



ADDRESS TO ASPI ‘DINNER WITH THE CHIEFS’

by

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Good evening. It is a great pleasure to be here this evening to give my first address as CDF to an ASPI gathering. Tonight, I want to use this opportunity to speak to you about the enduring security challenges that shape our strategic environment, how the ADF is preparing to defend Australia and its national interests in the future, and some of the challenges we are currently facing.

But first, I would like to tell you about my recent visit to Iraq—which was a very uplifting experience. Don’t misunderstand me, Iraq is a very dangerous place and our people are facing a very real and lethal threat, but it was uplifting because, even in this environment, it didn’t matter where I went—and I went to 12 different locations where our people were working—it didn’t matter if it was a sailor, soldier, an airman or woman, everywhere I looked, everywhere I spoke, everywhere I went, I saw professional people doing a wonderful job for Australia.

Just one example is Task Force 58, under the command of CDRE Steve Gilmore. This 15-person Royal Australian Navy team, who have since returned to Australia, spent more than four months in the Northern Persian Gulf.

During his time in the Gulf, CDRE Gilmore was in command of ten coalition warships from the United States, United Kingdom, Australia and Iraq, and up to 2000 personnel. Commodore Gilmore was the first Australian to lead a combined task group in operation since World War II and his appointment is a very clear indication of the high regard in which the RAN is held internationally.

Under CDRE Gilmore’s command, TF-58 was responsible for protecting two Iraqi oil platforms, the interdiction of illegal maritime trade, the escort of US Military Sealift Command shipping, and coordinating operations with other maritime forces.

You can be very proud, just as I am, of all our men and women in Iraq—their great enthusiasm, deep commitment and incredibly high level of performance. And I know from the short time that I had with the Prime Minister on his visit, he is equally proud of our people and equally impressed with their performance.

AUSTRALIA’S STRATEGIC ENVIRONMENT

One of my first tasks as CDF will be to recommend to Government—with my colleague Secretary Ric Smith—a new strategic update. In undertaking a review of the strategic

environment, we start from the position that the Government's broad strategic judgments made in the 2000 White Paper and the 2003 Defence Update have been validated by events of the last five years. But we move forward through regular reviews to consider how the environment is evolving and how we might best position the ADF to respond to the challenges the strategic environment presents.

Enduring strategic challenges

Our strategic environment is shaped by some significant security challenges.

Namely:

- Terrorism, WMD and failing states;
- The global primacy of the United States and the development of major power relationships;
- Potential regional flashpoints; and
- Evolving military capabilities within our region.

The devastating impact of terrorism could not have been clearer in recent years—even recent months—and it has been the central theme of international strategic analysis since September 11, 2001. There is no doubt that terrorism will remain a defining feature of the global security environment into the foreseeable future. From a broad strategic perspective it's important not just to understand the terrorist threat, but to consider the inter-relationship of terrorism, weapons of mass destruction and the potential problems that can arise from weak or failing states.

The long-term threat to our strategic outlook lies in the capacity for terrorism to undermine developing countries with poor governance, inadequate law and order, and limited political stability. Nations so weakened can and do become magnets for unscrupulous forces and the populations of these failing or failed states can become easy prey to ideologies of hate and violence, or can take up arms to express their frustration and disaffection.

Afghanistan prior to 2002 shows us a ready example of the harm possible when a failed state provides harbour to terrorists. The Taliban regime's alliance with Al Qaeda allowed the resources of the state to support Al Qaeda's objectives. The Taliban provided sanctuary, resources and facilities for training, directly contributing to Al Qaeda's capability to launch attacks in Africa, the Middle East and the United States.

The acquisition by states or non-state actors of weapons of mass destruction is also a significant strategic challenge, made more difficult when these capabilities and know-how reside in failed or failing states.

State-based efforts to produce WMD increase the global availability of the materials, technology and know-how, and the availability of the weapons themselves.

Efforts by North Korea and Iran, amongst others, to develop nuclear capabilities are destabilising and have global consequences, as does the stated intention of Al Qaeda to acquire such capability. I welcome North Korea's agreement to the joint statement of principles agreed during the fourth round of six-party talks in Beijing. This agreement is just a first step in North Korea fulfilling its stated commitment to a denuclearised Korean Peninsula. While we all desire progress in this issue, North Korea must understand that its track record has undermined international confidence. In the end it is the results that count.

Of course, the deeper currents of our strategic environment today are also shaped by the enduring challenges of major power relationships and their interaction with our developing regional environment.

The global primacy of the United States, and its engagement in the Asia Pacific region, is the foundation on which regional strategic stability and security rests. This is not likely to change in the foreseeable future, but the evolution of the major powers: China, Japan, and India, and their interaction over the next decade, will have a major impact on future security structures in the Asia Pacific. Australia's security interests lie in seeing that the evolution of these relationships is conducive to long term strategic stability and the peaceful development of economic and political relationships.

Potential flashpoints persist in our region. North Korea remains an issue because there is little agreement on how peace on the Korean peninsula might be achieved. And the resolution of the status of Taiwan continues to be a defining issue for China, and a source of regional tension, not least for the way it colours the relationship between China and the United States.

Closer to home our strategic environment is shaped by political, economic and military developments within the Asia-Pacific region.

Militarily, over the next five to ten years, a wide range of sophisticated capabilities are likely to come into service. The major powers will continue to develop their power projection capabilities, while enhancing their professionalism and the sustainability of their forces over extended distance. These powers, once a long way away, will increasingly be able to reach out and affect issues throughout the region.

Middle powers, within the region, in which I include Australia, will seek to gain further capability advantage from leveraging the benefits of networking, the fusion of intelligence surveillance and reconnaissance systems and joint operations.

These developments will be most obvious in the air and maritime environments. Highly capable combat aircraft, advanced warships, and submarines are entering the order of battle for many nations. These systems, while still fledgling in actual capability, represent a significant increase in the complexity of the regional military balance, and a challenge to the ADF which has long based our strategy on maintaining a capability edge in key areas.

Meanwhile, I expect smaller nations will seek to at least maintain their current levels of capability and proficiency, though budgetary constraints will frustrate their ability to professionalise their armed forces.

We are operating in a very challenging strategic environment, in which the careful development of strategic policy and the adroit management of its execution continues to be required.

ADF RESPONSE TO THE STRATEGIC ENVIRONMENT

So, how will the ADF prepare itself to respond to the strategic environment?

Let me begin by saying that I believe that the ADF and more generally Defence, is—and has been—steering the right path. I am indeed fortunate to have inherited an ADF in good shape. My predecessor, General Cosgrove, commanded the ADF to great success through a period of high operational tempo.

As I have already indicated tonight, the future will bring with it complex challenges and continuing high demands on the ADF.

Our response to this uncertainty is threefold:

- We need to enhance our planning at the strategic and operational level;
- We need to continue the progress we have made in capability development; and
- We need to plan for ongoing participation in a wide range of operations.

Planning

In terms of planning, Ric and I intend to use the outcomes of the strategic update as a basis for revising our internal strategic documentation across the Defence organisation from the top down.

We are committed to maintaining and regularly revising a body of core guidance for consistent planning, across what is a very large Department, that draws on the lessons of our recent experience and our understanding of the future challenges of the strategic environment. This needs to apply to our military strategy and operational concepts; and in the shaping and implementation of the Defence capability plan.

The key feature of our recent operational experience is that in all cases we have worked in a Joint Task Force environment—most often as part of a broader Australian Government or coalition operation. Planning for the ADF's future and the execution of operations must be based on a genuine joint, integrated approach. The 'Joint or Single Service' arguments of the last few decades are well and truly over, it's now a matter of training for, and continuing to execute, joint operations as our core business.

Capability development

In terms of capability development, the Defence Capability Plan will continue to set the Government's agenda for the ADF of the future. The Plan's realisation will increase our combat weight, mobility and sustainability, with an emphasis on joint warfighting and networked operational capabilities.

Specifically, to highlight a few areas, we plan to:

- Extend the reach and force protection of the ADF at sea and in the air through the acquisition of Air Warfare Destroyers and new Amphibious Ships;
- Strengthen the Army, through the Hardened Networked Army concept, making it better protected, more mobile and more situationally aware; and
- Extend the ADF's aerospace power with a system of advanced capabilities.

We are also committed to further developing a seamless approach to intelligence, surveillance and reconnaissance. The ADF's network centric warfare roadmap will guide us down this path.

And although there are cost and interoperability considerations to be dealt with, we are looking beyond the ADF towards an appropriate level of networking, first with other Government departments, and then with allies and coalition partners.

Beyond these issues, the demands of concurrent operations will test our capacity in the critical areas of medical support, operational logistics, lift capability and communications. The lessons of recent years have shown that these capabilities are much in demand and are central to the ADF being able to mount and sustain operations.

Together, the DCP initiatives increase the options available to us in responding to the full spectrum of operational requirements—from disaster relief through to advanced coalition warfighting. They provide an important hedge against future strategic uncertainty, while retaining the capacity to make a significant contribution to security in the region or to support coalitions elsewhere.

The Secretary and I, and our successors, need to make the robust arguments to win sustained funding for Defence capability development within the competing priorities of Government.

Future Operations

In terms of planning for operations, let me say that nothing reflects the complexity of the strategic environment more than the diversity and scope of ADF operations in recent years.

We have led or contributed to large-scale deployments to Timor-Leste, Bougainville, Afghanistan, Iraq and the Solomon Islands. We have monitored Australia's northern approaches to counter illegal immigration and illegal exploitation of our economic exclusion zone; and countered illegal fishing in the southern ocean. We conducted emergency medical and aeromedical evacuation operations in Bali after the 2002 terrorist attack, and more recently we responded to the 2004 Boxing Day tsunami, one of the worst natural disasters in recent history.

What this experience tells me is that now and into the future the ADF must be able to:

- provide joint forces to contribute to, or lead, coalition operations in the South West Pacific and Southeast Asia;
- contribute to coalitions further afield where Australia's interests are at stake;
- support UN activities and long-standing alliance commitments;
- play a role in crisis responses as part of a coalition package in support of our international agreements such as the five power defence arrangements; and
- be prepared to routinely work together with other Government departments to provide options to Government to protect Australian interests.

I do not foresee our current operational tempo changing in the near future.

Currently the ADF has over 1600 personnel deployed overseas on operations throughout the world. Of these, the key operations outside Australia are Operation AZURE, Operation SLIPPER and Operation Catalyst.

Operation AZURE is the deployment of 9 ADF personnel to the United Nations peacekeeping operation in Sudan known as UNMIS. This contribution includes personnel who specialise in air movements, logistic support and military observers. The UN Security Council authorised the establishment of UNMIS on 24 March 2005 under Resolution 1590, after the government of Sudan and the Sudan People's Liberation Movement signed the Comprehensive Peace Agreement to end a civil war lasting more than 20 years.

Operation SLIPPER is the ADF's contribution to the global war against terror. A Special Operations Task Group (SOTG) deployed to Afghanistan in early September for a period of 12 months to support the security and stability of Afghanistan. The Task Group has commenced operations after establishing its operating base and conducting final familiarisation training. These operations have included combined Afghan National Army and SOTG patrols that have provided effective support and protection to remote polling centres and security checkpoints during the Afghan National Elections. The SOTG is also conducting broader operations to improve security and stability within its Area of Responsibility.

While conducting the most recent of these operations, a joint Afghan National Army and SOTG Patrol was heavily engaged by Anti-Coalition Militia elements whilst on operations in Southern Afghanistan. These Anti-Coalition Militia utilised small-arms, machine guns, rocket propelled grenades and mortars to strike at the vehicle-mounted patrol as they traversed difficult terrain while returning to their Forward Operating Base. During this action, tragically one Afghan National Army soldier was killed and one Australian soldier was slightly wounded. His wound was minor and he subsequently returned to duty. Afghanistan remains a dangerous place, however the SOTG is highly skilled, well trained and well equipped to deal with such engagements.

The area of our largest current commitment, with 1320 personnel currently deployed—is Iraq.

Every morning we all hear the news of the day, and there can be a tendency to focus on the now. But it's worth noting that there are 29 countries, led by the United States, working together, and with the Iraqis, committed to a positive outcome. They are supporting the reconstruction and stabilisation of Iraq, in order to develop a viable democracy at peace with itself and its neighbours.

The power of this level of commitment—168,000 coalition personnel and 178,000 Iraqi security forces in the field or being trained—shouldn't be underestimated.

The political process is moving forward:

- In January this year, the Transitional Government was elected;
- The first session of the Transitional National Assembly convened in March;
- A new Iraqi Government was formed on the 28th of April;
- The national referendum on the draft Iraqi Constitution is scheduled for the 15th of October, and
- The national elections are scheduled for the 15th of December.

The Coalition is in it for the long haul—the stakes are high, we must win.

I know each and every one of us looks forward to the day when our men and women can come home, but there remains work to be done and there are some considerable risks ahead. I have already given you some examples of the wonderful job our men and women are doing in Iraq.

And, knowing the quality of our people, I am confident that we will continue to perform well on all ADF operations.

To ensure that we are planning and controlling operations to the best of our ability, I have commissioned a review of the ADF higher command and control structure in order to take our current system to an even more effective level. One of the key reasons for this review is the impending move to Bungendore. But that is not the only reason, nor even the most important. There has been a growing realization that our joint command and control structure has some artificial and self-imposed barriers which have been preventing the best utilization of our workforce. This review will ensure that some levels of workload duplication and the subsequent detrimental effects on efficiency and effectiveness are resolved.

CONCLUSION

I thought I might conclude tonight with my vision. I am committed to seeing the ADF develop as *a balanced, networked and deployable Force manned by dedicated and professional people, which excels at joint and coalition operations.*

In moving the ADF toward achieving this vision I have 7 key themes of my intent. I won't go into detail on them now—you may like to ask me to expand on them during the Q&A—though I have already touched on some of them during my speech.

They are:

1. Our People;
2. Our Values;
3. Our Operational Performance and Preparedness;
4. Our Strategic Direction;
5. Our Capability;
6. Our Relationships; and
7. Our Governance, Management and Administration.

I'll finish tonight by noting that I think the number one strategic challenge—the big, long-term issue—that is critical to the ADF and the Defence Organisation is recruitment and retention.

Our people are the key to achieving everything I have mentioned this evening. Our people provide our capability and our people enable our capability.

The ADF must be able to compete effectively in a very competitive labour market. We need to be able to win our share of quality people. And we must be an employer of choice where people want to be, and want stay. It doesn't surprise me that some of our people are being attracted by the business world—they are professional and highly skilled.

But I am confident we will adapt accordingly. Defence offers an interesting, challenging and rewarding life. We have a proud history, over a century of duty to Australia, and I will work to ensure the ADF is an attractive option for Australians who want to serve our Country and her people.

Thank you. That concludes my formal remarks, I will now open the floor to any questions you may have.

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