion on the formulation of a national security policy and the possible need to establish a National Security Council.

<sup>93</sup> See *Defence Review 2000*, pp. 59-61.

... if you develop a broad maritime strategy then it actually gives you a lot more options which do not derogate from the defence of Australia ..<sup>94</sup>

Mr Derek Woolner went further when critiquing the discussion paper and said:

The structure of the green paper does not really help you very much in focusing on [structuring options ...the ones provided by the Department of Defence are] ... not really useful when you come down to the hard nuts and bolts of force structuring. It is simply because well-developed forces are not exclusive in their use and options.

- 3.72 We felt that national and regional security were not mutually exclusive concepts. They were in fact synonymous. Australia has wealth and with it obligations to the region. This particularly applied to our obligations to the nations of the South Pacific. Likewise, we felt that, within limits, designing a well balanced force for operations in the region was not exclusive of being able to defend Australia. It also did not preclude, where Australia had the capacity, making wider international contributions.
- 3.73 Of course the devil lies in the detail. A strategic concept that does not indicate priorities and limits will become prohibitively expensive. This section will provide our view on what Australia's defence strategy and priorities should be. It will do this by using three of the principles we listed in Chapter 1 – relevance, credibility and efficiency.

## Relevance

- 3.74 Australia's future defence strategy needs to be relevant to the concerns of the majority of Australians. It needs to be capable of deterring and if necessary defeating attacks on territorial Australia. However resources attributed to doing this must be commensurate with both the probability and warning time for significant attacks.<sup>95</sup> Australians seek an assurance that within reasonable warning times the ADF could prepare for and defeat a significant attack. We believe that this warning time should be set at no more than two years.

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94 Defence Strategy Debate, Transcript, 30 June 2000, p. 37.

95 Previous defence strategy has been focused on defeating in the air-sea gap raids that could arise at short notice. We do not believe that a defence focused on raids (which can 'spoil ones day') is an appropriate use of funds. Defence should be prepared for serious attacks (which can 'spoil one year').



- 3.75 More immediately Australia's defence strategy needs to be capable of handling those situations within the region, which, if left unaddressed, may eventually permit a significant attack to be mounted on Australia. We believe that Australia must address these regional situations before assisting in the resolution of global problems. Because these situations have a higher probability of occurrence, the ADF should be able to commit significant force to these activities within a warning time of four months. Minor force should be able to be deployed much sooner.

## Credibility

- 3.76 Australia's defence must be credible. We believe that this credibility will be achieved by:
- Maintenance of a highly effective regionally focused intelligence and surveillance capability.
  - The development of plans, processes and institutions to enable the defence force to expand to meet significant threats to Australian territory within a warning period of no more than two years.
  - The maintenance of a well balanced and integrated force-in-being that is capable of the sustained dominance of one major and one minor focal area located anywhere within the region, including Australia.
  - The maintenance of shared procedures and interoperability standards with key alliance partners both within and external to the region.
- 3.77 The proposal to stipulate a maximum warning time for more substantial conflicts is intended to remove ambiguity and confusion within Defence planning. Current Defence policy (ASP97) notes:

In planning our forces, and their activities, we therefore cannot assume that we would receive any particular amount of crisis warning of an attack on Australia, or a threat to Australian interests. ...We conclude, therefore, that decisions on the posture and preparedness of the ADF cannot be based on any robust estimate of the amount of warning we would get at the outset of a crisis ...<sup>96</sup>

There is, in fact, some analysis to suggest that significant threats arise internationally in periods well under two years.<sup>97</sup> As indicated in Chapter 2 the repeated experience of our armed forces in the 20<sup>th</sup> Century has been to be unprepared for conflict. Providing warning times for short-

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<sup>96</sup> Australia's Strategic Policy, 1997, p. 38.

<sup>97</sup> Ross, A T, 1975, *An Analysis of Warning Time Associated with Major Conflict 1939-1973*, Department of Defence Central Studies Establishment, 1975.

notice and more substantial conflict allows defence planning to be structured and audited.

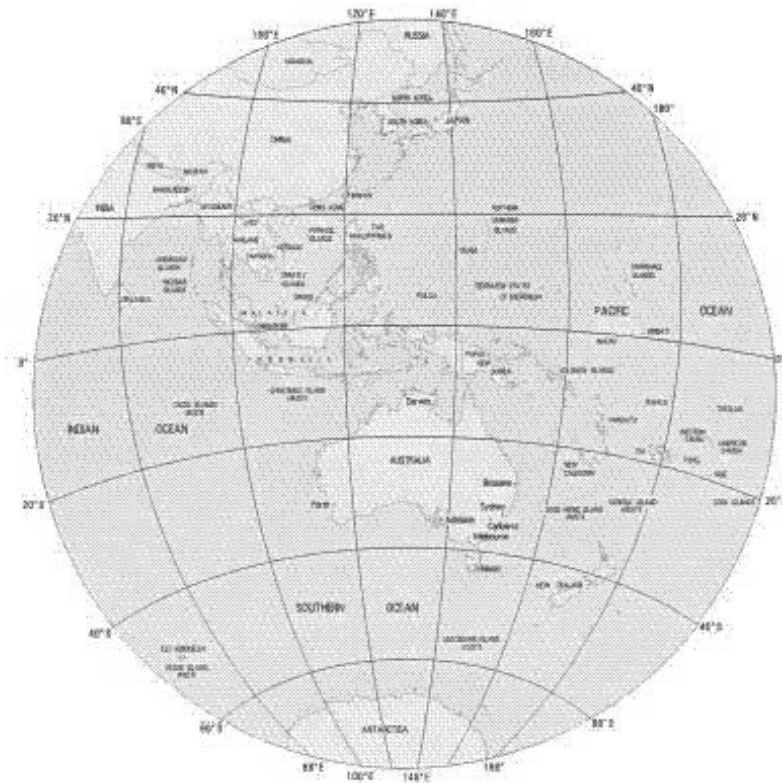
- 3.78 In itself, a credible capability to react within specified time frames will provide a powerful deterrent to aggression. How the three services prepare for more significant threats will vary. The issues impacting on the RAAF and the RAN differ significantly to the issues impacting on the Army. What was clear to us during the inquiry is that a coherent system for expansion to meet more substantial threats does not exist within the Department. The deployment to East Timor indicated the Department's limitations with respect to force expansion for short notice contingencies. It is worrying to speculate how the Department would be able to handle a more significant contingency even with two years warning. The ADF should be credible as a warfighting organisation for both immediate contingencies and more substantial threats.

## Efficiency

- 3.79 As discussed previously there are limits to Australia's power. Boundaries must be placed on the structure and planned use of the ADF if this limited power is not to be dissipated in a force that can do lots of little things but nothing meaningful. The boundaries we believe should be set are:
- Geographical
  - Technical
  - Operational

## Geographical Boundaries

- 3.80 For the ADF to be capable of fighting effectively anywhere from the artic to the tropics would be very expensive. Because of this we believe that the ADF should be focused on and optimised for an area. We have termed this area Australia's Area of Critical Security Interest (ACSI). In broad terms we believe this area should not extend further north than the equator. It should not extend further east than Fiji and no further west than the Cocos Islands.
- 3.81 However, this does not preclude the use of elements of the ADF outside of this area. It does mean that funds should not be spent to specifically structure the ADF to fight as a credible national force outside of these bounds. The first priority must always be Australia and the region.



## Technical Boundaries

- 3.82 We believe that the baseline of technical capability for the ADF should be regional. The ADF must match, or where possible exceed regional baselines of technical capability. The ADF should not pay a premium to match the technological sophistication of the United States where this significantly exceeds regional capabilities.
- 3.83 For instance if the most common tank gun within the region is a 105mm calibre weapon it would be appropriate for Australia to match or exceed this calibre. The next generation of tank gun, the 120mm smooth bore gun, would be a logical choice. It does not follow that Australia should pay a heavy premium to overmatch this gun by adopting the latest generation 140mm smooth bore gun.<sup>98</sup>
- 3.84 We believe that the ADF should aspire to a regional 'capability edge' rather than a regional 'technological edge'. This edge will be provided through well-developed tri-service operational concepts. For example the ability for all three services to operate as a single integrated, mutually supporting, fighting system represents a capability edge. It is not so much dependent on leading edge weapon technology but the developed

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<sup>98</sup> We are not suggesting that the Army should enter any fight at a technological disadvantage. However the purchase of 'gold plated' weapon systems well in excess of the tactical requirement can deny funds for other areas of the military. This will result in an unbalanced force that an adversary will quickly defeat.

'intellectual property' for integrating procedures and warfighting concepts.<sup>99</sup>

### **Operational Boundaries**

- 3.85 The first priority of the three Services is to be able to fight and interoperate as a self-reliant national force. Interoperability with allies should be acquired but never at the expense of national interoperability. To minimise unnecessary duplication in capabilities the forces should develop unified concepts for operations that underpin defence strategy.<sup>100</sup>
- 3.86 The defence forces need to be able to respond to and resolve crises before they spill over into open and sustained conflict. Regionally they need to be able to operate with Government and non-Government agencies in support of situations short of open conflict.

### **The Army's role In Future Strategy - Conclusion**

- 3.87 We believe the strategy outlined above to be more relevant to Australia's needs while not jeopardising the needs of territorial defence. It also allows the traditional tension between Army's historic tasking and peacetime strategic guidance to be resolved. We believe that the Army's role in Australia's defence strategy should be:
- To maintain a demonstrable and highly credible capability for expanding the Army to meet a significant threat to Australia's sovereignty or the region within two years of warning.
  - To maintain a capability for the concurrent and sustained deployment of ground forces into one major and one minor focal area anywhere within Australia's ACSI with a warning time not exceeding four months.
- 3.88 This role raises many questions especially as the Army is seen, under this strategic concept, of executing its role collaboratively with the other Services and with allies in coalition. How suitable is the Army for fulfilling this role now? Does it have the requisite combat power,

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99 The German Army's success over the French Army in 1940 was achieved more by a capability edge than a technological edge. Some French weapons systems, including tanks, were arguably technologically superior to the German systems.

100 From briefings received by us during 1999 we were concerned about the degree to which the three Services were interoperable as a cohesive warfighting organization. We noted the high degree of tri-service cooperation in East Timor but were also aware that this cooperation was not stress-tested by a significant engagement.

deployability or specialist units? In short does the Army have the capability to fulfil this role? This is the subject of the next chapter.

