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JOINT COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

Defence Subcommittee

Monday, 16 June 2003

Members: Senator Ferguson (*Chair*), Mr Brereton (*Deputy Chair*), Senators Bolkus, Cook, Eggleston, Chris Evans, Harradine, Hutchins, Johnston, Sandy Macdonald, O'Brien, Payne and Stott Despoja and Mr Baird, Mr Baldwin, Mr Beazley, Mr Bevis, Mr Byrne, Mr Edwards, Mr Laurie Ferguson, Mrs Gash, Mr Hawker, Mr Jull, Mr Lindsay, Mrs Moylan, Mr Nairn, Mr Price, Mr Prosser, Mr Scott, Mr Snowdon, Mr Somlyay and Mr Cameron Thompson

Subcommittee members: Mr Scott (*Chair*), Mr Price (*Deputy Chair*), Senators Chris Evans, Ferguson (*ex officio*), Hutchins, Johnston, Sandy Macdonald and Payne and Mr Baldwin, Mr Beazley, Mr Bevis, Mr Brereton (*ex officio*), Mr Byrne, Mr Edwards, Mrs Gash, Mr Hawker, Mr Lindsay, Mr Nairn, Mr Snowdon, Mr Somlyay and Mr Cameron Thompson

Senators and members in attendance: Senator Johnston and Mr Scott and Mr Cameron Thompson

Terms of reference for the inquiry:

To inquire into and report on:

The ADO ability to deliver the necessary capabilities to meet Australia's strategic interests and objectives as defined in Defence 2000, with specific reference to the:

- ADO capability to apply the maritime strategy outlined in Defence 2000 in the current strategic environment;
- primary roles in Australia's maritime strategy of the key components of the ADO, including the three services, Defence Intelligence Organisation and ADF Command and Control structure;
- impact of Australia's maritime strategy on ADF capacity to participate in combined, multi-national regional and global coalition military operations;
- integration of maritime strategy with the other elements of Australian national power to achieve specified national strategic interests and objectives;
- impact of the evolving strategic environment on Australia's maritime strategy; and
- integration of Australian Defence Industry into capability development to support a maritime strategy.

WITNESSES

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Subcommittee met at 10.07 a.m.**DOOLAN, Rear Admiral Kenneth Allan (Retired), Member, Defence Committee, Returned and Services League of Australia**

CHAIR—We have a couple of members still to come but we do have a quorum so I will declare the meeting open. I now welcome Rear Admiral Ken Doolan of the RSL to today's hearing. Although the subcommittee does not require you to give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as proceedings of the respective houses. Rear Admiral, would you like to make an opening statement to our committee?

Rear Adm. Doolan—Thank you, I would. The Returned and Services League of Australia thanks the subcommittee for this opportunity to put its views on the important topic of Australia's maritime strategy. As the nation's primary body representing the views of the veteran community, we hope the outcome of your inquiry will lead to three things: greater security for Australia in the future; greater combat effectiveness for our fighting forces in any future conflict; and enhanced survival prospects for our servicemen and servicewomen whenever they are sent in harm's way.

In addressing this subject, we look to the future. We do not intend to comment on the origins or meaning of the words 'strategy' or 'maritime strategy' or to focus on past conflicts. Instead, this presentation addresses your principal term of reference and what we consider this should mean for the defence and the future of our nation. To accord with your guidance to witnesses, this opening statement is a summary of the material included in our submission provided to your staff today. That document explains our views on the six specific items in your terms of reference.

With respect to Australia's strategic outlook, in this presentation we offer the following comments on your principal term of reference, having based these on the strategic outlook published in *Australia's national security—a defence update 2003* and in particular on the chapter 'Implications for defence'. First, we question the assertion that ADF involvement in future coalition operations is:

... likely to be of the type witnessed in Afghanistan and which the Government (at the time the document was written) considered in Iraq—that is, limited to the provision of important niche capabilities.

The implication therein that the ADF force structure of the future might be based on these experiences to the detriment of other ADF combat capabilities concerns the RSL. We remain convinced of the need for a broadly capable Australian Defence Force comprised of essential combat and combat support elements of the Navy, Army and Air Force. It is only all these elements acting together as a joint force which can provide Australia with essential security and give pause for thought to potential adversaries.

The provision of important niche capabilities of the ADF to future coalition military adventures is no guarantee that our allies will ensure Australia's security. We are convinced that the best means of making provision for our future security is for the nation to remain militarily strong. Next we note that 'important niche capabilities' have not been defined in the 2003

Defence update. It would be of grave concern to us if its meaning presages limitations to future Australian contributions to combined force operations with our allies to only a few select elements of the ADF. An almost inevitable consequence of such a decision would be a gradual but inexorable erosion of Australia's conventional sea, land and air combat capability.

Turning now to the ability of the ADF to meet Australia's strategic interests and objectives, we consider the following issues are relevant to this inquiry. As the technology gap between the war-fighting equipment operated by Australia's Navy, Army and Air Force and that operated by our most powerful allies widens, the ability of the ADF to be interoperable with allied forces lessens. The implications of this trend for future combined operations with our allies are worrying. Whilst the ADF remains capable of conducting low-level operations, such as peacekeeping, without support from other nations and high-level operations, such as war, by selective elements of the ADF when combined with the forces of powerful allies, such as in our recent involvement in Iraq, the capability limitations of our Defence Force are such as to preclude all but very small combat operations when acting alone.

The land force is lightly armed and the scant heavy war-fighting equipment it holds technologically obsolescent by world standards. The air force is somewhat better equipped but lacks sufficient force multiplying assets, such as air-to-air refuelling tankers, to maximise its effectiveness. The maritime force, with the exceptions of the submarine and mine warfare and clearance diving elements, is in much the state of technological and capability decline as the land force.

Finally, there is the matter of the issues to be taken into account in further developing Australia's maritime strategy. In providing this input we have taken for granted such basic factors as the ongoing will of the Australian people to wish to defend themselves and have confined our comments to what we consider are key issues. These are: because Australia has no land borders and because we are geographically proximate to many other nations across the sea-air gap surrounding the nation, our maritime strategy needs to include a requirement for the ADF to be capable of maintaining a substantial combat-capable Australian maritime presence in our maritime surrounds. More to the point, the size and combat capability of this force needs to be substantial in contemporary terms so as to be able to deter developing threats or, if need be, defeat an enemy.

Insofar as other national factors are concerned, the maritime strategy needs to acknowledge the importance of maintaining and nurturing our defence and economic alliances with like-minded nations. Another need is to acknowledge that diplomacy aimed at avoiding conflict is likely to have a greater chance of success if Australian negotiates from a position of economic and military strength. Australia's maritime strategy must acknowledge the need to sustain and develop weapon and sensor research efforts for the ADF, and it would be lacking if it did not include realistic guidelines to ensure the ongoing viability of Australia's defence industries.

Of particular importance is the need for the maritime strategy to acknowledge the total dependence of Australia on the unfettered continuation of maritime trade to and from the country. This inclusion is of the utmost importance, given that any halt to our maritime trade would quickly have dire economic and flow-on consequences for the nation. National strategic weaknesses and the means by which the nation might circumvent, ameliorate or overcome them also need to be included in Australia's maritime strategy. Of particular importance in this context

is Australia's almost total reliance on foreign-owned and foreign-crewed merchant ships, and the implications of this situation.

Mr Chairman, whilst the RSL input to this inquiry is but one of many, it represents the ongoing concern of the many Australians who have fought for our country and who contend there is a need for Australia to stay militarily strong so as to be able to cope with an uncertain future. We believe your committee would do a great service to our nation if the findings of this inquiry gave rise to the formulation of an Australian maritime strategy which strengthened the ability of the nation to defend itself and gave Australian servicemen and servicewomen deployed to future wars a high degree of confidence that the force they brought to bear would both prevail and give them a very good chance of returning home safe and sound. Thank you, Mr Chairman.

CHAIR—Thank you very much for that introduction and opening statement. I will now open the hearing to questions. I was interested in your reference to Australia's niche capability and suggestion that that was a position of the government. Would you like to expand on that? Do you see us as now providing only niche capability and the capability of the Australian Defence Force is really now only niche rather than a tri-service operation?

Rear Adm. Doolan—The only reason that the RSL Defence Committee has raised this matter is because those were the very words used in the *Defence update 2003*. For every operation, it is a matter for the government of the day as advised by the Chief of the Defence Force as to what elements of the Australian Defence Force will be used in any conflict, be it peacekeeping or war. I reiterate our concern here is that, in this government document, there was this statement. I have it here and can read the whole thing if you wish.

CHAIR—If that were to persist as a position that was taken by the Defence Force and the government, would you see, as you say in your opening remarks, that that would ultimately lead to an erosion of our capabilities? If that position of using niche capability is something that takes hold and that is where we see our capability in the future, then would that be an erosion of our capacity as we have known it in the past?

Rear Adm. Doolan—The answer to your question is yes, if that persisted and there was no other change to the general overall framework for the provision of defence in this country. As you will see in our major submission, there are words about the expectation on behalf of the RSL Defence Committee that the level of resources provided for defence will remain more or less the same into the future. If that is the case and if there is an expansion of whatever niche capabilities there are, that can only be at the expense of other combat elements or combat support elements of the overall force. Once capabilities are diminished or are let go, they are extremely difficult to resurrect. We have seen this on a number of occasions over the years.

It is in this context quite interesting that in the recent conflict in Iraq, as we have noted in our major submission, for the first time in a long time the five-inch gun on a naval ship was used in hot action against the enemy with great effect—and this despite the fact that at the time the decision was taken to fit that gun to that particular ship, there were very powerful voices in Australia in the Defence Force, in the Defence establishment and in government raised against the need for such a capability. Once you let a capability go, it is very difficult to bring it back in.

CHAIR—You spoke also in your presentation about the need for diplomacy first. Would you like to expand on that? With the recent military operation in Iraq, or in Afghanistan for that matter, and with our maritime interception force in the Persian Gulf, you might comment on whether diplomacy had failed. And where is the best forum for diplomacy to occur?

Rear Adm. Doolan—I will do my best to address that series of questions, Mr Chairman. As a matter of principle, those in the RSL who have returned from former conflicts would certainly wish to avoid any future conflict, and diplomacy must always be used by a democracy as the first step. You cannot argue in most circumstances from a position of weakness, and were Australia to significantly reduce its military capabilities or its ability to be interoperable with our major allies—and that is a very important point—then we would not be arguing from a position of such strength.

Let me, if I may, digress to touch on that issue of interoperability because it is important to the points we are trying to raise here. Our Australian Defence Force has successfully operated with our most powerful allies in a series of conflicts ranging from peacekeeping through to all-out war over the past 30 or 40 years. On most of those occasions, it has been able to operate successfully in a combined operation because that procedure was practised. Logistics and communications, to name but two aspects, were sufficiently similar that those operations could be conducted smoothly. Once the equipment held by the Australian Defence Force falls behind significantly that held by our major allies, then the matters of logistics, communications and other things are much more difficult to stitch together. There are certainly lessons in history for us in that context, if you want to go back and look at them.

Turning back to your point about diplomacy, it really matters not where the diplomacy is conducted; it matters that the diplomacy is undertaken until it reaches the point where it will not work. I do not believe it is appropriate for the RSL to comment on what has happened in the most recent set of circumstances. That is now history. Our point is simply this: if we get to the stage of having future conflicts or engagements—be it peacekeeping, peace enforcing or conflict—we should first as a nation use every piece of leverage we have from military strength to back up our diplomacy.

Mr CAMERON THOMPSON—In the context of this inquiry, I just wondered if you might like to comment a bit on our defence relationship with New Zealand, the Pacific islands and those sorts of countries—the relationship we have with them in defence terms, particularly when it comes to maritime issues.

Rear Adm. Doolan—The RSL position would be that we believe we should cooperate to the full with New Zealand and with other friendly nations throughout our region not only in the Pacific but also in South-East Asia. It is our experience that working together with the defence forces of other nations creates bridges for understanding and reduces the likelihood of people misunderstanding each other, particularly when you are dealing with another defence force.

New Zealand is a particular case. Since the splitting up of New Zealand from the United States back in the early 1980s, I guess, Australia has kept close defence links both with New Zealand and with the United States of America. I think this has been a very sensible move, because who is to tell in the future when there will be a need for Australian military forces to

work with the defence forces of either of those countries. It is not inconceivable that we could all have a common purpose in the future.

Mr CAMERON THOMPSON—Doesn't that split between New Zealand and the US create some difficulties? If the aim is for interoperability and these sorts of issues, isn't there a bit of a schism where we are left straddling the fence, so to speak?

Rear Adm. Doolan—Let me address that, if I may, in the maritime field: obviously in the maritime field there is less of a split simply because the most recent re-equipment program saw ships for the maritime forces built here in Australia in cooperation with New Zealand and to some extent with support from the United States of America. So there is some commonality particularly between Australia and New Zealand in the maritime sphere.

Does it mean it is difficult for Australia in terms of its relations with the United States of America? I put it to you that this has been managed successfully for the past 20-odd years and although it is difficult—certainly when those of us who were involved at the time had to cope with it we would have preferred that we were back in the old days as it were where everybody was doing more or less the same sort of thing—it is quite workable.

Mr CAMERON THOMPSON—My electorate includes the area of Amberley and I wondered if you might give us some comment on the current standing of the F111s and their development. They are still expected to be in service until at least 2012 and possibly later. What is the view of the RSL on the current standing of the F111s and their development?

Rear Adm. Doolan—The RSL view is that, by regional standards, the F111 is a very potent weapon platform. There is nothing in the region that matches its capability. It does provide a strike force which is regarded as significant regionally, and therefore it is a system for the time being which, albeit increasingly expensive, is still potent.

That is not to say that the RSL view is that it is perfect, and clearly upgrading of that capability and things of that nature is something with which we would agree. If you combine that force and the FA18 force together and with the upgrade of the maritime patrol aircraft and the introduction shortly of new AEWG aircraft, then it is really only the air-to-air refuelling capability which is a significant gap in our view and that means, in the context of maritime strategy, that you cannot supply the sort of air cover distant from Australia that a maritime strategy would call for.

Mr CAMERON THOMPSON—If I can tie the two things together, if the F111 is such a potent platform, and having regard to your concerns about the extent of the weapons and the capabilities that are fitted to our Australian warships, doesn't the potency of F111 with its ability to strike tend to contribute there as well and so offset any weakness that you might see in the warships themselves?

Rear Adm. Doolan—There is certainly a complementarity between the forces, and the RSL would argue that you need that complementarity. The F111, however, is not a platform which you would use over a maritime force to combat incoming aircraft. The F111 is a strike aircraft, and its original role was strategic strike. It is very good in that particular capacity but it is not a combat air support platform. It does not provide the air cover over a force, for example, which

might be needed in protecting a convoy of merchant ships. It does not provide the sort of air cover over a force if you were deploying it to go to some particular part of the world to settle something. You need to have something which is actually going to be there over the top of you. Let me give you an example of what I mean. When I was Maritime Commander, Australia, there was some criticism, with respect to our deployment of forces to the Gulf crisis and Gulf War, that we lacked air cover. The reality was that I had negotiated with the American admirals running the carriers up there to provide us with that air cover. You need air cover over a force at sea.

Returning to the naval platforms, you have raised a point which we have addressed in the major paper and which I think is valid to underline here; that is, with the increase in technology, the surface-to-air missile capabilities that exist in our current service platforms are now at the point where it is likely—and it is gradually happening—that they can no longer reach an incoming attack aircraft before that attack aircraft can loose its weapons towards the force it is attacking. That is the technology difference that is happening gradually.

We now have in our surface force only frigates. The FFG Oliver Hazard Perry class frigates are a 1960-70s design built in the 1980s and are getting on for 20 years old. The Anzac ships, although they are new, are frigates and the only combatant capability they possess is the five-inch gun. The rest of their capability is really self-defence. I return to the point I was trying to make before: it is a case of whether you can use these effectively in combined operations with our major allies. Yes, you can, but in a lesser extent as you go along. For example, going back again to the Gulf crisis and the Gulf War, the deployments then allowed us to plug in, if I can use that expression, our combatant warships to a carrier battle force of the United States Navy. They were very effective on the screen and were very much welcomed by the man in charge of that carrier group. Increasingly now, our ships will be less welcome because they are very different. They do not have long-range surface-to-air missile systems; they do not possess the AEGIS weapons system; they do not possess the sorts of sophisticated radar and other sensor equipment that are now fitted in things like the Arleigh Burke destroyers. It is this gradual change in the capability gap between what Australia possesses out in the maritime surrounds and what our major allies possess that increasingly makes a difference to this business of compatibility and interoperability. So, yes, they would be used in a combined force but they would be used for specific purposes, such as somewhere back in rear echelon doing smaller and less demanding jobs.

CHAIR—So you are suggesting that, in terms of the naval capability, there is a growing loss of capability by comparison with America, obviously, and any other ally, which is putting us in a very difficult position when it comes to interoperability with another naval force?

Rear Adm. Doolan—It is a gradual thing; it is not something that will happen instantaneously. If Australia was required to provide forces today, I am sure that our American allies would welcome the provision of those forces. But it is a case of where they are used and how they are used. Of course, to Navy, it is a case of whether you have the sufficient clout and combat capability in that particular vessel to prevail in a real hot war situation.

Mr CAMERON THOMPSON—It is air cover you are talking about?

Rear Adm. Doolan—In fact, it is air, surface and subsurface capabilities. In the subsurface area, the best subsurface antisubmarine capability is a submarine itself, and Australia has potent submarines. They could be used and probably would be used for that purpose. As I mentioned in the presentation, we do have that capability in the subsurface arena. But in the surface arena, of the two classes of warship in the surface combatant force, we have very lightly armed Anzac frigates and we have gradually ageing FFG frigates. When the guided missile destroyers were withdrawn from service, we lacked a replacement with that sort of punch in contemporary terms.

CHAIR—You state on page 2 of your major submission:

Because Australia's strategic outlook is uncertain, we consider our maritime strategy must specify the requirement for the ADF to be capable of mounting substantial pre-emptive deployments of expeditionary Australian sea, land and air forces to counter developing threats however remote these may be from Australian territory.

You go on to say:

... an ongoing ability to protect an Australian maritime force.

When you talk about 'however remote these may be from Australian territory', how far do you see that we should be able to project our force and our power?

Rear Adm. Doolan—I will answer that by saying within the last 10 years we have sent expeditionary forces to the Persian Gulf and we have deployed peacekeeping forces, albeit in a low-threat environment, to Africa. It is not inconceivable that we could deploy forces anywhere within the Pacific-Indian Ocean basin, if I can call it that, and all its littoral states.

Where can one see into the future what threat Australia is going to be required to combat? I doubt that any of us here today could have conceived of any of those deployments 20 years ago. Therefore, the reality is that, if we see a place where terrorism has settled in, such as was seen in Afghanistan, I do not think we should draw the line because our recent history suggests that Australians have not drawn the line. In previous times there has been an attempt to put circles around the country and define what is our area of strategic interest, and what is our area of maritime interest. The reality of it has been that our forces have operated way beyond those limits. You cannot foresee these things into the future. If you turn, for example, to the peace enforcing operation in East Timor, Australia would have found itself in a very difficult situation had diplomacy failed and the Indonesian forces decided to become involved. It is those sorts of considerations which mean that you need to have something behind your back in terms of capability so that people will take account of that.

CHAIR—So are you saying we need a capability to project our forces well beyond our immediate neighbourhood to the archipelago to our north, to the Pacific and across the Indian Ocean, where we have been for more than 10 years?

Rear Adm. Doolan—Mr Chairman, we are simply basing that comment on what has happened in the recent past and it seems sensible to maintain the capability to do this sort of thing into the future. It gives governments options that they would not otherwise have.

Senator JOHNSTON—I have a couple of questions. Admiral, may I say firstly that this is a very good submission. It raises a number of very important issues and I must say I am very impressed with the forthright nature of the views expressed in the document. You mention at the top of page 4 that the focus on important niche capabilities has a number of negatives and drawbacks attaching to it in that it is inclined to remove focus from other key combat elements. What specifically do you refer to when you talk about ‘other key combat elements’? I note you have talked about air protection, surface-to-surface capability on surface vessels and things of that nature but let us go through what precisely the author had in his or her mind when they mentioned the words ‘other key combat elements’.

Rear Adm. Doolan—To answer the senator’s question, the word used there was ‘might’ because we cannot say for sure that that is the case. If it is the decision of government to use important niche capabilities in future coalition operations and to do that by augmenting the resources made available to Defence, then in those circumstances there will be no diminution because the other capabilities will be able to continue. However, having said that, if you have emphasis on one area and intend to continue emphasis on one area of capability, there is almost an inevitability that you will stop practising, focusing on, and giving the same attention to other capabilities. And a total force needs all the elements: it needs air cover; it needs mobility; it needs the ability to project force across the sea-air gap to wherever it is going; it needs the ability to land that force; and it needs the ability of a land force once put ashore to be able to conduct successful operations. Our emphasis in the RSL is to point out that the best way we believe of ensuring the future defence of our country is to have this spread of capabilities which together give us the necessary military strength to be taken seriously about defending ourselves.

Senator JOHNSTON—So I take it the underlying theme and sentiment of the submission is as a timely warning that, in discussing maritime strategy, we should not be too focused on what has gone before, that we should remain focused on the broad cross-section of important underlying fundamentals, one of which is the key combat elements.

Rear Adm. Doolan—You could not have put it better, Senator.

Senator JOHNSTON—On page 6 you state:

A final point we consider important in the context of the integration of other elements of national power with the Australian Defence Force under the framework of an Australian maritime strategy is the need to avoid unwarranted complexities or duplications.

Could you give me an example of what you perceive in terms of ‘unwarranted complexities and duplication’? How do they manifest themselves and what should we be alert to there?

Rear Adm. Doolan—I will just deal with the maritime sphere in this: one I would point to is the need to keep the capabilities under one hat; in other words, not to start creating different entities, such as a coastguard, which would in the opinion of the RSL have the potential to reduce or complicate the overall war-fighting capability. I have not explained that very well. When you have a force at sea doing various things, it is much better to have it all together doing one thing and to have a very simple chain of command. I would use my own experience when as Maritime Commander, Australia, I commanded the totality of the assets, which meant that we were capable, as we proved, of war fighting in the Gulf War. It meant that we were capable of

doing quite the reverse end of the spectrum of things such as the normal sort of maritime policing action around the Australian continent quite successfully. And that was all done with a modest number of people in one headquarters. Our view is that we should keep this overall effort simple and that we should not proliferate the number of involved agencies any more than is absolutely essential. So we do not support the need for a coastguard.

Mr CAMERON THOMPSON—There is a bit of an old chestnut that has been coming back regularly in this process and that is the issue about a carrier. Are you a carrier adherent?

Rear Adm. Doolan—In putting together this presentation, the RSL has been very careful not to try to specify particular types of equipment but rather to talk about capabilities. So to answer your question, it depends on where your perception is as to how it is best to provide air cover. The reality of it is that you can only provide air cover over a force at sea around Australia to a very limited extent, and that limited extent depends upon where our air bases are and the air-to-air refuelling capability you have for our air assets.

If a future Australian government decides to deploy a force beyond the capability of that air cover, it then would have to accept the risk of not having air cover for the force that was deploying. In other words, troops in the naval ships that would carry them and so forth would be relying purely on the self-defence capabilities of the warships and no air cover. And when you got to the other end, you may be outside the range even of being able to provide strike force from the F111s. It depends where you go. Of course, the provision of an aircraft carrier would fill that gap, but it could only be done if the Australian people are prepared to fund the necessary resources to up the amount to provide that. It is a capability rather than a specific way of doing it. So, in other words, as far as the RSL is concerned, we would support the provision of air cover for those forces in whatever form it takes.

Mr CAMERON THOMPSON—One of the other parts of this chestnut is how much it would cost to have such a thing and what would be the elements that would have to come with it to support it.

Rear Adm. Doolan—Mr Chairman, I am speaking here on behalf of the RSL and I make the very clear point that we have not costed out the amount that it would require.

Mr CAMERON THOMPSON—If you have a personal view, I am happy to hear that, because it has bounced around quite a lot.

Rear Adm. Doolan—Mr Chairman, if I may speak personally then and be taken in that context, the answer is that, if you look back in history to where we might have gone, at the moment you have an FA18 aircraft operating in the Australian Air Force and operating very successfully. However, if it were able to operate from a deck as well as from its bases at shore, because it is a naval aircraft, then it would increase the range very significantly.

Therefore, we would be able to have much greater flexibility to provide air cover for any force we wanted to send elsewhere. In the future, there is no question that having an aircraft carrier in the Australian inventory would be enormously beneficial in terms of capability. But that raises the question which always comes up—and here I am speaking personally and not on behalf of the RSL—that it could only happen if resources were provided in addition to what is already

there; in other words, it is not a case of saying, 'You can have this but we will take something else away.' The RSL view, coming back to that, is for a balanced force. If we could go to that capability, then that is where we would stand.

CHAIR—Of course, the new development of the joint strike fighter with a 'jump' type of capability, which is a technological advancement in relation to a fighter and a strike capability, as it is developed over the next four to five years, may change this from a traditional type of aircraft carrier as we know it today to a ship which has a deck and a capability.

Rear Adm. Doolan—That is agreed. And even today, to go to a lesser capability aircraft carrier, if I can put it that way—in other words, something that would carry something like the current jump jets operated by the United States Marine Corps and the British forces—the Harrier would give any deploying force that extra fighter cover and therefore would be an enormous asset in the maritime context. The RSL would certainly support the acquisition of that capability.

CHAIR—On page 8 of your submission—and this gets back to the question of capability—you state at the top of the page:

... capability limitations of the ADF could be severe.

... ..

Our assessment is that the capability of the Australian Defence Force to apply the Maritime strategy in the current strategic environment is largely dependent upon significant assistance from powerful allied or friendly forces in peace enforcing or warlike operations.

You go on to qualify why that is so. Do you want to expand on that because that really says that capability limitations could be severe—

Rear Adm. Doolan—I would use as an example of that our peace enforcing operations in East Timor where we admittedly were operating not as an Australian force but as the United Nations mandated force. But our ability to do that had to be supported in certain key areas, such as communications and logistics, largely supported by our great and powerful ally. We are a relatively small force and to do something of that size into the future by ourselves would entail acceptance of some risks. One of the reasons we contend that there was less risk in that particular environment was, firstly, it was the United Nations operation and, secondly, that particular operation was very extensively supported behind the scenes by the United States of America's military forces.

CHAIR—You went on to say:

The land force is lightly armed and the scant heavy war fighting equipment it holds is technologically obsolescent or obsolete by world standards. The air force is somewhat better equipped ...

Do you want to expand on that?

Rear Adm. Doolan—I would simply say that the world standard for the land force in terms of heavy equipment is the Abrams tank and the Bradley fighting vehicle. Those are just so far ahead of anything Australia possesses at the moment as to be in a different realm.

CHAIR—You see that as a real problem for us when it comes to land?

Rear Adm. Doolan—If Australia has to go into a hard fighting war, then the Army can only achieve the sorts of things it would have to do if it has those capabilities—and again I must qualify what is being said there—and that is going into it by ourselves or largely by ourselves. In other words, Australia can certainly do what it does and has done just recently in Iraq because it provided elements of the Defence Force which were specific to the needs, and we did not have to engage in tank battles or things in the land force arena which required that equipment. We sent quite specialised forces.

CHAIR—You said that the Air Force was somewhat better equipped. In Dr Alan Dupont's presentation he commented :

... in committing so much of the defence budget to the Navy and Air Force at the expense of the Army, the architects of our strategic doctrine pursued a policy that severely weakened the Army's capacity for force projection.

In many ways the RSL would be supporting that line—and I do not want to put words in your mouth. In other words, has the Army capacity for force projection been weakened, as argued by Dupont, who says that the allocation of these resources has weakened the Army because the Navy and Air Force have received more?

Rear Adm. Doolan—I do not think the RSL would put that in that context. The RSL would go to our fundamental stance—that is, we need a widespread capability. In other words, it should not be one at the expense of the other. It is no good going back into history as to why things have happened. What we see is the need now in a maritime strategy to improve the technological and war fighting capability of all three arms of the Defence Force to the extent that they are, in contemporary terms, capable in the future of doing whatever might be required, but more particularly of being perceived to be able to do that by those who might threaten the country.

CHAIR—So you still see it as important for Australia to train for war as a strategic principle in training and in our capability? I think New Zealand is taking a slightly different approach to peacekeeping roles, as is Canada, rather than training to fight for war.

Rear Adm. Doolan—I believe I can speak with absolute certainty on behalf of my colleagues and say that there is no point in having a defence force that is not fully capable of combat, because if you can cope with the top end of operations and be prepared to go in harm's way and fight and win, then you can cope with everything else below that. If you are not prepared to do that, then you are placing the men and women you are sending into that conflict in an unenviable position. It is a very strongly held view of many of my colleagues that, if you go into harm's way, you must go fully armed and fully prepared to cope with the worst.

I go back to my own experience as Maritime Commander, Australia. When we deployed forces to the Gulf crisis and the Gulf War, and even before we deployed them to the Gulf crisis, we went through the most rigorous program to ensure that we had assessed the threats and that

we had trained specifically to make sure we were capable of combating all threats. I mentioned before the very important negotiations I undertook with Admiral March of the USN when I visited the Gulf to make sure that we did have air cover throughout the time that our ships were deployed there. There was one area we did not train for because we knew there was no submarine threat, so we did not have to train for that.

But it would be very unwise for a defence force, in our judgment, to be based on the lowest level possibility because, quite frankly, you end up being incapable of meeting some of the evolving requirements—as we have seen. I would also point out that nothing would give more comfort to somebody who was opposing you, be they terrorists or be they a nation state, than to see a defence force based on less than full capability.

Senator JOHNSTON—Admiral, on page 10, the RSL says this in talking about the primary role of the ADF to fight and win:

We consider it essential that the Department of Defence, the Defence Intelligence Organisation and all other non combat defence supporting agencies have written into their roles that the primary reason for their existence is to support the combat force and its combat support elements in time of conflict.

Why does the RSL make that statement? What is behind the necessity for you to say that to us?

Rear Adm. Doolan—To some extent, it is based on a number of experiences over many years of our members on the Defence Committee where the voices of other areas were very long and strong in their comments about what is needed in certain capability platforms. Now, the RSL is not saying those other voices should not be raised. But let me go back to the point I made before, and I will give you this one example of the fitting of the five-inch gun to the Anzac frigate. I was very closely involved in that as Assistant Chief of Naval Staff for Development at the time. That went through the defence committee system and indeed right through until such time as the final decision was made by government and the contract was signed to build those ships with the five-inch gun. As I have mentioned in our paper, the decision about the five-inch gun was fought almost to exhaustion right to the highest political office in the land. The voices raised against that capability were not voices of warriors. They were not people who actually had the experience of going out and using those weapons in a hot war. The voices of the military were those people. That we prevailed eventually, thank goodness, is a matter of history. But that is what I mean.

Perhaps I can go back, Mr Chairman, to your question before on this matter and say that if you listen too much to the theorists and to those many other involved people, you stand a considerable risk of ending up with a defence force which is not capable of doing what it needs to do, and that is to fight and win.

Senator JOHNSTON—You then say in the following paragraph:

Too greater reliance on advice from other sources runs the real risk of devising primary roles which are not clearly aimed at fighting and winning.

Those ‘other sources’ are the groups you have just identified.

Rear Adm. Doolan—They could be anybody else; in other words, those Australians who are interested in defence from whatever angle—whether it is from the point of view of foreign affairs, economics, from the halls of academia or from wherever—at the end of the day, if you do not listen to your warriors, then you are likely to end up with a defence force which is not going to be able to do what it is required to do. And more to the point, as far as the RSL is concerned, you are going to end up with a defence force which will significantly increase the risk to those who are sent to fight wars.

CHAIR—At the bottom of page 5—and this goes to the issue of maritime shipping—you say:

Our almost total reliance on foreign registered and foreign owned merchant shipping and our diminishing and small national merchant fleet are significant national factors which must be taken into account when crafting Australia's maritime strategy.

Would you like to talk a little bit about our merchant shipping and its importance, as the RSL would see it, in relation to our maritime strategy? We have talked about military capability—the Navy, Army, Air Force in a military sense—but would you like to talk about the maritime shipping capability and the increasing number of foreign flag vessels rather than Australian owned and Australian flag ships as being a matter of concern to the RSL?

Rear Adm. Doolan—The quickest way to bring the Australian economy to its knees would be to stop the import and export from our ports. Well over 90 per cent of all exports go in and out of our ports, and they are carried largely by foreign owned and foreign operated vessels. The RSL is very careful not to want to paint a scenario in any way, shape or form, but if there is any halt or diminution to this, for whatever reason, then we have enormous problems in this country. Our economy is first of all hit and then, of course, there is the flow-on effect for every part of Australia.

Our concern is that we do not have the capability that we had in yesteryear where we could take up ships from trade to use those ships from trade in a defence emergency. We are very limited in the availability. You cannot just turn around to a flag ship of another nation and say, 'Sorry, we are just going to take you over to take our troops from A to B.' If you have those flag ships, as was the case in Vietnam, they can be used.

Mr CAMERON THOMPSON—If you can pay and you indemnify them—in other words, if their ship were written off, the government would cover the cost—what is the problem with that?

Rear Adm. Doolan—Can you always guarantee it? If it is a foreign flag ship owned by a foreign company and crewed by foreign crews, the only hold Australia has over it is money. It has no other hold. In other words, if for national reasons another nation state decided its ships would not come to Australia or if insurance got to the stage where companies said that, because of threats of mining in our port channels or something like that by terrorists, they were not going to send ships here, then we would have a problem.

Mr CAMERON THOMPSON—But isn't the bottom line that the Australian government just says, 'We want you to take our troops from A to B and if your ship is lost we will pay the cost'?

Rear Adm. Doolan—What if the shipping company says, ‘Not interested’?

Mr CAMERON THOMPSON—There are plenty of other ones, are there not?

Rear Adm. Doolan—If they are all owned by other nations in the world and there is significant pressure brought to bear on the international stage, what do you do if you have not got any? I simply make the point we believe it is a weakness that we do have very limited capacity in our own merchant marine. This is one of the factors around the world at the moment. We are very dependent upon the continuation of that trade.

Mr CAMERON THOMPSON—I am just trying to imagine a scenario in which that would be possible. There are all kinds of flags but it does not necessarily reflect the ownership of the vessel. But what kind of scenario could you see that could result in that? This is the scenario we have got ourselves into where we would have to rely on being able to purchase that capability. Can you tell us what the threat would be?

Rear Adm. Doolan—At the risk of doing what we did not want to do, and that is to cast any scenario about our presentation, let me simply put to you that terrorism knows no bounds, that terrorism strikes where you least expect it and that, despite the very best efforts of intelligence agencies around the world, terrorism is capable of doing very extraordinary things. Even the threat to lay mines or to sink a ship in one of the channels leading to some of our more narrow ports has the possibility of persuading shipping lines to think twice about going to that place. It is in that context that we believe we should be thoughtful about this particular shortcoming.

Mr CAMERON THOMPSON—Is the urging then to try to rebuild an Australian flag fleet? What kind of steps would you need to take to do that?

Rear Adm. Doolan—The RSL flagged this because it is a national maritime strategy shortcoming that we do not have those ships in our national inventory. We have not put forward purposefully a way to get around that, because we believe that it is important we just recognise a weakness. If you are in the military game of recognising weaknesses, then you do something about it, but the first thing is to recognise it and make sure it is documented in something so it is there starkly in front of you.

Let me just say this: in terms of Australia’s maritime capability at the moment, we do have a very significant and very capable mine warfare and clearance diving capability, and that is very important. That does allow us to have some comfort that there is some amelioration of that threat because of that capability. If that capability did not exist, then the danger would be even greater. It is a checks and balances type of thing. It is not the RSL’s intention to suggest something in the realms of the commercial world but rather that, if you are dealing with a national strategy, you need to take this into account. It would be remiss in our view if that fact was not taken into account. We saw just a few years ago what the economic consequences were of industrial action on our wharves and how sensitive the Australian economy is to any form of stoppage of the free flow to and from our wharves of our goods, both going and coming.

CHAIR—You mentioned a moment ago about how defence policy needs to be written by the warriors; in other words, listen to the warriors, the people who are going to be potentially placed in harm’s way, rather than the theorists. The theorists are always interesting and we have had

quite a few of them present to the committee. Do you think the white paper was a document in which the warriors had a significant amount of input? I want to point to one decision that was announced in paragraph 8.12 of the white paper:

We have, however, decided against the development of a heavy armoured force suitable for contribution to coalition forces in high intensity conflicts.

Do you think there is a little bit too much listening to the theory of modern conflicts and not enough of the warrior being listened to and having input into long-term policy?

Rear Adm. Doolan—Having some 10 years ago been involved in the production of previous versions of those sorts of documents, I am all too well aware of the input from various sources into them, not the least of course being the final and political input. The RSL cannot comment on your question simply because we were not privy to those discussions. We simply put the point that yes, we recognise that everybody must have a say and of course in the finality in a democracy it is for the government to decide what goes into those documents. But our counsel is to make sure they do listen to those whom they are going to send in harm's way, because they are the people who do have a strong view and the experience and the expertise to be able to say what is needed.

CHAIR—A very good point, thank you.

Mr CAMERON THOMPSON—Listening to the warriors lately in terms of Navy, there has been a fair bit of talk about the need to develop an amphibious capability. Does the RSL have a position or any feedback on that?

Rear Adm. Doolan—The RSL's view again comes back to the totality of capabilities, and amphibious capability is part and parcel of that broad spectrum of capability. At the moment, Australia has a modest capacity to do that in terms of three vessels. That is probably as much as the Australian Defence Force has had for some considerable time, but all three vessels are ageing.

Mr CAMERON THOMPSON—I hear your concern about the need for a balanced force and all these sorts of things, but does the RSL want to put forward any sort of priorities for these things? We can raise carriers or we can raise other things, but do you put a priority? Is there an area of particular weakness that you want to highlight to us today?

Rear Adm. Doolan—No, Mr Chairman, on behalf of the RSL I do not wish to point out any particular weakness. The reason is that we look at the whole force concept as being very important. In our view, it is important to have a strong land force, a strong maritime force and a strong air force, and it is of particular importance that those three forces complement each other in terms of their capabilities and that they act together as a joint force. That is the way we would prefer to see things go. We believe that at the moment, as we understand it, the Chief of the Defence Force and the three chiefs of the services act together in that capacity. It is for them to set the priorities; it is certainly not for us to set the priorities—unless we saw something which was spectacularly lacking in our view. I think we have highlighted our general view in the submission we have put to you.

CHAIR—I will touch on defence industries because you have covered that in your submission and in your presentation this morning. Do you think our Australian defence industries are capable of meeting the current and future needs of capability development and support to a maritime strategy for Australia?

Rear Adm. Doolan—Let me just address one aspect of that by way of answering the question, and that would be to do with warship construction and warship repair. Clearly, there is a need for some sort of long-term plan here whereby the country could maintain that capability. This would, as I have mentioned in the main submission, probably require some rationalisation. In an ideal world you would have competing companies for that type of capability. The market is too small—now and into the foreseeable future—for that to happen, so some special arrangement would be needed, it would seem to us, to allow just one warship builder or two ship repair yards, one on either coast. For the foreseeable future that is the way we would see that going; in other words, a special arrangement. As far as other areas are concerned, clearly, when you get into the realms of aerospace, Australia has little option but to participate—as we look as if we may—in developments with our great and powerful allies and that into the future seems sensible to us.

One of the things, going back to warships again, is underlining the importance in our view of selecting surface platforms or subsurface platforms which have been proven designs in other major nations. I mentioned before our view of how successful our mine warfare capability is. That is because that project went to overseas design houses and manufacturers and, after a very extensive program of selection, we found what was best suited to our circumstances and subsequently went through the build of that project. It has been very successful. That is a very good example of the way perhaps we should be looking to keep our capabilities going.

If you go to a surface combatant of much greater capability, the choice obviously in the future is going to be this: do we do as we did for the guided missile destroyers and buy them off the shelf from our great and powerful friends, or do as we did for the guided missile frigates and do a bit of both sides? The point is that, if you are involved in a weapon production program like that in defence industries, you have to take into account that there can be some wipe-off for Australian defence industries. We are seeing that at the moment with the production of the AEWG aircraft and we have seen it with the upgrade of the P3 aircraft. Those are very good examples of why Australian industry can be involved and the way we should be nurturing that capability into the future. I think it is unlikely that Australia will be in the position in the future to be able to ab initio design and develop a major weapons platform. I do not think we should be in the business of trying to do that. The RSL's view on that would be that in the future we should go down the proven path of doing these things.

CHAIR—Of nurturing—

Rear Adm. Doolan—Of nurturing those combined operations of Australian defence industries to the extent that you can do it, picking a proven design and getting offsets for Australian industry or building it in-house to the extent that you can.

CHAIR—Yes. Thank you.

Mr CAMERON THOMPSON—Just looking at the AEWC, there were going to be seven of them initially and they were going to be assembled in Australia. They are not doing that now. There will be four and they are all happening in the US. Is that a disappointment to you?

Rear Adm. Doolan—The RSL is of the view that that capability is important and that the sooner we get it into service, regardless, the better.

CHAIR—If I can talk about funding for a moment, there are always various views as to what level of funding there should be for defence, if it is measured as a percentage of GDP, and I guess funding determines at the end of the day the outcome in terms of defence capability. Does the RSL have a specific view that it should be related to GDP or a percentage of GDP; and, if so, what figure? Or is it not a high priority to measure it in terms of GDP rather than what you can achieve with the capability—although the two are linked because you have to have money to achieve an outcome? What is your position in terms of funding for defence?

Rear Adm. Doolan—That issue has not been discussed specifically by the RSL Defence Committee in my time on that committee. Our view is that we need to fund the defence of Australia to the extent that we have indicated in our paper and, whether you take that as a figure or as a percentage, it really does not matter. But in making that comment, we are well aware that governments of whatever political persuasion have challenges to balance expenditure in various areas. Therefore, all we are saying is that there needs to be extra funding to raise the capability of the ADF into the future.

CHAIR—Thank you. Is it the wish of the subcommittee that the additional submission by the RSL dated 16 June 2003 be accepted as evidence and authorised for publication? There being no objection, it is so ordered.

I thank you, Admiral Doolan, for your attendance here today. If you have been asked to provide any additional material, would you please forward that to the secretary. You will be sent a copy of the transcript of your evidence today to which you can make corrections of grammar and fact.

Once again, we do value the opinions of the RSL and we value your time here today. It has been most useful for committee members. We thank you for your time and would you please pass on to the RSL our best wishes on behalf of the committee.

Resolved (on motion by **Mr Cameron Thompson**):

That this subcommittee authorises publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.

Subcommittee adjourned at 11.21 a.m.