

DEFENCE

SECTION TWO RESULTS FOR GOVERNMENT AS DEFENCE'S CUSTOMER

PRICE TO GOVERNMENT OF DEFENCE OUTPUTS

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PRICE TO GOVERNMENT OF DEFENCE OUTPUTS

Defence Outcome: *"The defence of Australia and its national interests."*

Output 1: Defence Operations

Price to Government: \$947m

Output 2: Navy Capabilities

Price to Government: \$5,652m

Output 3: Army Capabilities

Price to Government: \$5,029m

Output 4: Air Force Capabilities

Price to Government: \$5,331m

Output 5: Strategic Policy

Price to Government: \$171m

Output 6: Intelligence

Price to Government: \$385m

TOTAL PRICE APPROPRIATED FOR OUTPUTS: \$17,516m



OUTPUT ONE: DEFENCE OPERATIONS

Headquarters Australian Theatre in Sydney, headed by a two-star Commander, has the capability to plan, command and control operations through established headquarters, and the conduct of ongoing operations and national support tasks. It exercises operational command for the planning and conduct of Defence operations, activities and campaigns, and for the execution of the program of major service activities. It delivers effective command of operations, conduct of military operations including joint and combined exercises and conducts emergency and non-emergency activities to support the nation. With the maritime, land, air, and special operations component headquarters, Headquarters Australian Theatre is capable of commanding the majority of the ADF's operational forces to defend Australian territory.

PERFORMANCE SUMMARY

Overview

Headquarters Australian Theatre will maintain the capability to plan campaigns and operations, including command and control of ADF and coalition forces. In the most difficult case, this could include the command of wide-ranging concurrent operations to defend Australian territory, a joint campaign to control the approaches to Australia, strike operations to destroy targets distant from our shores and operations to defeat hostile forces on the mainland.

- Headquarters Australian Theatre can command a joint campaign to defend Australia or a number of operations to support security in the immediate neighbourhood. As an example, this could include the command of an Interfet-type operation, while concurrently conducting a smaller operation elsewhere, maintaining the routine surveillance commitment in our northern air and sea approaches, and conducting security and counter-terrorist operations in Australia.
- Through the Australian Theatre Joint Intelligence Centre, Headquarters Australian Theatre is capable of providing operational-level intelligence required for the prosecution of a wide spectrum of combat operations and the provision of intelligence support to deployed forces.
- Headquarters Australian Theatre, through the ADF Warfare Centre, will continue to develop joint doctrine, plan and conduct joint training and evaluate joint exercises to ensure that elements from the different Services can operate together effectively, especially prior to deployment on operations.
- The capability to deploy a Joint Task Force Headquarters to control joint or coalition operations (at least of the size of the coalition force previously committed to Interfet) in the region will be retained, and will be enhanced when a second deployable Joint Task Force Headquarters facility is introduced.
- Headquarters Northern Command in Darwin will continue to provide the ability to control surveillance and to support civil authorities in law enforcement operations across northern Australia and adjacent territorial waters. It also coordinates base

support to deployed Australian forces (and others) within the United Nations Transitional Administration in East Timor.

- If a direct military threat against northern Australia should emerge, Headquarters Northern Command would be capable of controlling operations across northern Australia and its approaches to detect and monitor hostile forces and prosecute minor incursions on the Australian mainland.
- The range of operations Headquarters Australian Theatre can command includes:
 - conventional military operations;
 - United Nations-mandated tasks;
 - support to police operations in accordance with the national anti-terrorist plan;
 - evacuation of Australian nationals from hostile environments in the region;
 - assistance to civilian authorities to cope with natural disasters; and
 - illegal fishing, immigration and drug trafficking surveillance and law enforcement support.
- The ability to maintain the command and control capabilities of Headquarters Australian Theatre is dependent upon access to sufficient numbers of appropriately trained and skilled personnel both now and into the future. During periods of high operational tempo, augmentation of the permanent staff can be achieved by the use of appropriately qualified reservists.
- Theatre logistics systems are under review in light of the lessons learned from the sustainment of current and recent operations. This review, in conjunction with Joint Logistic Command, will focus upon providing an improved national support base and more comprehensive deployed-force situational awareness information to Headquarters Australian Theatre.

Current Operations

- Current major operations being conducted concurrently include:
 - the ADF commitment of approximately 1600 personnel to the United Nations Transitional Administration in East Timor, which is planned to end in 2003;
 - the Peace Monitoring Group of 190 ADF personnel currently in Bougainville, with a proposal for reduction being considered, which is an ongoing operational commitment;
 - an operation in conjunction with the Department of Foreign Affairs and Trade to support the peace initiatives in the Solomon Islands, involving a RAN major fleet unit and support staff;
 - an ongoing surveillance and law enforcement support operation to Coastwatch across northern Australia involving the commitment of Navy patrol boat and Air Force maritime patrol aircraft assets; and
 - commencement of liaison and detailed planning for ADF support to the Queensland Police Service during the forthcoming Commonwealth Heads of Government meetings.
- In addition, there are a number of minor ADF commitments of personnel to various United Nations and coalition operations and cyclic maritime surveillance operations in our region.



Force Structure

- Headquarters Australian Theatre (which is planned to be collocated by 2006 with naval, land, air and special operations component headquarters).
- Headquarters Northern Command.
- Australian Theatre Joint Intelligence Centre.
- Australian Defence Force Warfare Centre.
- 1st Joint Movements Group.
- Joint Task Force Headquarters (when established for operations).

Preparedness Measures

The Chief of the Defence Force’s Preparedness Directive underpins output performance measurement. The level of capability to be maintained is expressed in terms of force elements, roles/tasks and authorised readiness and sustainability obligations. Performance measures stipulate the levels of capability to be maintained to meet ongoing operations and known national task requirements.

BUDGETED PRICE TO GOVERNMENT

2001-02 Budget Estimate:	\$947m
2000-01 Projected Result:	\$1,094m
Variation:	-13.4%

Significant Variations

Only those variations that impact on output performance are explained. Variations due to changed accounting processes or further refinement of attribution rules are not shown.

Financial variations for Output One are expected as a consequence of ADF involvement in operations and variations within the ADF exercise schedule. The nature of military operations is such that it is not possible to anticipate or predict with any certainty the likelihood or scope of the ADF’s involvement and financial commitment.

PEACEKEEPING, HUMANITARIAN AND OTHER SECURITY OPERATIONS

Table 2.1.1: Peacekeeping and Humanitarian Assistance

OPERATION	PERFORMANCE
Mazurka 1992 - Continuing <u>Forces</u> ADF	The ADF provides personnel to the Multinational Force and Observers to monitor security arrangements in the Sinai.
Coracle 1994 - Continuing <u>Forces</u> Army	Engineering personnel provide training to de-mining staff as part of the United Nations force in Mozambique.
Paladin 1995 - Continuing <u>Forces</u> Army	Army personnel operate as part of the United Nations Truce Supervisory Organisation. This force of unarmed military observers supervises, observes and reports on the various cease-fire arrangements, truces and peace treaties that have been negotiated since 1948 between Israel and Arab nations.
Osier March 1997 - Continuing <u>Forces</u> Army	Army personnel are deployed as part of the Stabilisation Force in Bosnia-Herzegovina and Croatia, and the Kosovo Force in Kosovo. In both cases, personnel serve as individuals attached to United Kingdom forces.
Belisi II⁽¹⁾ April 1998 - Continuing <u>Forces</u> ADF	Australia leads the regional Peace Monitoring Group to monitor and report on the maintenance of the cease-fire on Bougainville. Contributions include tri-Service specialist medical, logistic, communications and transport capabilities necessary for the deployment of the Peace Monitoring Group.
Tanager⁽²⁾ February 2000 - Continuing <u>Forces</u> ADF	Australia continues to provide forces in support of the United Nations Transitional Administration in East Timor.
Trek November 2000 - Continuing <u>Forces</u> ADF	This operation is the ADF contribution to supporting the International Peace Monitoring Team deployed to the Solomon Islands in support of the cease-fire agreement.
Pomelo January 2001 - Continuing <u>Forces</u> Army	Army personnel are deployed to support the United Nations Mission in Ethiopia and Eritrea.
Husky January 2001 - Continuing <u>Forces</u> Army	Army personnel are deployed to support the International Military Assistance Training Team in Sierra Leone. Personnel serve as individuals attached to United Kingdom forces.

Note

1. Operation Belisi II was erroneously reported in the *Portfolio Additional Estimates Statements 2000-01* as commencing in November 1997. Belisi I commenced in November 1997 and ceased in March 1998. Belisi II commenced in April 1998 and is continuing. This will be corrected in the *Defence Annual Report 2000-01*.
2. Operation Tanager was erroneously reported in the *Portfolio Additional Estimates Statements 2000-01* as commencing in 1999.

AUSTRALIAN DEFENCE FORCE EXERCISE PROGRAM

Table 2.1.2: Combined Exercises Involving the ADF and the Defence Forces of Other Countries

EXERCISE	FORCES	OBJECTIVE
Maple Flag 01 May-July 2001	<u>Australia</u> Air Force <u>Other Countries</u> Canada, United States	To practice participation in multinational large force employment missions.
Gold Eagle 01, 02 June-July 2001, June 2002	<u>Australia</u> Army <u>Other Countries</u> United States	To practise combined operations requiring interoperability at a tactical level with elements of the United States Marine Corps.
Wyvern Sun 01 June-July 2001	<u>Australia</u> Army <u>Other Countries</u> Thailand	To exercise relevant ADF and other Australian government agencies in special recovery operations in an offshore setting.
Long Look 01, 02 June-September 2001, June-September 2002	<u>Australia</u> Army <u>Other Countries</u> United Kingdom	To broaden the military experience and knowledge of selected personnel and to promote cooperation between the two countries.
Focused Logistics Wargame 01 June-October 2001	<u>Australia</u> Navy, Army, Air Force <u>Other Countries</u> United States, United Kingdom, Canada	To facilitate Australian input into United States multilateral logistics objectives identified in Joint Vision 2010.
Haringaroo 01-1 July 2001	<u>Australia</u> Army <u>Other Countries</u> Malaysia	To practise combined operations requiring interoperability at a tactical level with elements of the Malaysian Army.
Minor War Vessel Concentration Period July 2001	<u>Australia</u> Navy, Air Force <u>Other Countries</u> France	To ensure that the patrol boat, hydrographic and amphibious force element groups undertake high intensity collective harbour and sea training in order to maintain minimum level of capability.
Pacific Reserve 01, 02 July 2001, June 2002	<u>Australia</u> Army <u>Other Countries</u> United States	To practise combined operations requiring interoperability at a tactical level with elements of the United States Army Reserve/National Guard.
Vigilant Shield July 2001	<u>Australia</u> Navy, Army, Air Force <u>Other Countries</u> United States, United Kingdom, Canada	To develop and validate the capability to lead or participate in the conduct of intelligence operations in support of a combined or coalition deployed force.
Kakadu V/01 July-August 2001	<u>Australia</u> Navy, Air Force <u>Other Countries</u> ⁽¹⁾ New Zealand, Indonesia, Papua New Guinea, Malaysia, Japan, Republic of Korea, Thailand, Philippines, Singapore, Brunei	Biannual RAN fleet concentration period to allow RAN units to achieve minimum level of capability. RAAF units provide air support and also gain valuable individual and combined training benefit.
Extendex Series July-September 2001, October-December 2001, January-March 2002, April-June 2002	<u>Australia</u> Air Force <u>Other Countries</u> United States	Maritime patrol aircraft anti-submarine training.
Tamex Series	<u>Australia</u>	To maintain proficiency in anti-submarine warfare

EXERCISE	FORCES	OBJECTIVE
July-September 2001, October-December 2001, January-March 2002, April-June 2002	Navy, Air Force <u>Other Countries</u> United States, New Zealand	operations in a combined basic air anti-submarine exercise with the Royal New Zealand Air Force or the United States Navy.
Rifle Company Butterworth July 2001-June 2002	<u>Australia</u> Army <u>Other Countries</u> Malaysia	The aim of the deployment is to provide an opportunity for training and exercising in Malaysia and to train with elements of the Malaysian Armed Forces and other regional military forces.
Comptuex Series August 2001, February 2002	<u>Australia</u> Air Force <u>Other Countries</u> United States	Combined maritime warfare exercise with United States Commander in Chief Pacific Fleet forces, with an anti-submarine focus. RAAF maritime patrol aircraft participate to gain operational preparedness directive training objectives.
Highland Pursuit 01, 02 August 2001, April-May 2002	<u>Australia</u> Army <u>Other countries</u> Papua New Guinea	To deploy and operate helicopters in high altitude and the hot weather conditions of Papua New Guinea and for pilots to gain high-altitude operating proficiency.
Lung Fish 01 August 2001	<u>Australia</u> Navy, Air Force <u>Other Countries</u> United States	To practise anti-submarine warfare, with joint and independent maritime patrol aircraft cooperation, and to practise and develop combined RAN/United States Navy submarine operations.
Pacific Bond 01 August 2001	<u>Australia</u> Army <u>Other Countries</u> United States	To further develop interoperability between the Australian and the United States Army.
Churinga 01-2 September 2001	<u>Australia</u> Air Force <u>Other Countries</u> Malaysia, Singapore	Deploy RAAF assets to fulfil Integrated Air Defence System commitments to the defence of peninsula Malaysia.
Day Cougar 01, 02 September 2001, May-June 2002	<u>Australia</u> Army <u>Other Countries</u> United States	To develop and maintain interoperability at a tactical level with elements of United States Special Forces.
Stardex 01 September 2001	<u>Australia</u> Navy, Army, Air Force <u>Other Countries</u> Malaysia, Singapore, New Zealand, United Kingdom	To practise combined operations requiring interoperability at a tactical level in a Five Power Defence Arrangements Integrated Air Defence System environment.
Marcot 01 September-October 2001	<u>Australia</u> Air Force <u>Other Countries</u> United States, Canada	To conduct air and sea control operations within littoral waters during periods of tension and undeclared hostilities.
Temple Jade 01 September-October 2001	<u>Australia</u> Army <u>Other Countries</u> Thailand	To enhance interoperability between Australian Army and Royal Thai Army sub-units at the tactical level.
Bullseye October 2001	<u>Australia</u> Air Force <u>Other Countries</u> Canada, New Zealand, United Kingdom	Tactical air transport exercise to enhance tactical transport interoperability.
Multinational Fleet Concentration Period October 2001	<u>Australia</u> Navy, Air Force <u>Other Countries</u> ⁽²⁾ United States, United Kingdom	To develop strong multinational professional ties with visiting navies following the Centenary of Federation Fleet Review (4-6 October 2001).
Fleetex 02-1 October 2001	<u>Australia</u> Air Force	Exercise anti-submarine warfare and anti-surface warfare as part of a combined taskforce.

EXERCISE	FORCES	OBJECTIVE
	<u>Other Countries</u> United States, Canada	
JMSDF Goodwill Visit October 2001	<u>Australia</u> Air Force <u>Other Countries</u> Japan	Japanese Maritime Self Defence Force goodwill visit to Maritime Patrol Group and possible participation in flypast during the Centenary of Federation Fleet Review.
Longreach 01 October 2001	<u>Australia</u> Army <u>Other Countries</u> Papua New Guinea	To practise Deployable Joint Force Headquarters in contingency, operational and combined planning procedures in conducting potential humanitarian assistance missions.
Southern Tiger 01 October 2001	<u>Australia</u> Army <u>Other Countries</u> Malaysia	To enhance interoperability between the Australian and Malaysian armies at the tactical level.
Suman Warrior 01 October 2001	<u>Australia</u> Army <u>Other Countries</u> Malaysia, United Kingdom, New Zealand, Singapore	To exercise the armies of the Five Power Defence Arrangements in combined operations by conducting a brigade to unit-level command post exercise.
Star Leopard 01 October 2001	<u>Australia</u> Army <u>Other Countries</u> Brunei	Bilateral special forces training with Royal Brunei Armed Forces.
Taa Nok In Sii October 2001 April 2002	<u>Australia</u> Air Force <u>Other Countries</u> Thailand	Conduct coordinated maritime air surveillance exercise.
Croix du Sud October-November 2001	<u>Australia</u> Navy, Air Force <u>Other Countries</u> France, New Zealand	To improve interoperability with France and New Zealand in a combined maritime training exercise.
Dugong 01 October-November 2001	<u>Australia</u> Navy <u>Other Countries</u> United States	To conduct combined mine countermeasures operations.
Paradise 01 October-November 2001	<u>Australia</u> Navy, Air Force <u>Other Countries</u> Papua New Guinea	To improve interoperability by conducting an annual maritime surveillance exercise with the Papua New Guinea Defence Force and RAN patrol boat elements.
Aces North November 2001	<u>Australia</u> Air Force <u>Other Countries</u> United States	Combined air exercise – culmination of F/A-18 fighter combat instructors course.
ASWEX 01 November 2001	<u>Australia</u> Navy, Air Force <u>Other Countries</u> New Zealand	To practise collective ADF anti-submarine warfare concepts, tactics and procedures.
JTFEX 02-1 November 2001	<u>Australia</u> Air Force <u>Other Countries</u> United States, United Kingdom, Canada	Exercise anti-submarine warfare and anti-surface warfare as part of a combined taskforce.
Emu Moon (East) 02 February 2002	<u>Australia</u> Army, Air Force <u>Other Countries</u> United States	To fulfil operational level of capability requirements for commando parachuting and airborne insertion and extraction techniques, and to conduct initial and continuation training for RAAF C130 aircrew.

EXERCISE	FORCES	OBJECTIVE
Ocean Protector One-02 February 2002	<u>Australia</u> Navy, Air Force <u>Other Countries</u> New Zealand	To return the surface combatant, major amphibious and afloat support, submarine and mine counter measures force element groups to minimum level of capability following a reduced activity period.
Tasman Reserve 02 February 2002	<u>Australia</u> Army <u>Other Countries</u> New Zealand	To practise combined operations at the tactical level between part-time elements of the Australian and New Zealand armies.
Anzac Series 02 February-April 2002	<u>Australia</u> Army <u>Other Countries</u> New Zealand	To broaden the military experience and knowledge of selected personnel and promote cooperation between the two countries.
Emu Moon (West) 02 March 2002	<u>Australia</u> Army, Air Force <u>Other Countries</u> United States	To fulfil operational level of capability requirements for the Special Air Services Regiment parachuting and airborne insertion and extraction techniques, and to conduct initial and continuation training for RAAF C130 aircrew.
Pacific Kukri March 2002	<u>Australia</u> Army <u>Other Countries</u> United Kingdom	To further develop and practise interoperability between the Australian Army and the United Kingdom Gurkha unit.
Tasman Exchange 02 March 2002	<u>Australia</u> Army <u>Other Countries</u> New Zealand	To further develop interoperability between Australia and New Zealand armies at the tactical level.
Tasmanex 2002 March 2002	<u>Australia</u> Navy, Air Force <u>Other Countries</u> France, New Zealand	To develop interoperability between naval units.
Cassowary 02-1 April 2002	<u>Australia</u> Navy <u>Other Countries</u> Indonesia	To exercise RAN/Indonesian patrol boats in combined operations, with the primary focus being coordinated maritime surveillance. This exercise is subject to government approval.
IADS ADEX 02 April 2002	<u>Australia</u> Navy, Air Force <u>Other Countries</u> Malaysia, Singapore, New Zealand, United Kingdom	To practise and develop operational procedures and tactics with Five Power Defence Arrangements units in a joint/combined maritime and air defence exercise.
Night Kiwi 02 April 2002	<u>Australia</u> Army <u>Other Countries</u> New Zealand	To practise deployment and develop interoperability at a tactical level with elements of the New Zealand Special Forces.
Wantok Warrior 02 April 2002	<u>Australia</u> Army <u>Other Countries</u> Papua New Guinea	To develop Papua New Guinea military skills to facilitate interoperability at the tactical level.
Mallee Bull 02 April-May 2002	<u>Australia</u> Army <u>Other Countries</u> Brunei	To further develop interoperability between the Australian Army and the Royal Brunei Armed Forces.
Tricrab 02 April-May 2002	<u>Australia</u> Navy, Air Force <u>Other Countries</u> United States	To test and evaluate RAN/RAAF/United States Navy interoperability in diving and explosive ordnance disposal operations.
Dawn Caracha 02 June 2002	<u>Australia</u> Army <u>Other Countries</u> Philippines	To conduct counter-hijack training with Philippines Special Forces to enhance regional counter-hijack interoperability.

EXERCISE	FORCES	OBJECTIVE
Dawn Panther 02 June 2002	<u>Australia</u> Army <u>Other Countries</u> Thailand	To conduct counter-hijack training with Thai Special Forces to enhance regional counter-hijack interoperability.
Gold Eagle 02 June 2002	<u>Australia</u> Army <u>Other Countries</u> United States	To further develop interoperability between the Australian Army and the United States Marine Corps.
Helicon Luk 02 June 2002	<u>Australia</u> Army <u>Other Countries</u> Papua New Guinea	To deploy and operate helicopters in high altitude and the hot weather conditions of Papua New Guinea and for pilots to gain high-altitude operating proficiency.
Night Falcon 02 June 2002	<u>Australia</u> Army <u>Other Countries</u> Papua New Guinea	To practise regional deployment of a Special Air Services Regiment force element and to conduct war-roles training in a challenging regional location.
Night Panther 02 June 2002	<u>Australia</u> Army <u>Other Countries</u> Thailand	To practise deployment and develop interoperability at a tactical level with elements of the Thai Special Forces.
Rimpac 02 June-July 2002	<u>Australia</u> Navy, Air Force <u>Other Countries</u> United States, Canada, South Korea, Chile, Japan, United Kingdom	Enhance interoperability and proficiency of maritime and air forces to operate in coalition arrangements centred on realistic short warning littoral operations.

Notes

1. Japan and the Republic of Korea have been invited as observers only.
2. Countries listed are those that have been invited.

2.1.3: Joint Exercises Involving at Least Two of the Navy, Army and Air Force

EXERCISE	FORCES	OBJECTIVE
Platypus Moon July 2001	Navy, Army	Enhance submarine rendezvous procedures with Special Forces/Clearance Diving Teams.
Northern Shield 2001 July-August 2001	Army, Headquarters Northern Command	To exercise Headquarters Northern Command and the Operational Coordination Committee in the combined planning and conduct of operations within the Northern Command area of operations.
Dusk Series 01 (Includes Pegasus Dusk, Opnex Dusk, Flash Dusk) November-December 2001	Army, Air Force	To exercise the incoming Special Recovery Squadron at the completion of handover training.
Tendi Walk 02 January-February 2002	Navy, Army, Air Force	Command Post Exercise to practise Headquarters Australian Theatre and component staffs in planning for joint operations in the Australian theatre.
Squadex 02-1 March 2002	Navy, Army	To work up core amphibious maritime and land command elements of the amphibious force element.
Vital Launch 02 March 2002	Navy, Army, Air Force	To practise Deployable Joint Force Headquarters and component staff in the methods, procedures, planning and conduct of joint and combined operations through participation in the joint military appreciation process.
Sea Eagle 02 March-April 2002	Navy, Army	To plan and conduct a basic amphibious assault in a non-hostile environment.
Vital Prospect April 2002	Navy, Army, Air Force	Two-level command post exercise to practise Deployable Joint Force Headquarters and Formation Headquarters staff in methods, procedures and conduct of planning, operations, offensive support and targeting, information operations and intelligence.
Sea Predator May 2002	Navy, Army	Train forces in amphibious operational planning, embarkation drills, logistics and basic amphibious procedures.



OUTPUT TWO: NAVY CAPABILITIES

The Navy provides maritime forces that contribute to the ADF's capacity to defeat attacks against Australia, defend regional interests, defend global interests, shape the strategic environment and protect national interests. Navy capabilities provide maritime patrol and response, interdiction and strategic strike, protection of shipping and offshore territories and resources, maritime intelligence collection and evaluation, hydrographic and oceanographic operations, combat search and rescue, and escort functionality. Peacetime activities include maritime surveillance and response within the Australian exclusive economic zone in support of Coastwatch, distribution of humanitarian aid and maritime search and rescue.

PERFORMANCE SUMMARY

Overview

The Navy is a key component of the maritime forces. Naval forces, operating in conjunction with the Air Force, will give Australia the ability to deny an opponent use of our maritime approaches and allow us the freedom to operate at sea. Australia will maintain a capability to detect and attack major surface ships, and to impose substantial constraints on hostile submarine operations, in its extended maritime approaches. Australian surface ships with embarked helicopters will be qualitatively equal to or better than ships in regional navies.

- To achieve this, the Navy will focus on its core capabilities in air, surface and submarine warfare. These capabilities will enable the Navy to provide support to forces deployed offshore, to contribute to maritime security in Australia's wider region, to protect its ports from sea mines and to support a range of peacetime tasks.
- RAN ships will also be capable of operating effectively with those of the United States and of contributing to regional coalition naval operations.
- Navy submarine and mine warfare forces are of regionally comparable capability. Planned enhancements will improve these forces in quantitative and qualitative terms over the next five years.
- Navy surface combatant forces will be able to contribute to land force operations through the provision of naval gunfire support.
- The patrol boats will be able to make a sustained contribution to coastal enforcement and surveillance operations.
- Navy amphibious ships will be able to deploy an infantry battalion group overseas, and to carry supplies, equipment and reinforcements to help sustain operations overseas.
- The types of tasks to which the Navy will be able to contribute include:
 - controlling sea approaches to Australia and associated littoral areas;
 - attacking hostile ships and submarines;
 - assisting in the establishment and protection of forward operating bases;

- providing substantial sealift forces to support lower-level operations, such as evacuations, disaster relief, and peacekeeping operations;
- the protection of land forces committed to lower-level operations;
- contributing to coalitions in higher-intensity operations against well armed adversaries; and
- provision of capabilities to support peacetime national tasks including coastal surveillance, search and rescue, fisheries management, navigational and hydrographic work.

Force Structure

- A capability for major surface combatant operations consisting of six guided missile frigates and three Anzac class frigates, rising to eight. Additionally, there will be one guided missile destroyer until decommissioning in October 2001.
- A capability for naval aviation operations that will be enhanced by the introduction of Seasprite helicopters. These aircraft will provide a number of embarked flights for the Anzac frigates. Seahawk helicopters already in service will provide flights for embarkation in guided missile frigates. A Sea King helicopter squadron will be maintained to undertake maritime utility operations including troop transport and a range of logistic tasks.
- A capability for patrol boat operations consisting of Fremantle class patrol boats. A replacement patrol boat will be introduced into service in the future.
- A capability for submarine operations consisting of five Collins class submarines, rising to six.
- A capability for afloat support consisting of an oil tanker and a replenishment ship.
- A capability for amphibious lift consisting of amphibious landing ships, a heavy landing ship, and heavy landing craft.
- A capability for mine warfare consisting of three Huon class coastal mine hunters, three auxiliary mine sweepers and two inshore mine hunters. A total of six coastal mine hunters will be available in the near future.
- A capability for hydrographic, oceanographic and meteorological support operations consisting of two hydrographic ships and their embarked survey boats, four survey motor launches, laser-depth-sounding aircraft and information management and production systems.

Key Risks and Planned Mitigation

There are two key risks to the achievement of planned output performance:

- **Personnel.** A marked shortage of Service personnel is the most significant risk confronting the Navy. Action is being taken to redress this risk, targeting retention and recruitment by the implementation of a people plan. On current trends, significant rapid improvement cannot be expected. In the shorter term, priority is being given to crewing the fleet, when necessary at the expense of shore-based support positions, to ensure achievement of readiness targets. Measures are planned or being implemented to maximise use of Navy reservists and to substitute civilians for uniformed personnel wherever feasible.



- **Logistics.** Emerging operating costs for newer acquisitions pose a significant risk to the Navy’s ability to fully support the current force structure. White Paper supplementation and reinvestment of ongoing Defence Reform Program savings will enable some of the accumulated logistic shortfalls of the last decade for munitions and older platforms to be overcome.

Preparedness Measures

The Chief of the Defence Force’s Preparedness Directive underpins output performance measurement. The level of capability to be maintained is expressed in terms of force elements, roles/tasks and authorised readiness and sustainability obligations. Performance measures stipulate the levels of capability to be maintained to meet ongoing operations and known national task requirements.

BUDGETED PRICE TO GOVERNMENT

2001-02 Budget Estimate:	\$5,652m
2000-01 Projected Result:	\$5,047m
Variation:	12.0%

Significant Variations

Only those variations that impact on output performance are explained. Variations due to changed accounting processes or further refinement of attribution rules are not shown.

The budgeted price for Navy capabilities reflects a 12.0 per cent increase from 2000-01 to 2001-02 (after adjusting for the new output structure). Key performance issues related to the budgeted price level are explained below.

- Capabilities across the fleet will be enhanced in 2001-02 as three additional platforms (Anzac, Collins, and Huon Classes) are planned for provisional acceptance. Four Super Seasprite helicopters are also planned for initial delivery. The last of the destroyer class of ships, HMAS *Brisbane*, will pay off in 2001-02.
- More platforms will be in operational service – for example, five Collins-class submarines will be in service, compared with the three budgeted in 2000-01. These increased capability levels result in a higher price. Cost pressures for spares replenishment and in-service support remain substantial. Risks to performance remain and will be closely managed. The capability for which the fast catamaran ferry HMAS *Jervis Bay* was leased will now be provided by other ships, and the price adjusted accordingly.
- To sustain the Navy’s operational performance levels, emphasis will be placed on measures aimed at improving recruiting and retention performance. A program to replace some 300 uniformed permanent naval forces billets across Defence should be completed this year. Where it is not necessary that jobs be performed by uniformed personnel, positions will be replaced progressively by civilians or contractors so that the workload can be adequately managed.

OUTPUT THREE: ARMY CAPABILITIES

The Army contributes to the achievement of the Government's desired outcome through the provision of capabilities for land operations. Army capabilities comprise special force operations, mechanised operations, light infantry operations, army aviation operations, ground-based air defence, combat support operations, regional surveillance, logistic support operations, motorised operations and protective operations.

The Army provides land forces that contribute to the maintenance of the priority for the ADF's capability, within a primarily maritime strategy, to defend Australian territory from any credible attack, contribute to the security of our immediate neighbourhood and contribute effectively to international coalitions of forces to meet crises beyond Australia's immediate neighbourhood where Australian interests are engaged.

In doing so, Army capabilities provide the capacity to defeat incursions on, or to recapture, Australian territory, to seize or protect forward-operating bases, to conduct surveillance and reconnaissance operations, to conduct special operations, to conduct special recovery, counter-terrorist and combat search and rescue operations, to provide Service-assisted and Service-protected evacuation, to provide command, control, communications and information to support tasks, to provide operational-level sustainment of land-based operations and to provide humanitarian assistance.

PERFORMANCE SUMMARY

Overview

- The Army provides land forces that play a central role in supporting the maritime strategy. A key role is securing our bases and territory and contributing to offshore operations.
- These land forces are able to operate as part of a joint force to control the approaches to Australia and respond swiftly and effectively to any credible armed lodgement on to Australian territory, and provide forces for the more likely types of operations in Australia's immediate neighbourhood, available at short notice and sustainable for extended periods.
- The Army will be able to sustain a brigade deployed on operations for extended periods and, at the same time, maintain a least a battalion group available for deployment elsewhere. This will in part be achieved through greater use of Reserves to provide fully-trained personnel to ADF frontline forces deployed on operations.
- Australia's land forces will have sufficient firepower, protection and mobility to provide clear advantage in any likely operations in defence of Australia or in its immediate region. The land force capability grouping includes all elements of the Army as well as those elements of the Navy and the Air Force whose principal task is to deploy land forces.
- The land forces will also have the capability to contribute substantially to supporting the security of Australia's immediate neighbourhood, and to contribute to coalition operations further afield, in lower-intensity operations.



- In addition to their operational roles of long-range reconnaissance, strike and water-borne operations, the Army's special forces will continue to maintain the capability to conduct counter-terrorist operations.
- The types of tasks to which the Army will be able to contribute include:
 - defeating hostile land forces incursions on Australian territory and offshore, especially in Australia's immediate neighbourhood;
 - providing land forces to either a United Nations or coalition peace-keeping or peace-enforcement operation;
 - attacking enemy land-based targets and forces in the region with mobility support from the Navy and the Air Force;
 - commanding and controlling joint or land forces across the conflict spectrum; and
 - providing forces to support the evacuation of Australian nationals from hostile environments in the region.

Force Structure

- A capability for special operations consisting of a special air service regiment, a high-readiness commando battalion and a Reserve commando battalion.
- A capability for mechanised operations, based on the 1st Brigade, consisting mainly of a reconnaissance regiment equipped with Australian light armoured vehicles, a tank regiment, a mechanised infantry battalion, an artillery regiment and engineer and logistic support.
- A capability for light infantry operations based on the 3rd Brigade, consisting mainly of three infantry battalions, a field artillery regiment, an armoured personnel carrier squadron and engineer and logistics support.
- A capability for army aviation operations, based on two aviation regiments, consisting mainly of rotary-wing Kiowa, Iroquois, Black Hawk and Chinook helicopters, and fixed-wing King Air and Twin Otter aircraft. The Kiowa and Iroquois helicopters will be replaced progressively by two squadrons of armed reconnaissance helicopters.
- A capability for ground-based air defence consisting of RBS70 shoulder-launched missile systems and Rapier missile systems. Both the RBS70 and Rapier missile systems are scheduled to be replaced in the near future.
- A capability for combat support operations to enhance freedom of manoeuvre for combat forces based on engineer, signals, intelligence and surveillance units.
- A capability for regional surveillance consisting of three regional force surveillance units.
- A capability for operational logistic support operations consisting of a brigade-sized logistical support force, comprising mainly reserve transport, engineer, signals, medical and electrical mechanical engineer units, able to sustain a brigade deployed on operations for extended periods and, at the same time, maintain at least a battalion group available for deployment elsewhere.
- A capability for motorised operations, based on the 7th Brigade, consisting of a motorised infantry battalion group, a field artillery regiment and engineer and logistic support.

- The capability for protective operations with a re-roled and re-tasked Reserve force designed to sustain, reinforce and, to a lesser degree, rotate personnel and equipment.

Key Risks and Planned Mitigation

- **Logistics.** To overcome identified shortfalls in the logistic system, the logistic support force will be enhanced by increasing the readiness of individual units and utilising specialists in the Reserve force for employment in specialist logistic roles. Additionally, investment in new equipment will be undertaken to improve capacity.
- **Personnel.** The Army has personnel shortages in several key trades, including in the Reserves. Targeted programs are under way to redress the situation through enhanced recruitment and retention in line with workforce planning objectives.
- **Combat weight and deployability.** In some areas, a lack of firepower, protection, mobility and deployability have been identified. Acquisition or upgrade programs including Australian light armoured vehicles, M113 armoured personnel carriers, armed reconnaissance helicopters, troop-lift helicopters, night-fighting equipment and a range of improved weaponry are under-way or are planned. Continued maintenance and enhancements to Defence strategic-lift assets are essential to provide reach and sustainment to land forces.

Preparedness Measures

The Chief of the Defence Force's Preparedness Directive underpins output performance measurement. The level of capability to be maintained is expressed in terms of force elements, roles/tasks and authorised readiness and sustainability obligations. Performance measures stipulate the levels of capability to be maintained to meet ongoing operations, and known national task requirements.



BUDGETED PRICE TO GOVERNMENT

2001-02 Budget Estimate:	\$5,029m
2000-01 Projected Result:	\$5,031m
Variation:	-0.0%

Significant Variations

Only those variations that impact on output performance are explained. Variations due to changed accounting processes or further refinement of attribution rules are not shown.

Overall, the price of Army capabilities remains essentially constant.

OUTPUT FOUR: AIR FORCE CAPABILITIES

The Air Force provides combat forces that contribute to the ADF's capacity to defeat armed attacks against Australia, defend regional interests, defend global interests, shape the strategic environment and protect national interests. Air Force capabilities provide precision strike operations, offensive and defensive counter-air operations, wide-area surveillance, air defence and airspace control, maritime patrol, anti-submarine and anti-surface warfare activities, tactical and strategic airlift and combat support for air operations. Peacetime activities include maritime surveillance of Australian and regional exclusive economic zones, search and survivor assistance, aeromedical evacuations and VIP transport.

PERFORMANCE SUMMARY

Overview

- The Air Force provides the capability for air combat (including the air-defence ground environment), air-delivered strike, airlift (including air-to-air refuelling) and maritime strike and surveillance. The Air Force's capacity to operate effectively is dependent on support from intelligence, surveillance and reconnaissance, and is reliant on the ability to provide combat support to air operations, including logistics support, sustainment and force protection.
- Air combat is the most important single capability for the defence of Australia, as control of the air over Australian territory and maritime approaches is critical to all other types of operations. With the planned upgrades to fighters, the introduction of airborne early warning and control aircraft, enhanced air-to-air refuelling and the planned improvement to wide-area surveillance systems, the Air Force air combat capability will allow the protection of Australia from air attack and the control of its air approaches.
- To achieve this, the Air Force will, in the short to medium term, maintain an air combat capability at a level at least comparable qualitatively to any in the region, and with sufficient margin of superiority to provide an acceptable likelihood of success in combat.
- Australia's forces will be large enough to provide a high level of confidence that they can defeat any credible air attack on Australia, and capable enough to provide options to deploy an air capability in support to a regional coalition. They will also be able to provide airspace surveillance, air defence and offensive air support for deployed ground and maritime forces in Australia's immediate region. Given personnel and logistics shortages, especially in fast-jet aircrew, the Air Force's ability to sustain these operations over protracted periods remains a limitation.
- The Air Force strike capability will, following upgrades to the electronic warfare capability, allow it to attack military targets within a wide radius of Australia against credible levels of air defences with an acceptably low level of risk.
 - The force will be capable of mounting effective land and maritime strikes against a number of targets that might be used to mount or support an attack on Australia with



sufficient accuracy to minimise risks of collateral damage. The ability to sustain these operations over protracted periods remains a limitation.

- Maritime patrol aircraft will be able to support the naval elements of Australia's maritime forces. They will have the capacity to operate throughout the region, providing surface and sub-surface surveillance and the ability to attack ships. The ability to prosecute submarines is currently limited.
- The airlift aircraft will continue to be able to deploy and sustain ADF operations. The ability to support concurrent operations will be limited in the medium term.
- The Air Force is capable of providing combat support to air operations from main, forward and deployed operating bases, including logistics support, sustainment, and force protection. Recent enhancements to the air combat support groups for deployed operations will be maintained but the ability to mount and sustain concurrent operations from forward bases remains a limitation.
- The types of tasks to which the Air Force will be able to contribute include:
 - attacking hostile maritime, land, and air forces in the region;
 - air combat and strike operations (including defence and offensive counter air operations);
 - gathering intelligence;
 - surveillance and battlespace management, in particular the surveillance of maritime approaches to Australia;
 - assisting in the establishment, sustainment and force protection of forward operating bases;
 - providing airlift capability and combat support for ADF deployments and Service assisted or protected evacuations; and
 - command and control of joint or air forces across the spectrum of conflict.

Force Structure

- A capability for air strike/reconnaissance consisting of two operational squadrons. Ongoing upgrades to the electronic warfare self protection capability and enhanced precision stand-off weapons will improve the survivability and the accuracy of Australia's strike force over the decade. The acquisition of airborne early warning and control aircraft and enhanced air-to-air refuelling will also contribute to strike capability.
- A capability for tactical fighter operations consisting of three operational squadrons. An ongoing and phased upgrade program for the F/A-18, which includes upgrades to the radar, acquisition of advanced air-to-air missiles, advanced datalinks, structural improvements and electronic warfare self protection, will be undertaken over the decade. The acquisition of airborne early warning and control aircraft, upgrades to the air-defence ground environment and enhanced air-to-air refuelling will also significantly contribute to the Air Force's air combat capability over the next decade.
- A capability for strategic surveillance. The introduction of airborne early warning and control aircraft, and planned upgrades to the air-defence ground environment and wide-area surveillance systems, including 24-hour surveillance of Australia's northern approaches, will significantly improve surveillance capability and support to ADF operations.

- A capability for maritime operations of two operational squadrons. Maritime operations will be enhanced by the ongoing upgrade of the P3C, planned enhancements to the electro-optical sensors, which will improve the ability to detect ships, and the acquisition of a lightweight torpedo, which will improve the ability to prosecute submarines. Electronic warfare self protection remains a shortfall.
- A capability for airlift consisting of six squadrons. The introduction of the C130J into operational service combined with the replacement of Caribou and refurbishment of C130H aircraft will enhance ADF airlift capability. Electronic warfare self protection upgrades will improve airlift survivability. The enhanced air-to-air refuelling capability will address existing air-to-air refuelling shortfalls and provide additional strategic airlift capacity.
- A capability for combat support consisting of five wings capable of providing logistics support, sustainment, and force protection for air operations. The remediation of significant personnel and equipment shortfalls identified during operations in East Timor will improve Australia's ability to mount, sustain and protect air bases and ADF operations.

Key Risks and Planned Mitigation

In the shorter term, there are four key risks to the Air Force's achieving the required capability targets:

- **Personnel.** The Air Force has personnel shortfalls in a number of key areas. The Air Force is participating in the broader Defence People Plan¹, which will specifically target recruitment and retention. Establishing sustainable personnel workloads and improving the occupational health and safety of Air Force personnel will also be key Air Force imperatives. The Air Force is currently identifying opportunities for reducing activity levels in key areas. Some risk to capability must be carried while the opportunities for reducing activity levels are developed and while recruitment and retention initiatives are instigated.
- **Sustainment.** Personnel and equipment shortfalls currently limit the Air Force's ability to sustain operations. Personnel shortfalls will be addressed through the Defence People Plan. The Air Force is developing a capability management system, which will be used to develop and refine sustainability requirements and targets. The task of improving sustainability through the re-balancing of resources and output is ongoing, requiring careful consideration of key factors. While there is funding provision for rectification of some logistics shortfalls, some risk to capability must be carried while logistics stocks are replenished.
- **Aging Equipment.** The Air Force is confronted by a range of issues relating to the age of many of its key platforms and equipment. These include a reducing availability and increasing support costs due to life-of-type issues, including fatigue, corrosion and spares availability. While a number of platforms and systems are the subject of upgrade and replacement projects, there are risks to the readiness status of capabilities due to the unpredictable nature of the effects of aging equipment.
- **Maintaining a Regional Capability Edge.** The maintenance of a regional capability edge will be a challenge over the next decade, in particular in the areas of electronic

¹ See Section Five for further details.



warfare self protection, surveillance and battlespace management, and stand-off and precision weapons. Selective interoperability with coalition forces will also be an imperative. The White Paper details plans aimed at ensuring that the ADF retains an overall capability edge in key roles, taking account of expected regional capability trends over the next ten years and beyond.

Preparedness Measures

The Chief of the Defence Force’s Preparedness Directive underpins output performance measurement. The level of capability to be maintained is expressed in terms of force elements, roles/tasks and authorised readiness and sustainability obligations. Performance measures stipulate the levels of capability to be maintained to meet ongoing operations, and known national task requirements.

BUDGETED PRICE TO GOVERNMENT

2001-02 Budget Estimate:	\$5,331m
2000-01 Projected Result:	\$5,290m
Variation:	0.8%

Significant Variations

Only those variations that impact on output performance are explained. Variations due to changed accounting processes or further refinement of attribution rules are not shown.

Overall, the price of Air Force capabilities will increase by \$41m to \$5,331m, representing an increase of 0.8 per cent. The increase reflects:

- the full-year effect of pay increases, provisions for recruiting and retention initiatives to address higher than historical separation rates, increased rental payments to the Defence Housing Authority, and higher compensation costs. An increase in civilian staffing numbers reflects civilianisation initiatives aimed at redirecting military personnel to combat-related areas;
- the remediation of a number of logistics shortfalls, including East Timor, and in-service support costs for new capabilities; and
- the progressive rollout of new equipment, including C130J aircraft, Hawk lead-in fighter aircraft, the F/A-18 Integrated Avionics System Support Facility and the Australian Defence Air Traffic System, will enhance the Air Force’s airlift, fast-jet training, fighter and air traffic control capabilities.

OUTPUT FIVE: STRATEGIC POLICY

Defence is to provide timely and responsive policy advice to the Government.

PERFORMANCE SUMMARY

Overview

- The principal deliverables are:
 - to provide timely and responsive strategic policy advice to the Government to enable it to make sound judgements on, and to respond to, Australia's strategic circumstances, and specific security issues as they arise; and
 - to provide strategic policy guidance to enable other areas of Defence to make sound recommendations or decisions, as appropriate, to the Government on force structure, capability development, preparedness of ADF elements, international relationship management, operational matters as they arise and national support.
- The Strategy staff also manage the Defence Cooperation program.

Key Risks and Planned Mitigation

- The principal areas of risk are:
 - the prospect of deterioration in Australia's strategic circumstances, both generally and with respect to specific potential crises;
 - the need to ensure that Strategic Command Division retains, or has access to, sufficient staff to provide the capacity for continuous, 24-hour command and control; and
 - the risk management of infrastructure development projects in regional countries funded under the Defence Cooperation program.
- These risks are mitigated by continuous review of the strategic environment to enable the shaping of appropriate policies, development of project management skills in relevant areas and careful personnel management.

BUDGETED PRICE TO GOVERNMENT

2001-02 Budget Estimate:	\$171m
2000-01 Projected Result:	\$163m
Variation:	4.8%

Significant Variations

Only those variations that impact on output performance are explained. Variations due to changed accounting processes or further refinement of attribution rules are not shown.

Defence Cooperation is forecast to increase by \$2.5m in 2001-02.



DEFENCE COOPERATION

Overview

The aims and objectives of the Defence Cooperation Program are to support the Government's strategic objectives by:

- contributing to the maintenance of regional security;
- consolidating acceptance of Australia as an obvious and legitimate participant in deliberations on issues that affect regional security; and
- as appropriate, encouraging and assisting with the development of the defence self-reliance of regional countries.

The Defence International Engagement Strategic Plan is being developed to reflect the Government's policy directions announced in the White Paper. Relevant and measurable performance guidelines will be produced following endorsement of the plan, in line with a recent Australian National Audit Office audit into the cooperation program.

A breakdown of the \$62.5m allocated to the program in 2001-02, an increase of \$2.5m over the previous year, is shown in the table below. Explanations for variations in funding between 2000-01 and 2001-02 are given by individual country or activity in the pages which follow.

Table 2.5.1: Defence Cooperation Funding

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
Papua New Guinea	14.851	10.000
South Pacific	16.137	17.867
South-East Asia	25.608	29.963
Other Regional Activities	3.136	4.522
Facilities for Training in Australia	0.216	0.100
TOTAL	59.948	62.452

Papua New Guinea

The completion of the Special Assistance Package in 2000-01 would have significantly reduced the funds allocated to Papua New Guinea, but exercises with the Papua New Guinea Defence Force and the commencement of reform programs have sustained a significant level of funding for the country in 2001-02. The reform projects cover support to Papua New Guinea Government initiatives to reform and downsize the Papua New Guinea Defence Force, including developing a personnel database, updating the manual of personnel administration, improving financial management practices and improving logistics arrangements.

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Provision of administrative support including security services, office support, fuel, repairs and maintenance.	1.283	1.229
Personnel Seventeen ADF advisers are attached to the Papua New Guinea Defence Force to	2.555	2.679

provide specialist military and strategic advice and facilitate training to the land and maritime elements across their operational and tactical requirements. Three ADF advisers are attached to the Royal Papua New Guinea Constabulary to provide specialist advice and support concerning its communications capabilities. Three Papua New Guinea Defence Force personnel are attached to the ADF in engineering an instructor positions.		
Projects Includes Pacific patrol boat project, reform project, and associated personnel costs.	7.319	2.648
Exercises Papua New Guinea Defence Force maritime and land exercises, including Wantok Warrior, Long Reach, Paradise and Kakadu.	0.000	0.740
Training, Study and Policy Visits In Australia and in-country training of Papua New Guinea Defence Force maritime and land force personnel, and Papua New Guinea Defence civilian personnel studying at Defence establishments in Australia.	3.694	2.704
TOTAL	14.851	10.000

South Pacific

Vanuatu

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Support covers office administration, routine maintenance of defence cooperation equipment, motor vehicle replacement and maintenance and in-country duty travel.	0.379	0.204
Personnel Five ADF personnel and two Australian Federal Police officers, funded by the Federal Police, attached to the Vanuatu Police/Mobile Forces to advise on administration, the ground surveillance capability of the Mobile Force, communications, maritime surveillance operations and technical support to the Pacific patrol boat project, policing support and training.	0.668	0.610
Projects Includes Mobile Force support, communications, Pacific patrol boat project and support to the Joint Police Operations Centre.	0.269	0.563
Exercises None are planned for 2001-02.	0.100	0.000
Training, Study and Policy Visits Technical and professional development training for Vanuatu Police/Mobile Force personnel in Australia and in-country. Study visits include foreign nationals visiting Australia and in-country visits conducted by Australian Defence personnel. Policy visits are also conducted by Australian Defence personnel.	0.208	0.247
Total	1.624	1.624

Solomon Islands

The Defence relationship remains uncertain. While further engagement will depend on events over the next few months, funding has been programmed for this prospect.

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Support covers office administration, routine maintenance of defence cooperation equipment, motor vehicle replacement and maintenance and in-country duty travel.	0.195	0.195
Personnel Two ADF advisers are attached to the Royal Solomon Islands Police Force to provide technical support to the Pacific patrol boat project.	0.232	0.232



	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
Projects Defence began a modest re-engagement with the police force in the latter part of 2000-01, which has included the refurbishment of the police headquarters and a survey of police communications. The Pacific patrol boat project continues.	0.434	0.684
Exercises None are planned for 2001-02.	0.000	0.000
Training, Study and Policy Visits Study visits include foreign nationals visiting Australia and in-country visits conducted by Australian Defence personnel. Policy visits are also conducted by Australian Defence personnel.	0.011	0.091
TOTAL	0.872	1.202

Tonga

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Support covers office administration, routine maintenance of defence cooperation equipment, motor vehicle replacement and maintenance and in-country duty travel.	0.099	0.099
Personnel Four ADF advisers are attached to the Tongan Defence Service to advise on Pacific patrol boat operations and technical support, communications and the redevelopment of Taliai Military Barracks.	0.454	0.454
Projects Includes support to the Pacific patrol boats, communications and redevelopment of Taliai Barracks.	0.333	0.333
Exercises Maritime surveillance exercises.	0.120	0.120
Training, Study and Policy Visits Training in Australia includes Navy professional and Army technical training. Study visits include foreign nationals visiting Australia and in-country visits conducted by Australian Defence personnel. Policy visits are also conducted by Australian Defence personnel.	0.564	0.564
TOTAL	1.570	1.570

Western Samoa

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Support covers office administration, routine maintenance of defence cooperation equipment, motor vehicle replacement and maintenance and in-country duty travel.	0.160	0.160
Personnel Two ADF advisers are attached to the Samoa Police Force to advise on maritime surveillance operations and Pacific patrol boat project technical support.	0.226	0.226
Projects Communications, support for Pacific patrol boat project operations and upgrade of the wharf, including personnel, administrative and material expenses.	0.047	0.047
Exercises Maritime surveillance exercises.	0.075	0.075
Training, Study and Policy Visits Navy training in Australia. Study visits include foreign nationals visiting Australia and in-country visits conducted by Australian Defence personnel. Policy visits are	0.050	0.050

also conducted by Australian Defence personnel.		
Total	0.558	0.558

Cook Islands

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Support covers office administration, routine maintenance of defence cooperation equipment, motor vehicle replacement and maintenance and in-country duty travel.	0.056	0.056
Personnel Three ADF advisers are attached to the Cook Islands Police Force to advise on maritime surveillance operations and Pacific patrol boat project technical support. Personnel costs are supplemented by the Australian Federal Police.	0.104	0.104
Projects Support for Pacific patrol boat project operations and upgrade of the wharf, including personnel, administrative and material expenses.	0.060	0.160
Exercises None are planned for 2001-02.	0.100	0.000
Training, Study and Policy Visits Navy training in Australia. Study visits include foreign nationals visiting Australia and in-country visits conducted by Australian Defence personnel. Policy visits are also conducted by Australian Defence personnel.	0.084	0.084
TOTAL	0.404	0.404

Fiji

After the political events of 2000, funding has been programmed to increase should the defence relationship be restored to pre-coup levels.

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Support covers office administration, routine maintenance of defence cooperation equipment, motor vehicle replacement and maintenance and in-country duty travel.	0.225	0.200
Personnel Three ADF advisers are attached to the Royal Fiji Military Force to advise on maritime surveillance operations and technical support.	0.376	0.376
Projects Support for Pacific patrol boat project operations, including personnel and administrative expenses.	0.000	0.225
Exercises None are planned for 2001-02.	0.000	0.000
Training, Study and Policy Visits Continuation of tertiary study programs at the University of the South Pacific. Study visits include foreign nationals visiting Australia and in-country visits conducted by Australian Defence personnel. Policy visits are also conducted by Australian Defence personnel.	0.249	0.249
TOTAL	0.850	1.050

Marshall Islands

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Support covers office administration, routine maintenance of defence cooperation equipment, motor vehicle replacement and maintenance and in-country duty travel.	0.180	0.180
Personnel Three ADF advisers are attached to the Marshall Islands Sea Patrol to advise on maritime surveillance operations and technical support.	0.440	0.440
Exercises None are planned for 2001-02.	0.000	0.000
Training, Study and Policy visits Training in Australia for Marshall Islands personnel. Study visits include foreign nationals visiting Australia and in-country visits conducted by Australian Defence personnel. Policy visits are also conducted by Australian Defence personnel.	0.024	0.024
TOTAL	0.644	0.644

Federated States of Micronesia

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Support covers office administration, routine maintenance of defence cooperation equipment, motor vehicle replacement and maintenance and in-country duty travel	0.244	0.244
Personnel Three ADF advisers are attached to the Federated States of Micronesia Maritime Patrol to advise on maritime surveillance operations and Pacific patrol boat project technical support.	0.335	0.335
Projects Support for Pacific patrol boat project operations, including personnel, administrative and material expenses.	0.100	0.100
Exercises None are planned for 2001-02.	0.000	0.000
Training, Study and Policy visits Training in Australia and study visits including foreign nationals visiting Australia and in-country visits conducted by Australian Defence personnel. Policy visits are also conducted by Australian Defence personnel.	0.114	0.114
TOTAL	0.793	0.793

Tuvalu

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Support covers office administration, routine maintenance of defence cooperation equipment, motor vehicle replacement and maintenance and in-country duty travel.	0.112	0.112
Personnel Three ADF advisers are attached to the Tuvalu Police Force to advise on maritime surveillance operations and Pacific patrol boat project technical support.	0.468	0.468
Projects Support for Pacific patrol boat operations, including personnel, administrative and associated costs.	0.080	0.080
Exercises Maritime surveillance exercises.	0.150	0.150

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
Training, Study and Policy visits Training in Australia and study visits including foreign nationals visiting Australia and in-country visits conducted by Australian Defence personnel. Policy visits are also conducted by Australian Defence personnel.	0.048	0.048
TOTAL	0.858	0.858

Kiribati

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Support covers office administration, routine maintenance of defence cooperation equipment, motor vehicle replacement and maintenance and in-country duty travel.	0.124	0.124
Personnel Three ADF advisers are attached to the Kiribati Police Force to advise on maritime surveillance operations and Pacific patrol boat project technical support.	0.416	0.416
Projects Communications and support for Pacific patrol boat project operations.	0.165	0.165
Exercises None are planned for 2001-02.	0.000	0.000
Training, Study and Policy visits Army and Navy training in Australia and study visits including foreign nationals visiting Australia and in-country visits conducted by Australian Defence personnel. Policy visits are also conducted by Australian Defence personnel.	0.080	0.080
TOTAL	0.785	0.785

Palau

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Support covers office administration, routine maintenance of defence cooperation equipment, motor vehicle replacement and maintenance and in-country duty travel.	0.204	0.204
Personnel Three ADF advisers are attached to the Palau Police Force to advise on maritime surveillance operations and Pacific patrol boat project technical support.	0.414	0.414
Projects Support for Pacific patrol boat project operations.	0.040	0.040
Exercises None are planned for 2001-02.	0.000	0.000
Training, Study and Policy visits Training in Australia and study visits including foreign nationals visiting Australia and in-country visits conducted by Australian Defence personnel. Policy visits are also conducted by Australian Defence personnel.	0.047	0.047
TOTAL	0.705	0.705



Multilateral General Assistance

Multilateral general assistance will increase to support the Forum Fisheries Association and an increase in adviser briefings. Half-life refits for patrol boats belonging to Tuvalu (*Te Maitali*) and Fiji (*Kula* and *Kiro*) are scheduled for completion in 2001-02.

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
Projects Continuation of Pacific patrol boat project half-life refit program. Ongoing provision of logistics and technical support to all Pacific patrol boat project recipient countries which includes administrative, personnel and associated costs.	3.613	4.813
Exercises Maritime surveillance patrol and maintenance of operational effectiveness of the patrols.	0.000	0.060
Training, Study and Policy visits Includes policy discussions, visits and seminars with South Pacific countries and follow-on training at the Australian Maritime College to support all Pacific patrol boat project recipient countries.	2.861	2.801
TOTAL	6.474	7.674

South-East Asia

Singapore

The increase in estimated expenditure is due principally to the costs associated with a new Defence placement at the Singapore Institute of Defence and Strategic Studies.

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
Personnel Annual, full-time funding for a Defence officer to complete a Masters program at the Singapore Institute of Defence and Strategic Studies.	0.000	0.180
Projects As an outcome of high-level policy and ministerial dialogue, it is anticipated minor projects will be undertaken in conjunction with the Singaporean Defence Force.	0.000	0.050
Exercises Exercises include Maritime Affiliation, Bilateral Seminar Games, and the Mine Counter Measures Vessels Regional Conference.	0.000	0.075
Training, Study and Policy visits Training in Australia and study visits including foreign nationals visiting Australia and in-country visits conducted by Australian Defence personnel. Policy visits are also conducted by Australian Defence personnel.	0.303	0.280
TOTAL	0.303	0.585

Philippines

The Projects line has increased to reflect planned projects in 2001-02.

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Post administrative costs associated with the Defence Cooperation program.	0.200	0.200
Personnel Provision of personnel expenses involved in training and study activities both in Australia and in the Philippines.	0.100	0.100

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
Projects Projects include air defence, funding for an ADF officer at the National Defence College and a project management acquisition program.	0.000	0.423
Exercises None are planned for 2001-02.	0.000	0.000
Training, Study and Policy visits Various postgraduate study programs; Australian Defence College courses; single-Service general and specialist training for air, land and maritime wings of the Armed Forces of the Philippines; medium- and high-level visits; RAAF exercise held in Philippines.	4.660	3.101
TOTAL	4.960	3.824

Thailand

Defence cooperation with Thailand is gradually expanding in response to new opportunities and our mutual support for United Nations operations in East Timor. Combined exercises postponed by the East Timor situation and the Asian financial crisis are also being restored.

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Administrative costs associated with the Defence Cooperation Program.	0.022	0.022
Personnel Bangkok-based Defence science and English language advisers.	0.240	0.240
Projects Logistics and science cooperation.	0.000	0.100
Exercises Supports some costs for peacekeeping, special forces, infantry, maritime patrol, naval and air combat exercises conducted with Thailand.	0.030	0.340
Training, Study and Policy visits Training for Thai personnel, plus Masters scholarships and courses run in Thailand.	5.027	5.027
TOTAL	5.319	5.729

Malaysia

The decrease in budgeted expenditure is a result of the resumption of cost-sharing arrangements with Malaysia and a decrease in the number of Malaysia-Australia Joint Defence Program exchange positions in Malaysia.

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Administration costs for advisers attached in-country.	0.700	0.600
Personnel ADF personnel attached to the Royal Malaysian Armed Forces.	1.719	1.600
Projects Funding for 2001-02 is for the Marine Science Project, Surveillance seminar, combined wide-area surveillance discussions, navigator training for tactical fighter group, safety flying course, and the Malaysian Joint Services Command and Staff College Maritime and Aerospace Seminar.	0.282	0.120
Exercises None are planned for 2001-02.	0.035	0.000
Training, Study and Policy visits Malaysian personnel attending training courses within Australia.	3.136	2.947



	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
TOTAL	5.872	5.267

Indonesia

There has been a reduction in some training activities and an expansion of Australia's involvement with TNI Nomad aircraft (the TNI Navy's principal maritime surveillance capability), resulting in a net small decrease.

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Travel funding for courses in Australia and locally-engaged staff salaries.	0.426	0.530
Personnel English language instructor support to Indonesian Armed Forces central training school; attachments to the Indonesian Army, Navy and Air Force Staff Colleges and reciprocal attachments of Indonesian officers in Australia; Indonesian officers on secondment in Australia at the RAAF Aerospace Centre at Fairbairn and Defence International Training Centre; ADF reserve officer on attachment at Indonesian Navy Training Command implementing junior officer training objectives; ADF team of three in Surabaya providing support to Indonesian Nomad aircraft fleet.	0.189	0.573
Projects Providing assistance to Indonesian Navy on Nomad aircraft maintenance; contract with Boeing for Nomad aircraft maintenance.	0.535	1.227
Exercises Possible expenditure for humanitarian assistance planning.	0.000	0.040
Training, Study and Policy visits Training in Australia including joint and single-Staff colleges; postgraduate tertiary studies; English language training; maritime and air surveillance; Navy navigation, submarine escape training, technical training; Army corps training for officers/non commissioned officers and Air Force technical training - all non-combat related; senior-level visits in both directions.	3.935	2.214
TOTAL	5.085	4.584

East Timor

The development of the East Timor Defence Force will commence in earnest during 2001-02. Australia's cooperation program with East Timor over the next several years should be able to be more accurately forecast by around July 2001 once a Force Development Plan is completed and the likely contributions of other donor countries become clearer.

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
Personnel Australian personnel assistance commenced in East Timor in 2000-01 and includes the secondment of Defence personnel to United Nations Transitional Administration in East Timor's Office of Defence Force Development - to be the East Timor Ministry of Defence - and the provision of additional coordination and administration personnel to Defence Liaison Officer Dili's office.	1.000	1.200
Projects The development of the East Timor Defence Force training facility at Metinaro which commenced in April 2001, will be completed in August 2001. Other major projects include the provision of equipment (webbing, compasses etc) to the East Timor Defence Force.	0.250	4.640

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
Exercises None are planned for 2001-02.	0.000	0.000
Training, Study and Policy visits Limited training support has been provided for East Timor Defence Force basic training from February 2001. This will expand considerably and include delivery of specialist training from mid 2001. The latter will include training in military skills such as leadership, navigation, first aid and stores management.	0.750	0.750
TOTAL	2.000	6.590

Vietnam

The increase in expenditure parallels increased activities including additional attendance at seminars and supplementary English language training.

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
In-Country Administration Administration costs for advisers attached in country.	0.190	0.190
Personnel Vietnam People's Army secondment to Defence International Training Centre for Advanced English Learning Methodology Officer position.	0.100	0.100
Projects English language expert in Vietnam providing advisory and English learning assistance; assistance to the Malaria Research Project.	0.071	0.071
Exercises None are planned for 2001-02.	0.000	0.000
Training, Study and Policy visits Training in Australia including postgraduate tertiary studies, Australian Defence College courses, Navy and Army training for junior officer ranks, and visits associated with Defence Cooperation projects.	1.132	1.732
TOTAL	1.493	2.093

Cambodia and Laos

The proposed increase in expenditure reflects the changing nature of cooperation with these countries including increased English language training, attendance at regional and Australian seminars and assistance with White Paper development and implementation.

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
Projects Assistance with the development and implementation of the Cambodian White Paper objectives.	0.000	0.205
Exercises None are planned for 2001-02.	0.000	0.000
Training, Study and Policy visits Medium-level visits to both Cambodia and Laos relating to the Defence Cooperation relationship. Provision of both in-country and in Australia training.	0.516	0.996
TOTAL	0.516	1.201



Brunei

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
Projects Assistance with the writing and implementation of Brunei's White Paper objectives.	0.000	0.020
Exercises None are planned for 2001-02.	0.000	0.000
Training, Study and Policy visits Helicopter instructor training course being conducted in Brunei.	0.060	0.070
TOTAL	0.060	0.090

Other Regional Activities

Activities undertaken in 2000-01 include a range of single-Service and combined training programs, conferences and seminars, support of new regional cooperation initiatives with Asian countries and the provision of civilian personnel. Items that are forecast for 2001-02 include cooperation activities with India and Pakistan, support for multilateral training programs, conferences and study visits. The significant increase in the estimate for 2001-02 is due primarily to the centralisation of all expenses associated with the operation of the Defence International Training Centre. The expenses for Defence International Training Centre prior to 2001-02 were dispersed throughout the Defence Cooperation country allocations.

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
Personnel Personnel costs for other regional activities covers expenses associated with Civilians employed within the Defence Cooperation program in Bangkok, Jakarta and Papua New Guinea.	0.750	0.800
Training, Study and Policy visits Activities undertaken in 2000-01 include the provision of multilateral training initiatives at the Australian Defence College, joint and single-Service staff colleges, the Defence Management Seminar, multilateral peacekeeping seminars, study visits, support for multilateral training related activities, the re-establishment and development of new cooperation initiatives with Asian countries, and expenses for the operation of the Defence International Training Centre.	2.386	3.722
TOTAL	3.136	4.522

Facilities for Training

Provision for, and maintenance of, training equipment for Service schools in Australia in support of Defence Cooperation training. Expenditure in 2000-01 was increased for a refurbishment program.

	2000-01 Estimated Actual \$m	2001-02 Budget Estimate \$m
Training, Study and Policy visits Provision and maintenance of training equipment.	0.216	0.100
TOTAL	0.216	0.100



OUTPUT SIX: INTELLIGENCE

Defence provides intelligence collection, analysis, holistic assessments, formal briefings and military threat assessments for the planning and conduct of military operations, for Defence policy making and planning, for capability development, and for support of wider government decision making. Defence produces current intelligence reports, signals analysis, communications and information security, and imagery and geospatial data.

PERFORMANCE SUMMARY

Overview

- Good intelligence remains critical to Australia's strategic posture in a complex and fluid environment. The Intelligence output will maintain a first-rate intelligence capability to inform Defence and government policy and planning, to support the planning and conduct of ADF operations and to underpin the development of future ADF capability. The output will provide:
 - an intelligence capability able to be activated in times of crisis or conflict, including trained and experienced personnel, databases, and collection, production and dissemination systems;
 - diverse products including signals intelligence reports and electronic warfare databases, all-source intelligence assessments and reports and databases, and imagery and geospatial products and databases;
 - national communications and information security capability and services; and
 - a tangible and continuous contribution to the United States alliance and to important Defence relationships in our region.
- The Intelligence group includes:
 - the Defence Intelligence Organisation;
 - the Defence Signals Directorate; and
 - the Defence Imagery and Geospatial Organisation.

Key Risks and Planned Mitigation

- Recruitment and retention of skilled people will remain a key challenge and an important factor in the delivery of the output. Risks will be addressed by:
 - a strong emphasis on graduate and other forms of recruitment;
 - strengthened security awareness and values; and
 - training and development.

BUDGETED PRICE TO GOVERNMENT

2001-02 Budget Estimate:	\$385m
2000-01 Projected Result:	\$353m
Variation:	9.1%

Significant Variations

Only those variations that impact on output performance are explained. Variations due to changed accounting processes or further refinement of attribution rules are not shown.

The variation of 9.1 per cent relates to enhancement of intelligence capabilities and activities, including security, staff development and recruitment.