





**Australian Government**  
**Department of Defence**



# DEFENCE ISSUES PAPER



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# DEFENCE ISSUES PAPER

A discussion paper to inform the  
2015 Defence White Paper



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## MINISTER'S FOREWORD



Defence White Papers are the Government's most important guidance about Australia's long-term defence policy settings and capability. They include some of the largest, most expensive and complicated decisions Governments must make—decisions that will influence our nation's defence and national security, encompassing both territorial sovereignty and political independence, for decades to come.

The 2015 Defence White Paper will allow the Government to take stock of the long-term opportunities and challenges for Australia's defence and security. It will align Defence policy with a clear military strategy and deliver a costed, affordable plan to achieve Australia's defence and national security objectives.

The White Paper will be developed in parallel with a range of complementary work, including the *Developing Northern Australia White Paper*. I am committed to ensuring the development process for the White Paper takes a careful and methodical approach and reflects the Government's overall strategic, national security, fiscal and broader policy priorities.

I have appointed an Expert Panel to contribute to the rigorous analysis and drafting of the White Paper. The Panel will test the key assessments and judgements in the White Paper, as well as offer independent perspectives. Importantly, the Expert Panel will also work with you, the Australian public, to seek your views on, and input to, these important policy decisions. Good public policy requires active collaboration between the Government, communities and individual citizens. In developing the White Paper, I am inviting the Australian people to have their say on the future direction of Defence.

The public consultation described in this Issues Paper provides several opportunities for individuals and interest groups to contribute to the discussion. With the Panel's help, it is time that we properly consider:

- the challenges and threats to Australia's security and strategic interests;
- the objectives for the Australian Defence Force to meet these challenges and threats;



- Australia's relationships with other countries and international organisations in our region and beyond;
- the priorities for capability investment and industry's contribution to national security; and,
- investment in our people and opportunities to enhance Defence culture.

The results of our public consultation will be published and considered as part of the White Paper's development.

Following the release of the White Paper next year, the Government will publish a ten year Defence Capability Plan and an updated Defence Industry Policy Statement. These documents will align our strategic policy choices and our capability requirements, while providing further guidance, fidelity and clarity for Australia's defence industry.

The purpose of this Defence Issues Paper is to set out the key issues that will need to be considered in the development of the White Paper. It is intended to be the starting point of the Government's consultation with the Australian community. The Government is committed to building a strong, capable and sustainable Australian Defence Force that will ensure our security and support our strategic interests.

I encourage all Australians to consider the issues raised in this paper and to contribute to the debate on Defence.

**David Johnston**

Minister for Defence



## INTRODUCTION

This Defence Issues Paper is a collaboration between the Department of Defence and the Defence White Paper 2015 Expert Panel and forms part of the 2015 Defence White Paper community consultation process.

The issues raised within this Paper are not Government policy and do not reflect a formal position on any of the strategic issues under consideration. Rather, the paper sets out the main issues that will be considered in the White Paper. It is not intended to be definitive or complete, but is designed to inform discussion and commentary on Australia's defence policy settings.

# CHAPTER 1 – THE WHITE PAPER PROCESS

# 1



# CHAPTER 1 — THE WHITE PAPER PROCESS

The Government has committed to delivering a White Paper that will articulate the Government's major long-term Defence strategy. It will provide a realistic and affordable plan to meet Australia's defence objectives, align policy, strategy and capability plans with our resources, and enable Defence, comprising the Department of Defence and the ADF, to address key challenges and set a new course for the future.

This White Paper will include a comprehensive review of Australia's strategic environment, the changes underway in our region and across the globe and the implications for Australia. It will outline the tasks the Government expects the ADF to undertake and how those tasks will be achieved within our resources.

## The need for another White Paper

Rapid economic growth, societal change, and military modernisation is transforming our region. While this is nothing new, it is occurring at a rate and scale not previously seen. To ensure a strong and secure Australia, we need to invest in capabilities for today's challenges and those of the future.

To support this, the Government intends to restore Defence spending to 2% of gross domestic product within the decade. A new White Paper will provide a realistic and affordable strategy for meeting Australia's defence objectives.

## The White Paper development process

This White Paper will be the product of whole-of-Government advice and will be developed in close consultation with the national security community, the broader Commonwealth, and with Australia's regional partners. An Expert Panel has been appointed, led by the Executive Director of the Australian Strategic Policy Institute, Mr Peter Jennings, that will provide independent advice to the Minister and work with Defence.

The White Paper development will include a Force Structure Review to develop options to deliver a capable, sustainable ADF. The Force Structure Review will develop costed force structure and capability options for Government to consider, based on an analysis of the capabilities the ADF will need in order to undertake joint, inter-agency and combined operations to meet the objectives set out by Government, over the coming decades.

This White Paper will reflect the Government's overall strategic, national security, fiscal and broader policy priorities. It will be developed in parallel with a range of complementary work, including the *Developing the Northern Australia White Paper*.

## Consultation

The development of the White Paper is being informed by a public consultation process. The Government is seeking the Australian community's views on the following key questions:

- What are the main threats to, and opportunities for, Australia's security?
- Are Defence's policy settings current and accurate?
- What defence capabilities do we need now, and in the future?
- How can we enhance international engagement on defence and security issues?
- What should the relationship be between Defence and defence industry to support Defence's mission?
- How should Defence invest in its people, and how should it continue to enhance its culture?

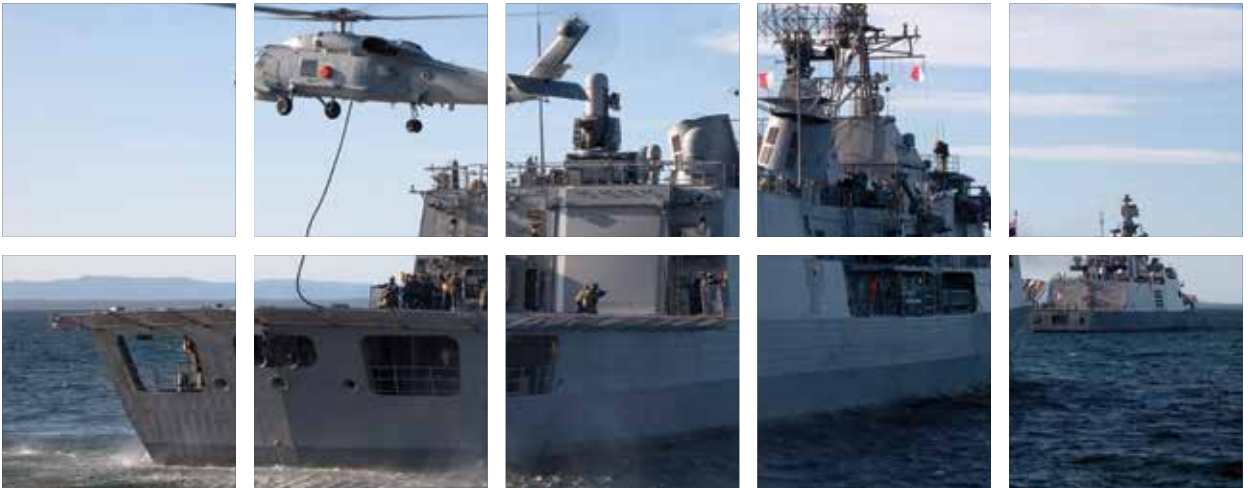
You can contribute in a number of ways. The Expert Panel will host a series of meetings during which Australian defence policy will be discussed in greater depth. These meetings will enable the academic community, public policy think-tanks and members of the public to discuss and contribute to future defence policy. The Panel will also meet with representatives of Australian industry. The schedule for these meetings will be posted on the Defence website.

Detailed submissions can also be provided in writing. Contact information and instructions for providing written submissions can be found on the Defence website, [www.defence.gov.au/whitepaper/](http://www.defence.gov.au/whitepaper/)



**CHAPTER 2—CURRENT DEFENCE  
POLICY SETTINGS**

# 2



## CHAPTER 2—CURRENT DEFENCE POLICY SETTINGS

The primary purpose of the ADF is to provide security for Australia from attack or the threat of attack. Together with the Department of Defence, the ADF must be capable of contributing to Australia's security and defending our national interests. Our defence policy settings, capability acquisitions and force structure support the effective operation of the ADF and the Department of Defence across the range of activities directed by the Government and in the context of our strategic circumstances.

Yet, history suggests that the strategic environment evolves in ways that are both unexpected and unpredictable. The changing nature of transnational threats such as terrorism, the profound economic impact of the recent global recession and rapid rate of technological change are all examples of this.

This means that a key challenge for defence planning is making judgements about future threats, opportunities, and societal trends; and their likelihood and consequence in order to inform decisions on defence policy, posture, structure, operational capacity, budget and finance. This helps to ensure that the ADF is equipped and able to meet the Government's requirements now and in the future.

### Australia's Defence Policy and primary functions of the ADF

The ADF is one of the instruments of national power the Government has to defend Australia and its interests. Traditionally, Australia's defence policy has been based on strategic interests - a subset of Australia's national interests - which the Government may seek to secure through the use of armed force.

Australia's defence policy settings must respond to the strategic circumstances in which we find ourselves. From the 1950s to the late 1960s, a Forward Defence policy saw the ADF structured and postured to address offshore security challenges in partnership with our closest allies and partners—specifically the United States and the United Kingdom. The strength of these ties remain and Australia continues to ensure that the ADF can work closely with partners when security challenges arise that affect us collectively. From the 1970s and into the 1980s, the ADF was structured and postured for the mainland defence of Australia. Our policy settings were adjusted to new strategic circumstances and we sought a level of self-reliance necessary to adapt to the reduced military presence of the United States and the United Kingdom in the region.

More recently, a more globalised and inter-connected world has emerged in which Australia has broad and far-reaching interests. Our strategic environment has also evolved to become more complex and the nature of threats to

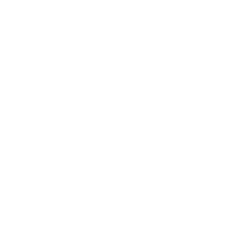




Australia's interests—such as the global spread of Islamist terrorism and intra-state conflict—has continued to evolve beyond a conventional military style attack. The ability to prevent and deter attacks on Australia and our national interests remains a cornerstone of our Defence policy settings.

Today, Australia's defence policies must deliver an ADF that can effectively protect Australia from direct attack, of whatever form, and is also able to secure and advance our interests. These include the protection of our trade routes and prevention of non-geographic threats, such as those from cyberspace, terrorism, transnational crime, people smuggling, and illegal fishing. Our Alliance with the United States remains integral to our defence and security arrangements and our changed strategic environment means that we now work more closely with a wider range of like-minded countries in our region.

A key task for the White Paper is to take account of the strategic circumstances and develop robust defence policy settings for Australia that support sound defence planning and effectively define the key functions of the ADF now and in the future.



CHAPTER 3—AREAS OF ENQUIRY

# 3



## CHAPTER 3—AREAS OF ENQUIRY

This chapter discusses the major issues that will be addressed in the White Paper and are likely to be a focus of community interest. The Expert Panel will be seeking views on these matters as part of its public consultation process.

### Australia's strategic environment

#### *Key questions and issues*

- Is the risk of conventional military conflict growing?
- Does Australia face any immediate military risks?
- What can Australia do to contribute to strengthening peace and stability in our region?
- Where and how should we contemplate using the ADF in support of global and regional security?
- In our nearer region, what are the likely missions the ADF might be called on to perform?
- How well placed are we to understand the impact of changing strategic developments?

A public discussion paper released to support the development of the 2000 Defence White Paper began its discussion of the strategic environment by asking 'Is war a thing of the past?' Regrettably the answer to that question seems more obvious in 2014 than perhaps it did a decade and a half ago. Since the 2000 Defence White Paper, the ADF has been heavily involved in military operations. In Iraq and Afghanistan our forces have seen combat operations as substantial as experienced over a generation ago in Vietnam. Although the outbreak of a major conventional war seems unlikely in current circumstances, there have been plenty of indications in recent years that countries can and will resort to using military force when they judge that it is in their interests to do so. Russia's recent annexation of Ukraine's Crimea Province shows that state on state use of force is hardly a thing of the past.

Australia's wider strategic environment has become more complex as a larger number of countries in the Indo-Pacific grow in economic and military power and seek to shape their strategic environment. North Korea remains an aggressive totalitarian state and threatens its neighbours, including with ballistic missiles and a nuclear weapons development program. Serious maritime sovereignty disputes in North Asia and the South China Sea impact on relations between claimant countries. Some regional states, including in Southeast Asia, face internal challenges relating to political and economic reforms. These potentially

will impact on the stability of the whole region. In South Asia, India-Pakistan relations remain tense. Although there are signs of warmer political relations between the two countries, territorial disputes and the threat of terrorism remain serious risks. In Afghanistan, while international efforts have made significant progress since 2001 towards the goals of denying al-Qaeda safe haven and protecting other nations from attack, the country continues to face security, political and development challenges.

The Middle East remains unstable, with deep rivalries between countries and in many cases serious internal instability, most tragically in Syria, and more recently in Iraq. Terrorism threatens a number of African and Middle East states and remains an enduring global challenge, including in Southeast Asia.

While Australia's immediate neighbourhood of the Pacific is relatively stable, we have seen a number of occasions over the last two decades where internal stability in our region can be quickly threatened and the ADF has been called on to mount stabilising operations.

Do any of these developments point to direct military threats to Australia? Our geography is an asset: we are remote and difficult to attack by conventional means. On balance we have good relations with our neighbours. Strategic circumstances would have to deteriorate very markedly for us to face an immediate threat. The future cannot be predicted with any certainty though, and defence policy must take some account of 'worst case scenarios' to plan for the risk of unexpected developments.

It is paradoxical that, even as potential risks to stability have grown in recent decades, so too have the benefits of international engagement become more important to Australia. Our economy has benefited enormously from Asian economic growth. The wider region is deeply interdependent on trade, financial movements, information and communications technology and people-to-people links. We share a deep collective interest in sustaining the peace, which has brought growth and prosperity to hundreds of millions of people. Australia's own interests—our economic investments around the world and the presence of Australian citizens in many countries—also potentially exposes us to wider threats.

The key policy challenge is to understand what role the ADF could or should play to protect Australia's interests and to promote broader regional stability. In strategic terms Australia has always been an outward looking country with regional priorities and global interests. In the interests of promoting global stability and protecting the international order, we have made military deployments to conflicts far from our shores. Should Australia be prepared to



make similar military deployments in the future? Much would depend on the level of our interests involved, on the precise circumstances of the conflict and on whether our involvement might make a practical difference to the outcome.

There are also circumstances short of military conflict where Australian governments might want options to deploy military force. These could include humanitarian assistance and disaster relief operations, evacuation of Australian nationals, peacekeeping and stabilisation roles in our nearer region, and the protection of our borders. Key policy questions include where and on what scale should Australia be prepared to commit military forces? Previous Governments, for example, took decisions to deploy battalion strength peacekeeping missions to Africa (Namibia and Somalia) to South East Asia (Cambodia) and there have been larger scale ADF deployments to Timor Leste, Iraq and Afghanistan.

If potential risks are growing in our broader region then it is important also to ask if Australia should be doing more with the ADF to contribute to broader Government efforts to strengthen cooperation with friends and neighbours to reduce the risk of conflict and bring more stability to the region. Key policy questions to ask here include: what is the best way to strengthen regional cooperation and stability? What should the Government do to protect those resource domains or areas that lie outside territorial boundaries and from which we all draw benefit—the high seas, space, and the cyber domain? And what is Defence's role in that space? At a national level, our diplomatic, trade and economic ties, development assistance, law enforcement and intelligence cooperation all promote stability. Finally, how well placed are we to understand the shape of strategic developments in our region? Are Defence's intelligence and diplomatic capabilities adequate to the task?

## What should the ADF be able to do?

### *Key questions and issues*

- What are the primary roles for the ADF?
- Where should the ADF be expected to be able to operate, and in what circumstances?
- What are the potential adversary capabilities against which the ADF should plan? (capability)
- How much of each task should the ADF be able to perform? (capacity)
- In what time frames should the ADF to be ready to deploy? (readiness)
- Are there contingencies that Defence has not previously prepared for, but should?

The Government will take the opportunity provided by a White Paper to describe the core tasks that it wants the ADF to be able to achieve. In turn that will help define the force structure (the equipment and military organisational structure) and the funding required. The White Paper will also need to define what kind of Department of Defence is needed to work alongside and support the ADF.

Determining what those core tasks are is ultimately a matter of judgement for Government, although it will be informed by expert inputs from Defence itself, its intelligence agencies and an understanding of recent history. A core responsibility of Government is to provide for Australia's physical security, so the capability to defend the Australian continent and its offshore territories will always be the highest priority. Defence will also need to continue to support the prevention of, and Government response to, non state-based threats. In fulfilling these tasks, Defence is a critical part of a set of whole-of-Government response options available to the Government.

Beyond our own immediate environment, Australia has a significant stake in the security and stability of what previous Defence White Papers called the 'immediate neighbourhood' — the region we share with Indonesia, Timor Leste, PNG, New Zealand and the South Pacific. In those parts of the world the ADF might be asked, as it has been several times in the past 15 years, to conduct humanitarian assistance and disaster relief operations, or to lead or participate in peacekeeping and stabilisation operations. The Government will need to make some judgements about the type and scale of forces required for those tasks. For example, the Government could decide that it needs to retain the capabilities that were required to lead the INTERFET mission to Timor Leste in 1999 — or it could choose to scale them up, or even to invest its Defence spending on other priorities.

As happened in Timor Leste in 1999 and after, Australia led an international coalition of countries committed to restoring stability to that country. Particularly in our nearer region of Timor Leste and the Pacific island states, it is quite possible that strategic circumstances may require us to take on a similar military leadership role. That has implications for the ADF in terms of making sure we are able to operate with a range of counterpart military organisations, and have the necessary equipment and training capabilities to work with friends and allies at different levels of military capability.

Once we look beyond the immediate region judgements are necessarily different, though no less important. Increasing distance generally makes military operations more difficult to launch and sustain, bringing additional costs. If security judgements lead to high priorities for more distant operations, there will be implications for the type of equipment the ADF will require, taking into account the range required for sustained operations and the capabilities of other nations. In turn, that raises questions about the level of sophistication and firepower required for the ADF.

The net result is that the type of capabilities required for the ADF will depend on judgements made about where and against whom our forces are required to be effective. The more challenging the environment, the more firepower, protection and ability to collect and process information and make decisions will be required. And the more it is likely to cost.

Another consideration is the extent to which Australian forces are expected to be able to operate unilaterally. In many instances, when operating beyond Australia's immediate environs, we would expect to be doing so in conjunction with other nations, including security partners throughout the region and in many cases with the United States, including as part of a coalition operation or with the United Nations. The ability to operate effectively with the forces of other nations needs to be factored into future defence planning.

Once the type of capability is identified, there are still capacity judgements to be made—how much of each sort of capability is required. Not all of the ADF can be deployed at any one time. In order to sustain a certain number of soldiers, aircraft, or ships on operations, the ADF needs to concurrently prepare the next rotation, while planning to rest or remediate the previous rotation. For example, the Army is currently planning to be able to sustainably deploy a Brigade size force of about 3,000 soldiers. If Government judges that a larger force is likely to be required, it would need to augment Army's resources. Again, capacity decisions need to be based on assessments of the likely operating environment and the scale as well as the capability of possible opposing forces.



The circumstances in which our military forces are required are not always predictable. At one end of the scale, the 2004 Boxing Day tsunami arrived with no warning at all. On the other end, there are slowly evolving strategic changes which allow adjustments in defence policy to be made over years or even decades. Having forces at high levels of readiness at all times is expensive and comes with the opportunity cost of having fewer resources available for investment in future capability and capacity. The Government responds to these considerations on the basis of cost and risk. In volatile circumstances, when events are moving quickly, a greater proportion of the force can be kept ready to go. At other times it's a matter of judgement as to how much of the ADF should be ready to move at very short notice.

The Government has said that it will continue to develop the ADF while preparing the White Paper. Since announcing the development of the paper it has already made several major announcements—including the purchase of additional F-35 Joint Strike Fighters, Australia's most expensive defence acquisition yet, the P-8A Maritime Patrol Aircraft, and Triton Unmanned Aerial Vehicles.

The larger projects in train at the moment include a project to replace the Army's fleet of armoured protection vehicles and Navy's frigates and submarines. Consideration of these projects will be based on many of the points raised above. For example, the type of protection to be afforded to Army personnel by their vehicles depends on the nature of conflicts the Government judges likely or important for Australia's land forces to be involved in; the number and size of submarines will be informed by factors such as the operating environment and tasks required.

Beyond even the current and future projected shape of the ADF, Governments need to ask if we are adequately dealing with emerging technologies and are as well placed as we can be to deal with unexpected strategic developments. Is Defence agile and innovative enough? For example, the 2000 Defence White Paper could not and did not anticipate the extent to which terrorism would become an enduring threat after the 9/11 attacks of 2001. Cyber security has also emerged in the last decade as a substantial and still growing challenge. How does this affect the modern military and its battle space, and what other options does it provides for responding to threats. Areas such as ballistic missile defence and the security of communications satellites and other space assets are of growing relevance in the Indo-Pacific. Although protecting our trade interests is hardly a new concern, the nature of global inter-dependence means that all countries of the Indo-Pacific share an interest in wanting to protect—indeed not attacking—sea lines of communication and air routes. While trade is important, Australia has a direct strategic interest in protecting petroleum fuel supplies, on which we are externally dependent.



What roles, if any, should Defence play in responding to border protection, domestic security incidents and natural disasters, and as a partner of the Australian community? Defence has played a major role in Operation Sovereign Borders and stands by to assist domestic authorities on counter-terrorism. The ADF has also been called on to be an early responder to a range of natural disasters when local authorities have been overwhelmed by the scale of events. These are important tasks and there is no doubt that Defence personnel are welcomed by local communities. However, there are cost and constitutional constraints on using the ADF in response to domestic situations. Other agencies, like Customs and Border Protection Command, State and Federal Police Forces, State Emergency Services and private sector providers are often better placed to perform these roles. The White Paper needs to identify the nature and readiness of the ADF capabilities that could be available to assist.

Designing a defence force is a complex undertaking. There are many variables and the future environment is uncertain; there is no 'one true answer'. The size and shape of the future ADF will be determined by the best judgements that can be made about these factors, as will the priority Government affords to the ADF.

## The United States Alliance and International Engagement

### *Key questions and issues*

- How important is the United States to Australia's current security environment?
- How important are traditional alliances and partners to our security, both now and in the longer term?
- To what extent should the Government look to the ADF to promote regional stability through peace time cooperation?
- How important is it to build defence relationships beyond the Indo-Asia-Pacific region?
- Should Defence focus less on preparing for war-like operations and focus more on humanitarian assistance and disaster relief operations at home and overseas?
- What can the ADF do to shape Australia's strategic environment in times of peace?

As an outward looking nation, Australia has long supported alliances and other relationships with like-minded countries as a way of promoting our security and making a contribution to regional and global stability. The White Paper gives the Government an opportunity to restate the value of existing ties, look for opportunities to strengthen cooperation, assess if any changes need to be made to key relationships and consider if any new partnerships should be developed.

Defence will use the long-term strategic directions set by the White Paper to establish detailed priorities and objectives for international engagement.

The Government does not accept the view presented by some analysts that Australia faces a difficult strategic choice between promoting an alliance relationship with the United States or an economic relationship with China. All Australian governments since the establishment of diplomatic relations to the People's Republic of China in 1972 have promoted both sets of bilateral relationships. While the United States and China have a very close economic relationship, it is clear that China's growing power makes for a more complicated strategic relationship between the two countries. Australia will continue to pursue close relationships with both; and the key policy question for the White Paper is how exactly this should be done.

Does Australia continue to need a defence alliance with the United States? The unequivocal answer of all Australian governments and a large majority of the population since the Second World War has been 'yes.' Our Alliance with the United States is based on our shared values, support for democracy and

the rule of law and many shared strategic perspectives. The Alliance brings with it tangible benefits. Without the US Alliance relationship it would not be possible for Australia to maintain the intelligence capabilities or the access to high technology defence equipment, which give such combat power to the ADF. Australia's Defence budget derived from the resources of just 24 million people could not afford the benefits we derive from close association with the world's strongest military power and largest economy.

The Alliance with the United States is set to continue. The Government needs to give careful consideration to the areas in which we invest in Alliance cooperation. This includes the enhanced cooperation with the US Marine Corps and US Air Force in the north of Australia; the possibility of enhanced Navy cooperation; and options for cooperation on defence technology areas, including cyber security, space, ballistic missile defence, anti-submarine warfare, special forces and aerospace.

Are Australia's long standing defence relationships with countries like the United Kingdom, New Zealand and Canada still relevant? Does the Government need to consider a defence alliance with countries other than the United States? The Government's position is that these associations are still of great strategic value and, indeed, have become more important. Intelligence cooperation between the so-called Five Eyes Countries (the US, UK, New Zealand, Canada and Australia), still forms the bedrock of our capacity to understand strategic developments in the Indo-Pacific and beyond. The Government will use the White Paper to assess the value of these traditional ties. For example, the UK and New Zealand's role in the Five Power Defence Arrangements (with Malaysia and Singapore) has added reassurance in South East Asia. With New Zealand we have a long history of cooperation with Pacific island states. Should we consider options to increase cooperation on defence industry development with Canada?

A key question for the White Paper is to ask to what extent should the Government look to the ADF to promote regional stability, and Australia's interests and influence, through peace time cooperation? In defence terms this is often referred to as the ADF's 'posture' — that is, what Defence can do with the equipment and capabilities it currently has. This is separate from another key aspect of White Papers, which is to design the ADF of the future, usually looking 20 to 30 years ahead because of the very long lead times involved in some expensive equipment projects.

In this White Paper, because of the more competitive, more fluid, and higher risk strategic environment that is emerging, there is a strong case to argue that Defence needs to substantially increase its regional engagement activities as a way of strengthening cooperation in the Indo-Pacific and beyond. It is often argued that a closer network of defence and security ties will act as a brake on the potential for conflict and help to build trust between states because they will come to understand each other's strategic perspectives.

In the Indo-Pacific, the White Paper needs to structure Australia's approach to building closer defence relations with a number of key states. Successive Australian governments have identified a critical need to build a strategic defence partnership with Indonesia. How should this be done? What scope is there to consider closer military-to-military cooperation including joint maritime and air patrolling, intelligence sharing, training and exchanges?

Australia has close and long standing defence ties with Singapore and Malaysia. Notwithstanding the recent military coup, we share similar approaches to regional security with Thailand and have a history of cooperation, including in operations. Australia works closely with the Philippines to assist it to develop capabilities that support our shared interests, particularly in counter-terrorism and maritime security. The White Paper will need to consider how these relationships can be strengthened, along with options to put more substance into emerging defence relations with countries such as Vietnam and, in time, Burma.

Closer to home, the White Paper should consider options for re-energising defence ties with Papua New Guinea; and look to innovative ways to strengthen security and stability with Timor Leste and the Pacific Island states. The ADF will certainly be a core part of closer regional relationships, but the White Paper should look for innovative ways to strengthen security. For example, there may be trilateral cooperation opportunities involving Timor Leste, Indonesia and Australia. Defence should also identify ways it can work with civilian Government agencies, police and law enforcement, non-government organisations and other groups to strengthen institutional capacity and resilience, and reduce the prospects for military conflict.

In North Asia, Australia has, to some eyes, a surprisingly close and effective defence relationship with China, built on more than fifteen years of strategic dialogue. What steps can be taken to strengthen this connection? There will be opportunities for increased practical military to military contact, including on areas like search and rescue cooperation, humanitarian assistance and disaster relief, maritime cooperation and peacekeeping.

As has been evident for a number of years now, Australia has also been developing closer defence ties with Japan. Support to Japan's peacekeeping efforts, and technology and defence industry cooperation have been two areas of recent focus. We have also grown our relationship with the Republic of Korea. In many cases we share similar approaches to the role of defence organisations in helping to build regional security. The White Paper will need to explore opportunities for enhancing practical military-to-military cooperation and opportunities to work together on industrial, science and technological cooperation.

We have core national interests in working with others to develop regional security architecture, that is, the formal mechanisms through which regional countries consider and manage security issues. Australia will also continue to



promote multilateral defence cooperation through mechanisms like the ASEAN Defence Ministers' Meeting—Plus, the ASEAN Regional Forum, and the Indian Ocean Naval Symposium. An important question to consider is the balance of emphasis between bilateral and multilateral defence cooperation. Multilateral arrangements have progressed only slowly to build region-wide defence links, but as the recent MH370 disaster demonstrated there is a need to strengthen defence frameworks in practical areas like search and rescue.

Recent Australian governments have identified a need to strengthen defence cooperation with India and to build effective relations with countries in the Indian Ocean region. The White Paper presents an opportunity to consider how Australia should strengthen its approach to maritime security in the Indian Ocean. What scope is there, for example, to make more effective strategic use of the Australian territories, Cocos Island and Christmas Island? What opportunities are there for us to cooperate more closely with India, Indonesia and the Indian Ocean littoral states?

Beyond our immediate region, the White Paper should look for opportunities to strengthen cooperation with a number of countries where there are shared interests and the potential for strategic value to be realised. Alongside our operations in Iraq and Afghanistan, we have developed our relationships with the Gulf States, and with Pakistan. What form should these relationships take in the future. Elsewhere, for example, Australia has developed defence links with NATO, the European Union and a number of European countries which are of value to all concerned. France is a close partner in the Pacific and shares similar approaches in defence organisation, industry and peacekeeping. We have defence industry interests with Spain, Germany and Sweden.

There is, of course, a limit to the extent of defence cooperation that Australia can reasonably contemplate and that which our neighbours can accommodate. It is the role of the White Paper to set an intelligent balance between a force posture that supports deep regional and international engagement and the ADF's needs to develop its own capabilities and capacity.

## Deciding Defence capabilities

### *Key questions and issues*

- What Defence capabilities should the Government invest in now and for the long term?
- What enabling capabilities are critical to support ADF operations and to eliminate hollowness in the force?
- What military capabilities must we be able to mount and operate ourselves, short of allied assistance?
- How organised should the ADF be for high intensity conventional combat?
- What can international and regional defence engagement achieve for Australia strategically?
- What is the optimum use for reserve forces?
- What Science and Technology capabilities are critical to underpin our broader defence capabilities?
- What is the right organisational structure for Defence?
- Should Defence contribute more to domestic counter-terrorism activities?
- What support should Defence offer to local communities?
- What capabilities are critical for Defence to most effectively work with other Government agencies?

The core issues for any White Paper are those concerning decisions about Defence capabilities. The term ‘capability’ is often used as a form of shorthand to describe the array of inputs that are needed to field and use complex weapons. For example, a submarine is not an effective form of military capability unless and until it has a trained and experienced crew, is equipped with the necessary weapons and sensors, has access to logistic support and sustainment and is operating within a network of other capabilities such as surface ships and aircraft. Generating military capabilities is complex, specialised and expensive work and, because of these factors, Governments are limited in the numbers of defence capabilities they can acquire and maintain. The real challenge for White Papers is to make the tough choices between capability options—a dollar can only be spent once.

The best way to shape defence capability choices is to be clear about what it is that the ADF is designed to do, and we have canvassed some of those issues in the preceding section. However, even after the point that key roles and missions

have been defined, the policy requirement is to narrow choices around the kinds of military capability we might choose to give effect to operations. There may be a variety of different military means to achieve a mission. The options that will be best for Australia will be determined by a variety of factors including cost effectiveness, broad familiarity with the capability, whether our friends and allies will assist us, how effectively we are able to operate with partner militaries and, whether we can maintain sufficient elements of the capabilities we need in terms of scale and duration.

Key capability questions the White Paper needs to tackle are as follows:

- What is the right balance of investment between current and future defence capabilities? There is no point planning to have the perfect ADF in 2030 or later if the current ADF is unable to protect Australia's strategic interests right now. Our strategic outlook suggests that Defence needs to more actively be engaged in shaping our region to suit Australian interests in the short to medium term. But it is a budget reality that investment on current ADF posture will impact on money available for investment in the future force.
- What military capabilities must we be able to mount and operate ourselves, short of allied assistance? Decisions in this area have often been presented as a debate between self-reliance versus Alliance cooperation. In some respects (as will be seen in the next section) this is a false choice. Given the size of the ADF and of our Defence budget, complete self-reliance in military capabilities is neither necessary nor realistic. Successive White Papers have, however, made policy decisions on the basis that the ADF does need to be able to mount and sustain certain types of military operations without expecting direct 'boots on the ground' allied help.
- How organised should the ADF be for high intensity conventional combat? Structuring a force for high intensity combat is very costly and needs to be based on an informed assessment of the likelihood of facing such a threat. On the other hand, a force built to handle low-level threat situations—say of the type involved in some (but not all) peacekeeping operations will not be able to quickly gear up to deal with higher intensity conflict. The Australian approach has typically been to say that it is important to maintain at least some capabilities able to meet higher intensity threats. Higher-end ADF capabilities have a deterrent effect and sustain the overall position of the force within the front rank of credible militaries around the world.
- How should Defence develop capabilities to address modern elements of warfare, including in the cyber domain? What cross-training do current members of the ADF need? How should cyber-related issues be incorporated into training for incoming personnel? Defence and the ADF will also need to understand cyber issues as they support defence enabling capabilities, such as research and development, procurement, and workforce and strategic planning.





- What science and technology capabilities are critical to underpin our broader defence capabilities? Australia has long had a highly capable Defence Science and Technology Organisation that works to enhance ADF equipment and personal performance. A key question for the White Paper is to ask how Defence should best use science and technology capabilities in coming years? How can innovation more effectively be promoted and how should Defence draw on the private sector and Australia's university and research sectors to help sustain and improve critical military capabilities?
- What is the optimum use for reserve forces? Defence reserves have always been an important element of overall ADF capability. Reserves (and the Cadet forces which are an important ADF recruitment base) are also an important link between the ADF and the wider community. The White Paper will need to ensure that an appropriate set of roles and missions is defined for reserve forces, that these roles and missions are achievable given levels of reserve training and that forces are adequately equipped in a cost effective way.
- What is the right organisational structure for Defence to support ADF operations? This is a critical question about what might be considered the non-combat support elements of Defence. To fight effectively the ADF needs to be supported by intelligence collection and analysis, good quality policy advice, logistic backup, information and communications technology support, defence equipment procurement and sustainment and a first rate training infrastructure. Much of Defence's civilian workforce, as well as industry and other private sector partners, are involved in delivering these critical enabling capabilities. The White Paper will need to propose policy settings for these enabling areas that focus as much on delivering military capability as budget efficiency.

## Defence Industry

### *Key questions and issues*

- Which industrial capabilities are vital for the ability of the ADF to field forces and must be located in Australia?
- What are the consequences for Australian industry of international trends in the defence industry sector?
- How can the Government best encourage the development of an internationally competitive Australian defence industry?
- What is the future of existing industry support programs provided by Government?

The ADF relies on defence industry to supply and maintain the equipment required for military operations, which necessitates a robust in-country industrial base. However, as is the case with other sectors of the Australian economy, worldwide trends have put pressure on the local defence industry. Sophisticated military equipment has become steadily more expensive and resource intensive to develop and produce. The ability of individual countries to maintain an end-to-end capability has diminished. The result has been a trend towards multinational collaboration and the globalisation of the defence industry sector. Equipment for the ADF is often sourced from offshore suppliers.

As a result, Australia's defence industry is increasingly characterised by the presence of multinational companies, supported in many cases by local suppliers, often small to medium enterprises (SMEs). While the global defence market is a difficult environment for Australian defence industry, there are good reasons to think that the sector has a healthy future, although some adaptation is bound to be required. Firstly, some Australian innovations are world class and can provide export opportunities even in a competitive global market. Two recent examples are the Bushmaster vehicle from Thales and the ship borne radar systems developed by CEA Technologies.

Secondly, if structured appropriately, even the off-the-shelf purchases can provide opportunities for local industry. For example, the Joint Strike Fighter will have Australian made components as a result of local firms winning business in competition with international companies. Third, equipment sourced from overseas suppliers has to be supported in country—it would simply be impractical to do anything else and the ADF's day-to-day readiness will remain critically dependent on local industrial support.



The Government's position is that capability acquisition and sustainment decisions are made on the basis of defence imperatives and considerations of cost and risk. Decisions are not made on the basis of industry assistance or regional assistance imperatives. The Government is committed to supporting local Defence industry, consistent with providing best value for the tax payer and effective and affordable equipment for the Australian Defence Force.

The best outcome for Government and the private sector is to ensure those parts of industry that are critical to ADF capability can thrive in a globally competitive environment. The current approach includes the identification of priority industry capabilities (PICs), which the Government can opt to support directly through investment, or by preferring local suppliers in acquisition decisions. Is the PIC framework still the appropriate mechanism and how does this policy also deliver value for money? What other mechanisms exist that can promote value for money, innovation and support highly productive industries to better access global defence markets and supply chains? These issues will be considered in the context of the Defence Industry Policy Statement, to be developed in conjunction with the White Paper.

Currently one of the biggest defence industry issues is the future of naval shipbuilding in Australia. While successive Australian governments have shown a willingness to support the shipbuilding and repair sector, industry performance has been patchy, with some successful projects and some that have fallen short of international benchmarks. In its announcements about the Navy's resupply vessels, the Pacific Patrol Boats and the Future Frigate program, the Government flagged that it will need to see productivity in the sector improved to internationally competitive levels before it will commit to further major

construction projects in Australia. This position is likely to remain the benchmark for other defence industry policy decisions.

The Government wants to see shipbuilding continue in Australia, but not at any cost. Every additional dollar used to support an inefficient defence industry takes away equipment from our sailors, soldiers and airmen and airwomen. The opportunity cost needs to be considered; what other military capability might be foregone if monies are committed to industries that do not meet international benchmarks?

There is significant debate emerging about the future submarine and whether it should be built in Australia. This debate must consider the cost, risk and schedule as well as the benefits of the different options. Where domestic industrial capability is scarce; where ought it be directed? To what priority and to which ADF needs?



## Defence: 'in' and 'of' the community

### *Key questions and issues*

- Is the priority allocated to Defence adequately explained to the Australian community?
- How can the Australian community contribute to the development of defence policy?
- How can the ADF ensure that Australians have confidence in the organisational culture, abilities and professionalism of their armed forces?
- With Australia's changing demographics, can the ADF continue to recruit the right people and meet the expectations of Australia's youth and the community as a whole?
- What opportunities exist for Defence to contribute to economic development in regional Australia?

The ADF is widely seen by the Australian community as an important arm of Government. In a recent Lowy Institute Poll, 83% of Australians rated the armed forces as a 'very important' player in Australia's international relations (and 15% more rated it as 'important'). But maintaining a sophisticated ADF able to meet the challenges of the 21st century and tackle the tasks assigned by Government is expensive. After a number of years in which defence spending was either static or declined in real terms, this year's Defence budget increased by 6%. The 2014–15 Defence budget is \$29.3 billion, which represents 1.8% of Australia's GDP and a little over 7% of Government spending. This is the equivalent of about one dollar in every 14 spent by the federal Government, the fourth highest discrete sector of Government spending behind social security and welfare, health, and education. The Government plans to raise Defence spending to 2% of GDP by the 2023–24 financial year.

The Government has to assign priorities to all of its portfolios and every dollar can only be spent once. Every Australian has their own opinion about those priorities and it's inevitable that not everyone will agree with the Government's choices. But it's the Government's responsibility to at least clearly communicate the reasons behind its choices. The White Paper will be an opportunity for the Government to articulate its views in a comprehensive manner and to explain the rationale for Defence spending based on Australia's strategic outlook.

Of course, the ADF draws on the Australian population for more than its funding. Everyone in the Navy, Army, Air Force and Department of Defence is also a member of the Australian community. To maintain its capability, the ADF has to be able to recruit the right people and then train them to do a complex and

demanding job. The changing nature of society, particularly where job mobility is concerned, makes attracting and keeping skilled personnel challenging.

The ADF today has to compete in a dynamic marketplace for skilled labour. As a result, it has to present itself as an employer of choice to young Australians. It has to offer challenging and rewarding careers that appeal to a cohort that has grown up in an internet connected world and which doesn't necessarily regard long-term tenure with a single employer as a given. With Australia's demographics changing, with a previously Anglo-Celtic dominated population and a largely male workforce giving way to a much more diverse one, the ADF must follow suit. Many initiatives are in progress to attract a wider range of recruits from across the nation as it evolves and to make them welcome within the ADF. These are bearing fruit and reflect the efforts towards achieving a better gender balance and greater ethnic diversity being made by all three Services. Nevertheless, input from community groups on how the ADF could make itself more appealing would be especially valuable in the White Paper consultation process.

Finally, while Australians typically have a high opinion of the professionalism of the armed forces, such support can't be taken for granted. Widely reported instances of poor behaviour by some ADF members have undermined some of the goodwill enjoyed by the military, with the by-product of reducing the appeal of a military career for some potential recruits. The Government and the leadership of the ADF recognise the need for a zero tolerance approach to unacceptable behaviour and to ensure that community standards are reflected in everything the ADF does—and communicate that to the wider population.

Defence exists to provide security for Australia, but Defence's capabilities are also used to address non-traditional security threats. Amongst other tasks, Defence undertakes disaster relief and humanitarian assistance at home and abroad, search and rescue activities, evacuations, and assists the police in domestic counter-terrorism efforts.

Importantly, Defence also makes a significant contribution to the development of regional Australia. It does so through Defence facilities, linkages with communities in which Defence members live and work, and support to local industry. Defence's presence creates opportunities for employment, training, industry, community services, childcare facilities and housing. The Government's view is that investment in Defence primarily needs to be driven by the priority of producing essential military capabilities for the defence of Australia and our interests. The Government seeks to maximise Australian industry involvement where it provides value for money or where it is in the national interest to do so, based on strategic considerations.

## CHAPTER 4 – DEFENCE FACTS AND FIGURES

# 4



# CHAPTER 4—DEFENCE FACTS AND FIGURES

## Defence and ADF—Workforce

Defence’s integrated workforce is a mix of full-time and part-time military personnel, civilian and contractor personnel. While full-time ADF members are the public face of Defence, the other elements are also vital.

Australian Public Service (APS) personnel are employed in an array of critical positions in Defence, Australia-wide. They make a direct contribution to policy and intelligence outputs and they enable our three Services, Navy, Army and Air Force. APS personnel design, build and provide the equipment ADF personnel use, manage Defence’s finances and undertake administration and other support roles.

Contractor personnel with specialist skills are engaged to fill positions due to a lack of APS or military staff with those skills. All significant outputs and capabilities generated by Defence arise from the action and interaction of these distinct workforce segments.

The Defence Materiel Organisation (DMO) is an integral part of the Department of Defence and manages its workforce under the combined APS, ADF and contractor model.

### **Service Personnel**

	Men	%	Women	%	Total
Navy (Permanent)	11,412	82.0	2,509	18.0	13,921
Army (Permanent)	25,698	88.6	3,312	11.4	29,010
Air Force (Permanent)	11,586	82.8	2,405	17.2	13,991
<b>Total ADF Permanent</b>	<b>48,696</b>	<b>85.5</b>	<b>8,226</b>	<b>14.5</b>	<b>56,922</b>
Reserves					
Navy (Reserves)	3,772	79.4	978	20.6	4,750
Army (Reserves)	12,289	86.7	1,877	13.3	14,166
Air Force (Reserves)	3,432	79.5	884	20.5	4,316
<b>Total ADF Reserves</b>	<b>19,493</b>	<b>83.9</b>	<b>3,739</b>	<b>16.1</b>	<b>23,232</b>



### **Defence Australian Public Service Personnel**

	Men	%	Women	%	Total
APS (less DMO)	8,754	58.7	6,153	41.3	14,907
APS (DMO)	3,490	68.7	1,591	31.3	5,081
<b>Total APS</b>	<b>12,244</b>	<b>61.3</b>	<b>7,744</b>	<b>38.7</b>	<b>19,988</b>

#### **Notes**

1. Figures in this and the previous table show full time equivalent as at 19 June 14, with the exception of the Reserves, where, due to the nature of Reserve service, headcount is provided and data is at 1 July 14.
2. Percentage figures are calculated against the individual Service totals.
3. ADF Permanent includes Reservists on full time service.
4. Reserves include all active members (training, deployed and other part-time military work commitments).

### **2013-14 Budget Overview (Defence and DMO)**

	2013-14 Estimated Actual \$m	2014-15 Budget Estimate \$m	% of GDP (2014-15)
Total budget	27,002.5	29,222.8	1.8
Capital investment	7,255.1	8,488.2	0.5
Operating costs	9,079.5	9,647.9	0.6
Personnel Costs	10,669.8	11,086.6	0.7

#### **Notes**

Figures taken from page 109 of the 2014-15 Parliamentary Budget Statements, Table 68: Consolidated Budgeted Departmental Statement of Cash Flows for the Department of Defence (including DMO) (for the period ended 30 June).



## Navy—Summary

Australia is critically dependent upon the sea for our security, wealth and way of life. As our national prosperity relies on trade, a stable and predictable maritime environment that provides access to global markets is critical. The Navy's maritime forces are essential elements of national power in establishing the conditions for trade, protecting our national prosperity, now and into the future.

The Navy promotes Australia's interests through the generation and sustainment of a force that promotes stable, rules based order in the maritime domain. Peace time tasking, such as border protection; maritime surveillance and response within Australia's offshore maritime zones; hydrographic, oceanographic and meteorological support operations; humanitarian assistance and disaster relief; and, maritime search and rescue, all contribute to regional security and long term shaping of the strategic environment.

The Navy must also be a credible and flexible force, with sufficient combat power to deter, and if required, defeat Australia's enemies. This is achieved by providing maritime patrol and response, interdiction, protection of shipping and offshore territories and resources, maritime intelligence collection and evaluation, hydrographic and oceanographic operations, and escort duties.

Personnel	
Permanent	14,215
Reserve	8,493

Principal Equipment		
Submarines	Collins Class	6
Surface Combatants	Adelaide Class Guided Missile Frigate	4 <sup>1</sup>
	Air Warfare Destroyer	1 <sup>4</sup>
	Anzac Class Frigate	8
Logistics and Support	Replenishment Underway/Oiler	2
	Australian Defence Vessel Ocean Shield	1 <sup>2</sup>
Amphibious	Landing Helicopter Dock	1 <sup>3</sup>
	Landing Craft	3 <sup>5</sup>
	Bay Class Landing Ship	1
	Tobruk Class Landing Ship	1

### Principal Equipment

Minor War Vessels	Armidale Class Offshore Patrol Boat	14	
	Hydrographic Survey Ship	2	
	Minehunter	6	
	Survey Motor Launch	4	
	Landing Craft Mechanised (LCM1E)	12 <sup>6</sup>	
Helicopters	Anti-submarine Warfare (ASW)	16 <sup>7</sup>	S-70B-2 (ASW helicopter)
	Maritime Support	6	MRH-90 (multi-role helicopter)
	Support	13	AS-350BA (light utility helicopter)
Training	Sail Training Ship Young Endeavour	1	Sailing ship for training cruises

#### Notes

1. HMAS Sydney is decommissioning in Dec 2014.
2. Due to transfer to the Australian Customs and Border Protection Service in 2016.
3. NUSHIP Canberra to be commissioned Aug 2014.
4. First Air Warfare Destroyer due to commission mid to late 2016.
5. All Landing Craft Heavy to decommission in Nov 2014.
6. Final delivery to be received by end 2014.
7. Three already decommissioned, with the remainder to be decommissioned by Dec 2017.



## Army – Summary

The Australian Army is the foundation of the nation's land power. As part of the ADF it promotes and protects Australia's interests, deters threats to Australia's sovereignty and, if necessary, defeats those threats. To achieve this, the Army must be able to generate credible and sustainable land forces.

Australia's small population relative to many other nations will normally mean its Army remains a small force that operates either within an ADF joint force, as part of a coalition, or as a service within a joint coalition. It is through quality people, modern equipment, intellectual investment and technological development that the Army generates and sustains credible forces that contribute, as part of the ADF, to relevant options for Government.

Personnel	
Permanent	28,948
Reserve	15,052

Organisations	
Major Task Force Headquarters	1 x Deployable Joint Force Headquarters
	1 x Signals Regiment
	1 x Combat Training Centre
	1 x Operational Support Battalion
	1 x Training Group
Combat Brigades	3 x Brigade Headquarters
1st Brigade	3 x Combat Signal Regiments
3rd Brigade	2 x Armoured Cavalry Regiments
7th Brigade	1 x Reconnaissance Regiment (Armoured Cavalry Regiment from 2016)
	6 x Standard Infantry Battalions
	3 x Combat Engineer Regiments
	3 x Artillery Regiments
	3 x Combat Service Support Battalions
Special Operations	1 x Special Air Service Regiment
	2 x Commando Regiments (including 1 x Reserve Unit)
	1 x Engineer Regiment
	1 x Logistics Squadron
Amphibious	1 x Infantry Battalion

## Organisations

Combat Support Brigade	1 x Brigade Headquarters
Intelligence	1 x Battalion
Electronic Warfare	1 x Battalion
Air Defence	1 x Regiment
UAV	1 x Regiment
Construction	1 x Regiment
Aviation	1 x Brigade Headquarters 3 x Aviation Regiments
Combat Service Support Brigade	1 x Brigade Headquarters
Communications	1 x Signal Squadron
Health Support	3 x Battalions and 1 Psychology Unit (including 1 x Reserve Unit)
Force Support	3 x Battalions (including 1 x Reserve Unit)
Military Police	1 x Battalion
Surveillance	3 x Regional Force Surveillance Units



### Principal Equipment

Vehicles	Main Battle Tanks	59 <sup>1</sup>	59 x M1A1 Abrams plus 7 x M88A2 Recovery Vehicles
	Light Armoured Vehicles	253	Australian Light Armoured Vehicle (ASLAV)
	Armoured Personnel Carriers	431	M-113 AS3/4
	Protected Mobility Vehicles	737	Bushmaster (Protected Mobility Vehicle) There are an additional 119 vehicles due to be released from production in the next 3 years
Aircraft	Attack Helicopters	22	AS-665 Tiger (Attack and Reconnaissance helicopter)
	Support Helicopters	56	6 x CH-47D (Chinook heavy-lift helicopter) 34 x S-70A-9 (Blackhawk multi-role helicopter) 16 x MRH-90
	Utility Helicopters	24	24 x Bell 206B-1 (Kiowa)
Amphibious	Amphibious	24 <sup>2</sup>	15 x LCM-8 (amphibious landing craft) 9 x LARC-V (amphibious cargo vehicle)
Artillery	Towed	54	54 x 155mm (Howitzer, long range gun)
	Mortar	188	81mm
Air Defence	Surface to Air	19	RBS-70 (surface to air missile system)
Radar	Land	67	3 x Giraffe—AMB (sense and warn radar) <sup>3</sup> 31 x LCMR (counter-mortar radar) 33 x AMSTAR (man-portable radar)

#### Notes

1. An additional 6 M88A2 Recovery Vehicles are being procured.
2. Planned reduction to 13 LCM-8 in 2015.
3. To be introduced mid 2015.

## Air Force—Summary

The Air Force applies capabilities to protect Australia and its national interests by providing a unique combination of flexibility, reach, precision and speed of response.

The Air Force's fundamental capabilities enable the conduct of offensive and defensive counter air operations, land and maritime strike operations and offensive air support. Airlift enables quick deployment of forces over large distances and follow-on sustainment. Information superiority provides Air Force with better situational awareness enhancing the effectiveness of command and control systems. Australian and global communities also benefit directly from the Air Force's contribution to search and rescue operations, disaster relief, humanitarian assistance and other protective functions.

Personnel	
Permanent	14,120
Reserve	4,273

Formations	
Air Combat and Strike Group	1 x Headquarters
	4 x Strike Fighter Squadrons
	1 x Electronic Attack Squadron
	1 x Strike Fighter Training Squadron
	2 x Lead in Fighter Training Squadrons
	1 x Joint Terminal Attack Controller Squadron
Surveillance and Response Group	1 x Headquarters
	2 x Squadrons of AP-3C Orions
	1 x Squadron of Airborne Early Warning and Control (AEW&C)
	1 x Control and Reporting Wing
	1 x Radar Surveillance Unit (Jindalee Over the Horizon Radar Network - JORN)
	2 x Regional Operations Centres
	1 x Air Traffic Control Wing
	2 x Air Traffic Control Squadrons (11 Air Base ATC flights)
1 x Flight of Unmanned Aerial Systems (Overland intelligence, surveillance and reconnaissance)	

## Formations

Air Mobility Group	1 x Headquarters
	1 x Heavy Air Lift Squadron
	1 x Multi Role Tanker Transport Squadron
	1 x Medium Air Lift Squadron
	1 x Battlefield Airlift Squadron
	1 x Light Transport Squadron
	1 x Special Purpose / VIP Transport Squadron
Combat Support Group	1 x Headquarters
	2 x Combat Support Wings
	1 x Health Services Wing
Aerospace Operational Support Group	1 x Headquarters
	1 x Developmental and Test Wing
	3 x Development and Test Squadrons (Flight Test, Systems Engineering, Stores Compatibility)
	1 x Aviation Medicine Unit
	1 x Information Warfare Wing
	1 x Electronic Warfare Unit
	3 x Intelligence Squadrons
1 x Aeronautical Publications Unit	
Headquarters Air Command	1 x Air Operations Centre
	1 x Air and Space Operations - Command and Control Capability Systems
Air Force Training Group	1 x Headquarters
	1 x Air Training Wing
	5 x Aviation Training School
	1 x Combat Survival Training School
	1 x Light Transport / Training Support SQN
	RAAF Museum
	1 x Ground Training Wing
	4 x Ground training School
	1 x RAAF College
	3 x Training Units
1 x RAAF Band	
1 x Base Support SQN	



Principal Equipment		
Combat Aircraft	F/A-18A/B Classic Hornet <sup>1</sup>	71
	F/A-18F Super Hornet	24
	EA-18G Growler <sup>2</sup>	12
	Hawk Mk127 Lead-in Fighter Trainer	33
Maritime Patrol Aircraft	AP-3C Orion Maritime Surveillance <sup>3</sup>	19
	P-8A Poseidon Maritime Surveillance <sup>4</sup>	8
Airborne Early Warning and Control Aircraft	E-7A Wedgetail AEW&C	6
Overland Intelligence Surveillance and Reconnaissance (ISR)	2 x Heron 1 UAS <sup>5</sup>	
Air Mobility Aircraft	C-17A Globemaster Heavy Air Lift	6
	KC-30A Multi Role Tanker Transport	5
	B-737 BBJ VIP Transport	2
	C-130J Hercules Medium Air Lift	12
	C-27J Spartan Battlefield Air lift <sup>6</sup>	10
	CL-604 Challenger	3
Training and Support Aircraft	B300 Kingair	8
	PC-9/A Trainer	63
Surveillance and control systems	B300 Kingair	8
	Over the Horizon Radar Network	1
	Tactical Air Defence Radars	4
	Deployable Air Traffic Control systems <sup>7</sup>	10
	Air Base Air Traffic Control Radars <sup>8</sup>	9
	Fixed Base Air Traffic Control automation systems <sup>9</sup>	11

### Notes

1. Retiring in 2020.
2. Twelve EA-18G Growler Electronic Attack aircraft delivered to meet a July 2018 initial operating capability.
3. AP-3C fleet is planned for withdrawal around 2019.
4. Eight P-8A Poseidon are under acquisition and will be delivered incrementally to meet a 2018-19 initial operating capability.
5. Intended to be introduced following completion of operations in Afghanistan, approximately September 2014.
6. Ten C-27J Spartan are under acquisition and will be delivered incrementally to meet a Dec 2016 initial operating capability.
7. Single Tactical Air Surveillance Radar to be replaced by three new systems to meet initial operating capability in FY 2018-19.
8. Three Alenia and six Raytheon sensors to be replaced under to meet initial operating capability in FY 2018-19.
9. Eleven Air Base air traffic control automation systems to be replaced to meet initial operating capability in FY 2018-19.



## Defence Materiel Organisation (DMO)—Summary

The DMO exists to meet the ADF's military equipment and supply requirements as identified by Defence and approved by Government. The DMO's first priority is to provide equipment and support for ADF units deployed on operations.

On Defence's behalf, the DMO also manages one of the largest holdings of physical assets and inventory in the country. The DMO's business is complex, with high levels of commercial and technical risk. The DMO manages these risks at all levels to ensure the best possible support to the ADF.

The DMO will manage acquisition and sustainment worth over \$43 billion over the Forward Estimates period, with around 55 per cent to be spent in Australia.

The latest Defence Capability Plan contains 111 projects, or phases of projects, worth around \$153 billion, taking into account projected inflation rates.

The DMO's expenditure in Australia (around 40 per cent in acquisition and 60 per cent in sustainment business over the Forward Estimates period) involves an estimated 3000 firms in the Australian Defence industry. In 2013–14 they are anticipated to employ between 24,000 and 25,000 staff in support of Australia's Defence capability.

## Defence Science and Technology Organisation (DSTO)—Summary

The Defence Science and Technology Organisation (DSTO) is the Australian Government's lead agency charged with applying science and technology to protect and defend Australia and its national interests.

DSTO provides scientific and technical support to current Defence operations; investigates future technologies for Defence and national security applications; and, ensures Australia is a smart buyer and user of Defence equipment. DSTO also develops new Defence and national security capabilities; enhances existing capabilities by increasing performance and safety, and reducing the cost of ownership of Defence assets; works collaboratively with other science and Government agencies to strengthen national security; and assists industry to become better at supporting Defence's capability needs.

Headed by the Chief Defence Scientist, DSTO has an annual budget of approximately \$440 million and employs around 2,500 staff, predominantly scientists, engineers, IT specialists and technicians.



## Intelligence—Summary

### ***Defence Intelligence Organisation (DIO)***

The Defence Intelligence Organisation (DIO) provides the best intelligence possible to the intelligence consumer—whether this is the Minister for Defence, a Government policy-maker or a battlefield commander. This intelligence and advice supports the planning and conduct of ADF operations, Defence capability and policy development, and wider Government planning and decision-making on Defence and national security issues.

DIO also provides specialist advice to support whole-of-Government strategies, such as countering proliferation and combating terrorism.

### ***Australian Signals Directorate (ASD)***

The Australian Signals Directorate (ASD), formerly known as the Defence Signals Directorate, provides foreign signals intelligence, known as SIGINT, to the ADF and Australian Government to support military and strategic decision-making.

In an increasingly complex world, the ASD's work helps the Government to make well-informed decisions on political, Defence and security issues that affect Australians and Australia's interests.

ASD is also home to the Government's Cyber Security Operations Centre and, soon, the Australian Cyber Security Centre.

### ***Australian Geospatial Organisation (AGO)***

The Australian Geospatial Organisation (AGO), formerly known as the Defence Intelligence and Geospatial Organisation, is the lead geospatial and imagery intelligence organisation in the Department of Defence.

The AGO obtains geospatial and imagery intelligence about the capabilities, intentions or activities of people or organisations outside Australia to meet the requirements of the Australian Government.



## ADF Operations 2014—Summary

Operation	Location	Personnel	Government Mandate
ACCORDION	Middle East Region	Approx 550	Ongoing
ASLAN	South Sudan	21	Reviewed annually
GATEWAY	Indian Ocean and South China Sea	Varies by period and assigned assets*	Ongoing
MANITOU	Middle East Region (inc Arabian Sea, Red Sea, Gulf of Aden, Gulf of Oman) and Indian Ocean	Approx 250	Ongoing
MAZURKA	Egypt	25	Reviewed annually
PALADIN	Israel/Lebanon	12	Reviewed annually
PALATE II	Afghanistan	2	Reviewed annually
RENDER SAFE	South West Pacific Nations	Planning ongoing expected commitment of up to 500 in Oct - Nov 14	Biennially
RESOLUTE	Australia's borders and offshore maritime interests	Approx 800 *	Ongoing
SLIPPER	Afghanistan	Approx 400	Ongoing
SOLANIA	South West Pacific maritime areas	Varies by period and assigned assets *	Ongoing
Southern Indian Ocean	Southern Indian Ocean	Approx 2	Ongoing

\* manning is dependent on assigned tasking

### ***ADF Operations 2014—Descriptions***

The Government has approved the deployment of approximately 3,000 ADF personnel to 10 operations overseas and within Australia to protect Australia and its national interests. Of these, approximately 800 ADF members are actively protecting Australia's borders and offshore maritime interests.

For further information on Defence operations, visit - <http://www.Defence.gov.au/Operations/>

#### **Operation ACCORDION**

Operation ACCORDION's mission is to support the sustainment of regional Australian Defence Force (ADF) operations, enable contingency planning and enhance regional relationships in the Middle East Region (MER).

Around 550 ADF personnel work under Operation ACCORDION providing support to Operations SLIPPER and MANITOU, predominantly from the Al Minhad Air Base (AMAB) in the United Arab Emirates.

#### **Operation ASLAN**

Operation ASLAN is the deployment of ADF personnel to the United Nations Mission in South Sudan (UNMISS). The Operation formally started on 23 September 2011. ADF personnel transitioned to Operation ASLAN from Operation AZURE, the ADF contribution to the former United Nations Mission in Sudan (UNMIS).

Approximately 20 ADF personnel are deployed on Operation ASLAN. ADF personnel are not deployed in combat roles and are engaged in key headquarters positions and logistics support roles, as well as acting as military liaison officers.

On 9 July 2011, the Republic of South Sudan became the newest country in the world, following a six-year peace process that began with the signing of a Comprehensive Peace Agreement in 2005. The new United Nations Mission in South Sudan was established to support the new Republic of South Sudan to build a viable and secure future for its people. The UNMISS mandate has recently been amended to place protection of civilians as its highest priority.

Defence, along with other Government agencies, is closely monitoring the situation in South Sudan.

### **Operation GATEWAY**

Operation GATEWAY is Australia's enduring contribution to the preservation of regional security and stability in South East Asia. The ADF provides maritime surveillance patrols in the North Indian Ocean and South China Sea.

Operation GATEWAY helps maintain the bilateral Defence relationship between Australia and Malaysia. Operation GATEWAY is part of the support to Australia's efforts to counter people smuggling in the region.

ADF assets are dedicated to Operation GATEWAY taskings periodically. The number of personnel involved varies on each occurrence.

### **Operation MANITOU**

Operation MANITOU is the Australian Government's contribution to the international effort to promote maritime security, stability and prosperity in the MER. An enhanced security environment ensures Australia's safe and open access to the region while fostering trade and commerce. Approximately 250 Australian Defence Force personnel are assigned to Operation MANITOU.

As an element of Operation MANITOU, a Major Fleet Unit of the Royal Australian Navy (RAN) forms part of Australia's contribution to maritime security, counter-terrorism and counter-piracy operations in the Middle East Region (MER).

### **Operation MAZURKA**

Twenty-five ADF members working under Operation MAZURKA are assisting the Multinational Force and Observers (MFO) in the Sinai, Egypt. The MFO is a non-UN organisation established in 1981 to oversee long-standing peace agreements in the region, and Australia was one of the original contributing countries to the mission. ADF members assist in the peace process by monitoring the border between Egypt and Israel, preparing daily operational briefings and supporting the Headquarters.

### **Operation PALADIN**

The ADF is committed to Operation PALADIN, contributing to the UN Truce Supervision Organisation (UNTSO) in Egypt, Israel, Jordan, Lebanon and Syrian Arab Republic. The UNTSO was established in 1948 to supervise the truce agreed at the conclusion of the first Arab/Israeli War. Since 1956, the members of the Australian contingent have been employed in a variety of roles, including staff officers in the UNTSO Headquarters in Jerusalem and as military observers throughout the region.

## **Operation PALATE II**

Operation PALATE II is the ADF contribution to the United Nations Assistance Mission to Afghanistan (UNAMA). UNAMA is a political mission which was established on 28 March 2002 by UN Security Council Resolution 1401 to promote reconciliation and rapprochement, and manage humanitarian relief, recovery, and reconstruction in Afghanistan.

Two Australian Army Officers serve as military advisers within the UNAMA Military Adviser Unit. Their duties include maintaining contact and liaison with all military forces throughout Afghanistan on behalf of UNAMA.

## **Operation RENDER SAFE**

Operation RENDER SAFE is the ADF's enduring explosive ordnance disposal contribution to the south-west Pacific region. The aim of Operation RENDER SAFE is to reduce the threat of unexploded ordnance throughout the south-west Pacific, foster goodwill and support bilateral relations.

## **Operation RESOLUTE**

Operation RESOLUTE is the ADF's contribution, as part of Border Protection Command, to the whole-of-Government effort to protect Australia's borders and offshore maritime interests. It is the only ADF operation that currently defends homeland Australia and its assets.

The Operation RESOLUTE's Area of Operations covers approximately 10% of the world's surface and includes Australia's Exclusive Economic Zone which extends up to 200nm around the mainland, Christmas, Cocos, Keeling, Norfolk, Heard, Macquarie and Lord Howe Islands. Commander Border Protection Command (BPC), is the overarching operational authority that coordinates and controls both Defence and Customs assets.

## **Operation SLIPPER**

Australia's military contribution to the International Security Assistance Force (ISAF) in Afghanistan is deployed under Operation SLIPPER. There are currently approximately 400 ADF personnel deployed within Afghanistan. In 2014, ADF personnel continue to be engaged in Afghanistan through training and advising the Afghan National Security Forces in Kabul and Kandahar.

In addition, the Royal Australian Air Force Heron Remotely Piloted Aircraft deployment will continue until the end of 2014 to provide Intelligence, Surveillance and Reconnaissance support to enhance security in Regional Command—South. Throughout 2014 Australia will also maintain its cadre of embedded personnel at ISAF Headquarters, ISAF Joint Command and Regional Command - South.



Following the conclusion of the International Security Assistance Force mission in December 2014 Australia will continue to support Afghanistan's security, development and governance, including through a contribution to the post 2014 NATO-led 'train, advise, assist' mission.

### **Operation SOLANIA**

Operation SOLANIA is the ADF contribution to maritime surveillance within the Pacific Region. Operation SOLANIA also supports Operations Kuru Kuru, Big Eye, Island Chief, Tui Moana and Rai Balang, which are coordinated maritime surveillance and patrol operations run by the Pacific Island Forum Fisheries Agency (FFA), to detect and deter Illegal, Unregulated and Unreported (IUU) fishing activity.

ADF assets assigned to Operation SOLANIA provide intelligence, surveillance and reconnaissance (ISR) support to the Pacific Islands Countries. ISR capability provided by the ADF on Operation SOLANIA supports the economic development of Pacific Island Countries through the protection of fisheries and other resources. Operation SOLANIA supports the policing of the Economic Exclusive Zones of Pacific Island Countries, including operations under the Niue Treaty, which was established in July 1992 to enable cooperation in fisheries surveillance and law enforcement amongst Forum Fisheries Agency member nations.

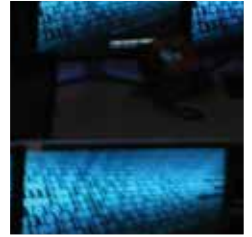
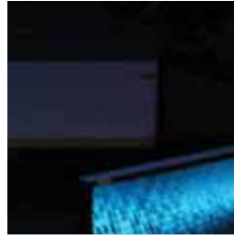
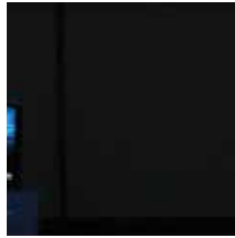
Operation SOLANIA contributes to a wider multi-national program to provide maritime surveillance support in the Pacific, coordinated by the Quadrilateral Defence Coordinating Group. Members of the Quadrilateral Defence Coordinating Group are Australia, New Zealand, France and the US.

ADF assets, including AP-3C Orions and Royal Australian Naval Ships are dedicated to Operation SOLANIA tasking on a periodic basis.

### **Operation SOUTHERN INDIAN OCEAN**

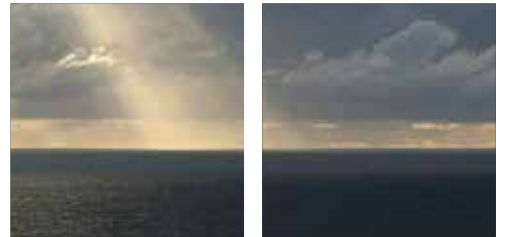
The ADF and the international community are committed to the international effort supporting the Australian Maritime Safety Authority directed search operation for Malaysia Airlines flight MH370 in the southern Indian Ocean.

Defence contributed a range of assets and support to the search efforts in the initial phases. From 31 May 2014 the search transitioned to a longer-term phase, and as such major Defence support to the search activities concluded on that date.



CHAPTER 5—THE EXPERT PANEL

# 5



## CHAPTER 5 — THE EXPERT PANEL

The Minister for Defence has appointed an external Expert Panel to support the development of the White Paper and the Force Structure Review and provide independent advice to the Minister.

The Expert Panel bring a mixture of relevant government, military, industry and academic experience to the White Paper process. They will contribute to the vigorous analysis and drafting of the White Paper and Force Structure Review; challenge key assumptions; and, provide independent views to Government at the request of Ministers.

The Expert Panel will also support the public consultation process for the White Paper by leading the public and industry engagement program.

The Expert Panel members are:

### Mr Peter Jennings

Mr Peter Jennings is Executive Director of the Australian Strategic Policy Institute (ASPI). He has held a number of senior positions in the Department of Defence, including Deputy Secretary Strategy, and was closely involved in developing the 2000 Defence White Paper. Mr Jennings was a Senior Adviser in Prime Minister Howard's office, having previously been Chief of Staff to the Minister for Defence and defence adviser to the Federal Opposition. He has written extensively on defence policy and international security, and taught postgraduate studies on terrorism at the Australian Defence Force Academy (ADFA). Mr Jennings was a Sloan Fellow at the London Business School, and has been a Fulbright Fellow at the Massachusetts Institute of Technology. His qualifications include a Master of Science (Management) from the London Business School, a Master of Arts in International Relations from the Australian National University and a Bachelors in History from the University of Tasmania. Mr Jennings was awarded the Public Service Medal for outstanding public service through the development of Australia's strategic and defence policy in 2013.

### Dr Andrew Davies

Dr Andrew Davies has been with Australian Strategic Policy Institute (ASPI) since 2006. Before joining ASPI, he was a post doctoral fellow in physics at Melbourne University and the Australian National University. Dr Davies then spent twelve years in the Department of Defence in the areas of capability analysis and intelligence. He has written extensively on ADF capability and force structuring issues, including platform options for air and maritime combat, industry issues, and decision-making in the Department of Defence. Dr Davies has an ongoing interest in the future submarine and Joint Strike Fighter projects, and his work on both has made an important contribution to the public understanding of those projects here and abroad.

## **Dr Stephan Frühling**

Dr Stephan Frühling is Senior Lecturer in the Strategic and Defence Studies Centre at the Australian National University (ANU), a Managing Editor of the journal *Security Challenges*, and a Chief Investigator on the Australian Research Council's Linkage Project on Australian Nuclear Choices. He was the inaugural Director of Studies of the ANU's Masters in Military Studies program at the Australian Defence Force's Australian Command and Staff College. Dr Frühling also published a number of books and numerous articles in academic journals and policy papers with the Konrad Adenauer Foundation, NATO Defense College and Lowy Institute for Public Policy. Dr Frühling's primary areas of research and publication include defence planning, strategic and defence policy, nuclear weapons, ballistic missile defence, and strategic theory. He has a PhD in Strategic Studies from the ANU, a Masters of Arts in Defense and Strategic Studies from Missouri State University, and a Diplom in Economics from Kiel University, Germany.

## **Rear Admiral James Goldrick (Ret'd)**

RADM James Goldrick is Adjunct Professor in the School of Humanities and Social Sciences at the University of New South Wales at Canberra (ADFA) and in the Strategic and Defence Studies Centre of the Australian National University. He joined the Royal Australian Navy (RAN) in 1974 and retired from full time service in 2012. During this period, he led Border Protection Command and commanded HMA Ships *Cessnock* and *Sydney*, the RAN task group, the multinational maritime interception force in the Persian Gulf, the Australian Defence Force Academy, and the Australian Defence College. RADM Goldrick has contributed to international journals and books on naval subjects, and his research interests include naval and maritime strategic issues, the development of naval capabilities in the Indo-Pacific, and the response of world navies to changing technologies and operational challenges. RADM Goldrick is a graduate of the RAN College, the Harvard Business School Advanced Management Program, the University of New South Wales and the University of New England.

## Mr Mike Kalms

Mr Mike Kalms is the Lead Partner (Defence Industry) at KPMG Australia and has over 20 years experience in a variety of private and public sectors roles in Australia, Europe and Asia. He has worked in capability development, political, advisory, strategy, mergers and acquisitions and general profit and loss leadership roles. He has a strong general management and consulting résumé in defence and defence adjacent sectors. Mr Kalms' particular passion is working collaboratively with customers and stakeholders to deliver rapid performance improvement in business and the battlespace. His specialist expertise is in: Defence and industry collaboration; profit and loss management; team/business transformation; translation of customer requirements into capability; cultural change and leadership; business integration; and growth.

## Mr Rory Medcalf

Mr Rory Medcalf is Director of the International Security Program at the Lowy Institute and a Nonresident Senior Fellow in Foreign Policy at the Brookings Institution in Washington DC. He has worked as a senior strategic analyst with the Office of National Assessments, and as an Australian diplomat in New Delhi, on secondment to Japan's foreign ministry, and in truce monitoring in Bougainville. He has also contributed to landmark reports on nuclear arms control, and his earlier work in journalism was commended in Australia's leading media awards, the Walkleys. Mr Medcalf is founding convener and co-chair of the Australia-India Roundtable, and has been Associate Director of the Australia-India Institute and a Senior Research Fellow at the University of New South Wales. His current research areas include Australia's strategic and defence challenges, the Indo-Pacific concept of the Asian strategic environment, and prospects for maritime and nuclear stability in Indo-Pacific Asia.







