the early 1990s. (Make program provision of $20 million for industry studies for decision in about 1988-89.)

**Naval Helicopters**
- Retain plans for a further eight Seahawks. ($193 million programmed for decision in 1986-87.)
- Dedicate some Sea King helicopters to precursor minesweeping.
- Purchase 12 reconnaissance helicopters for the light patrol frigates. (Make program provision of $200 million, for decision in about 1988-89.)
- Defer acquisition of further utility helicopters to beyond the FYDP 1986-91. (Defer provision of $340 million programmed for decision in 1989-90.)
- Do not use Defence funds to acquire and operate helicopters for offshore counter-terrorist operations after the Wessex helicopters leave service in 1989.

**AIR DEFENCE**
- Conduct preliminary investigation of airborne early-warning and control options while OTHR's ability to provide targeting data for the F/A-18 is being established. (Retain program provision of $2 million, for decision in 1987-88.)
- Defer acquisition of airborne early-warning and control systems. (Defer by one year the provision of $500 million currently programmed for decision in 1988-89.)
- Continue with proposal to acquire a ground-based radar to cover the approaches to Darwin/Tindal. ($16 million programmed for decision in 1986-87.)
- Acquire a further two mobile tactical air defence radars. (Make program provision of $40 million, for decision in the 1989-95 time-frame.)
- Continue with program to acquire 75 F/A-18 fighter aircraft.
- Modify the four B707s for in-flight refuelling of F/A-18 aircraft. (Retain program provision of $45 million programmed for decision in 1986-87, but consider deferral in the event of programming pressures.)
- Do not acquire a Tropospheric Scatter Communications System. (Delete provision of $1.3 million per year.)

**GROUND DEFENCE**

**Army size and structure**
- Retain the approximate present size of the Regular Army (32000). Review the balance between the Regular and Reserve components when more experience is gained from operating in the north.
- Ensure that the emphasis of all Regular battalions is towards the priority needs of dispersed operations in northern contingencies, with good tactical mobility once deployed.
- Reduce emphasis on mechanisation. The integration of tanks with mechanised infantry is not a priority.

**Armour**
- Operate up to 500 M113 light armoured fighting vehicles. Increase the number in store from about 100 to about 300. (Release about 35 personnel for higher-priority tasks. Reduce operating costs by about $1.3 million per year.)
- Gain further experience in the north with the M113, and perhaps other specialised vehicles (wheeled, tracked, and other), to inform judgements on a new vehicle eventually to replace the M113, beyond the year 2000.
- Allocate a total of 50 tanks to an integrated Regular and Reserve unit and to Training Command. Increase the number in store from 27 to 53. (Release up to 180 personnel for higher-priority tasks. Reduce operating costs by up to $0.5 million per annum.)

**Tactical helicopters**
- Acquire about 36 tactical helicopters in addition to the 36 (and 20 attrition reserve) already in the program. Acquire a further 20 as the associated attrition reserve. (Make program provision of $580 million for decision in about 1988-89, and $230 million beyond FYDP 1986-91 for the attrition reserve. This would require some 375 personnel and $12 million in annual operating costs.)
- Improve the combat efficiency of helicopter support to Army, preferably by integrating the helicopters into the Army structure.

**Ground surveillance capability**
- Continue to support and develop the Reserve regional force surveillance units in the north of Australia. Consider ways to ensure early availability in time of tension, such as increasing the Regular component and introducing legislation for call-out of Reserve elements.
- Continue the evaluation and familiarisation programs under way for surveillance devices. Expand if successful. (Make program provision of about $25 million, for decision progressively from 1987-88.)

**Artillery**
- Retain the present (approved) program of 65 Light Guns for the Regular Army. Acquire 46 guns for the Army Reserve. Acquire additional guns for the Reserves only if further analysis shows the need. (Reduce provision of $53 million for 83 Army Reserve guns to $29 million, programmed for decision in 1986-87.)
- Transfer one battery of medium guns in 8/12 Medium Regiment from Regular Army to Reserves, preferably within an integrated unit.

**Close air support**
- Do not acquire specialist close air support aircraft (fixed wing or rotary wing). Continue with plans for tactical utility helicopters to have some gunship capability, and for the F/A-18 to provide basic skills.

**INFRASTRUCTURE AND SUPPORT**

**Northern infrastructure**
- Retain priority for, or possibly advance, a bare-base airfield on Cape York Peninsula. ($30 million programmed for approval in 1989-90.)
- Advance the priority for a modest naval facility on the north-west coast. ($15 million programmed for approval in 1990-91.)
- Plan to base units of the Regular Army in the Darwin/Tindal area, with initial phases by the early 1990s. (The Review's preference is for at least an infantry battalion, but practical considerations may suggest initially a reconnaissance unit. The capital facilities cost of the latter is an estimated $100 million.)
PART 1
DEFENCE PLANNING AND STRATEGIC GUIDANCE

This Part of the Review addresses the content, priorities and rationale of current defence planning. Major issues are identified for resolution, and advice is offered about ways in which strategic guidance can be made more explicit.

THE BASIS OF FORWARD PLANNING

The last 15 years have seen a fundamental change in Australian strategic perspectives. Until the late 1960s, Australian defence planning and policy assumed that our forces would normally operate in conjunction with allies, and well forward of the continent. We saw our security as inextricably linked with the security of others.

When Australia itself was threatened during the Second World War we turned to the United States. We promised our military resources to General Macarthur who conducted Australia’s defence as an extension of the United States war effort, largely free from political direction by the Australian Government.

After the war we remained deeply suspicious of Japan and exacted the ANZUS Treaty as the price for peace with that country. We also co-operated with Britain in the testing of nuclear weapons and missiles. Australia sent military forces to Malaya, Borneo, Korea and Vietnam. We acquired a new threat in Communist China, combining old racial fears with new ideological concerns.

Yet fundamental changes were abroad in both international and domestic perspectives. The British withdrew from ‘East of Suez’, and with the strain of meeting its Vietnam commitment came a United States recognition of the limits of its military power and a caution about further foreign military involvements. The 1969 ‘Guam Doctrine’, espoused by President Nixon, called on allies to make greater contributions towards their own security, and to assume the primary responsibility of providing for their own defence.1

Within Australia, there was a new sense of nationalism and a recognition that our future security was bound up with the newly independent states of South East Asia. After the war we remained deeply suspicious of Japan and exacted the ANZUS Treaty as the price for peace with that country. We also co-operated with Britain in the testing of nuclear weapons and missiles. Australia sent military forces to Malaya, Borneo, Korea and Vietnam. We acquired a new threat in Communist China, combining old racial fears with new ideological concerns.

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1. This requirement has been reiterated by successive United States Administrations. In a major policy statement in November 1984, Secretary of Defense Caspar Weinberger said “We have learned that there are limits to how much of our spirit and blood and treasure we can afford to forfeit in meeting our responsibility to keep peace and freedom. So while we may and should offer substantial amounts of economic and military assistance to our allies in their time of need, and help them maintain forces to deter attacks against them – we cannot substitute our troops or our will for theirs.”
Despite the realignment of our priorities to greater defence independence, tensions continued between traditional alliance and global considerations on the one hand and the new national and regional emphasis on the other. The task of developing a force structure to reflect our new strategic priorities was not made easier by the fact that much of our equipment, and some of our doctrine, continued to be obtained from traditional associates. It is only in recent years that the primacy of defence-of-Australia tasks has achieved general acceptance within the Defence community.

Strategic guidance

The key planning document that guides Australian defence policy is the Strategic Basis paper, produced every three to five years. It draws upon intelligence assessments contained in Australia's Security Outlook produced by the Office of National Assessments and endorsed by the National Assessments Board. The current Strategic Basis was prepared by the Defence Committee and accepted by the Government in 1983. References in this Review to current strategic guidance are references to concepts developed in this document.

The 1983 Strategic Basis paper is the latest in a series of documents which have developed a philosophy of defence self-reliance for Australia. This thinking had its beginnings as early as the 1968 Strategic Basis, which articulated the need for forces 'prepared to deal with sporadic attacks and raids on the mainland, which could be more readily attempted and could take the form of small scale air and submarine attacks and commando raids'. Nevertheless, the practical implications of this were not well developed because of the continuing preoccupation with possible overseas commitments at a time when Vietnam was a major focus of concern.

The 1971 Strategic Basis paper, for the first time, canvassed the prospect of varying levels of threat developing over increasing time-scales. The newly-introduced Five Year Defence Program (FYDP) was seen as a means by which acquisitions, force levels and activities could be ordered to suit the needs of self-reliant national defence. The more developed perceived needs could be satisfied first, and the more remote and ill-defined ones handled by assessments of how and when threats of varying magnitude might develop. An ambitious range of studies was envisaged to try to develop these propositions, but a general force structure conclusion was enunciated in the following terms, which have changed little over the last 15 years:

The increased emphasis on the defence of Australia itself in the long term will almost certainly call for a blend of offensive and defensive naval and air forces supported by and supporting highly mobile and hard hitting army forces; in most instances we see our forces operating as a joint force complementary to each other. Static defence of numerous fixed positions will play only a limited part in the relevant concept and the mobility of all the forces concerned will be a key factor in its development. The provision of improved mobility for all Services, not only beyond but also within Australia, co-ordinated where practicable with civil resources and including infrastructure, should therefore undoubtedly assume a high priority in our planning.

The 1973 Strategic Basis paper contrasted the regional tensions and conflicts of the 1960s with a perception of the future—subsequently proved to be inaccurate—that South East Asian nations would be preoccupied with their own national affairs and local disputes. It included a summary of Australia's security situation that is still relevant 13 years later:

Australia is remote from the principal centres of strategic interest of the major Powers, namely Western Europe and East Asia, and even those of secondary interest, the Mediterranea, the Middle East and the North West Pacific. Having ratified the Nuclear Non-Proliferation Treaty we are not a factor in the Powers' nuclear calculations and dealings. We are not a principal party in the shaping of any regional affairs relevant to their interests, nor are we preoccupied with threats from our immediate neighbours. Because of its location and size Australia is a difficult country to invade, conquer and occupy. Moreover, we are a Power of sufficient substance to discourage any thought that we may be susceptible to low-level pressure. It can be said that Australia is at present one of the more secure countries in the world.

Thinking on lead times was developed and the notion of an expansion base was also introduced in the 1973 paper.

By 1975 this thinking had crystallised in the concept of a 'core force', able to undertake peacetime tasks and to deal with a range of low-level contingencies which have sufficient credibility, and 'with relevant skills and equipment capable of timely expansion to deter or manage a developing situation'. Substantial global and regional involvement of Australian military forces was firmly rejected. In an embryonic attempt to sketch a long-term strategic concept, the 1975 paper observed that 'conventional forces can only attack Australia by using sea and air approaches, and Australian strategy should look to having adequate naval and air power for interdiction, including forward operations, while at the same time having in being those ground and other forces capable of dealing quickly with any lodgements which might nevertheless be made'.

The 1976 Australian Strategic Analysis and Defence Policy Objectives (ASADPO) refined the concepts of the 1975 paper. It observed that a warning time which began when specific threats were perceived was too narrowly based, and that defence planning and preparations could be expected to be responsive to adverse strategic changes in advance of a perceived threat. This theme was subsequently taken up in the 1976 Defence White Paper, which said that Australia's defence interest was not confined to the presence or absence of threat but was concerned with a broader range of developments, including those that introduced uncertainties into our strategic prospects.

Drawing on some overdue innovations, known as the 'Defence of Australia' studies, ASADPO 76 provided examples of credible low-level contingencies to be considered in shaping the force structure during the then-current FYDP. It concluded that major assault against Australia was the least credible of contingencies, and that capability related to it should command a low priority in the force structure (subject to the requirements of the expansion base).

The 1979 ASADPO document built selectively on the foundation of the documents of 1975 and 1976. The focus on maritime contingencies was further sharpened to give priority to capabilities for the defence of 'any military convoys, our coastal shipping, and local areas proximate to Australia and our off-shore resources'. There were some cautionary words about the distorting effect on force structure priorities and planning should the Government want 'to keep open' the policy option of a military response to any substantial contingency external to the continent, given the prospect that there could be a coincident threat to Australia.

The 1979 paper attempted to give more focus to defence planning through an examination of credible contingencies, drawing on the Defence of Australia studies which were then close to finalisation. It also attempted to set out—for the first time—a summary of defence policy objectives and capability requirements. ASADPO 79 reaffirmed the assessment, going back as far as 1971, that even with the support of a
major power, it would take at least 8 to 10 years for the development of a regional capacity to mount a major military attack against us.

In the 1983 Strategic Basis paper this important judgement is repeated and earlier deliberations on the defence of Australia are consolidated and augmented. Forms of military pressure that are credible in the shorter term are illustrated by reference to relatively small-scale harassment and raids on remote settlements, coastal shipping, and other targets around Australia's north.

The 1983 paper favours a more extensive articulation of the core-force philosophy in place of the listing of objectives and capability requirements at the end of ASADA 79. As with all strategic guidance since 1971, it recommends the use of contingency studies to assist in the refinement of capability requirements. It also recommends, for the first time, the development of military strategy and operational concepts for the defence of Australia.

The strategic guidance developed by the Defence Committee over the last decade or more may thus be regarded as a continuum. Although certain thoughts and strategic concepts have been developed in more detail, there is substantial continuity of thinking. Successive Defence Committees (and some 20 different Service Chiefs and Secretaries of Departments) have endorsed the Strategic Basis series of documents which have, in turn, been agreed to by governments of various political persuasions.

The current Strategic Basis paper is the latest in a series of documents which have articulated a philosophy of defence self-reliance in a regional context. Its regional concepts are generally well developed and intellectually rigorous. The same cannot be said about its analysis of the global situation, which tends to exaggerate the risks of substantial confrontation with the Soviet Union's military superiority.

The limitations of strategic guidance arise not so much from any failings in the arguments in the document, but from the limitations inherent in an approach restricted to the development of broad strategic concepts. While strategic guidance has developed some important principles for force development, these have not proven easy to apply. This is primarily because there has been a lack of agreement about the appropriate level of conflict against which the Defence Force should be structured.

Current procedures for force structure planning

Current planning is based on the core-force concept. But the lack of simple procedural clarity and precision in the guidance for determining the priority of core capabilities has tended to frustrate force structure planning.

In practice, the force development processes of the senior Defence committees (the Defence Committee, the Defence Force Development Committee, and the Force Structure Concept) take account of strategic guidance, credible contingencies and warning-time/lead-time considerations on an essentially ad hoc basis, usually in the context of major equipment proposals. No comprehensive review of defence capabilities has been conducted since the 1981 Defence Force Capabilities paper, which was endorsed by the Defence Force Development Committee (DFDFC) only "as a background document for planning staff". The 1981 paper was not considered by the Government. Its concluding judgements are highly qualified and provide only limited guidance on the preferred priorities for particular capabilities.

The absence of agreed concepts and guidance in the force planning area leads to difficulties in government take consideration of defence issues. Ministers are first asked to endorse the broad principles contained in strategic guidance. They are subsequently asked to approve specific equipment proposals without the opportunity to consider how these proposals relate to an overall defence concept and plan for the development of our force structure.

This is an unsatisfactory state of affairs. This Review considers it is not sufficient for the Defence Committee to prepare strategic guidance for consideration by Ministers that limits itself to general observations and conclusions. Ministers should be informed at the same time of the strategy proposed for our defence effort, and the main force structure and resource implications. The policy implications of this recommendation are addressed in more detail later in this Part of the Review.

Military planning

Force structure planning deficiencies have been compounded by the lack of a comprehensive military strategy and operational concepts for the defence of Australia. In the absence of more specific guidance, each Service has developed its own planning. Navy's Plan Green and Plan Blue aim to identify those factors that are in the Australian Government's mind as they plan for the development of a medium-term and long-run naval force development. The Army Development Guide was written to provide Army staff with an indication of the direction of expansion so that the elements of the expansion base could be identified. Air Force's RAAF Development Goals sets out the long-term development goals of Air Force to provide guidance for planning staffs. These documents are not co-ordinated with one another, nor do they necessarily follow closely current strategic guidance. Some of their force structure objectives are unrealistic.

In recognition of this deficiency, a series of documents have been prepared in Headquarters Australian Defence Force (ADF) and considered by the Chiefs of Staff Committee (COSC) over the last year or so. The first, entitled Military Strategy 85, attempts to extend strategic guidance by the development of principles for the defence of Australia. The second, the ADF Concept for Operations, aims to establish a common basis for joint-force and single-Service planning can be developed. A third document, entitled The Military Basis for Force Development, and yet to be endorsed by the COSC, is intended to establish an agreed list of broad military priorities for capability development.

Military Strategy 85 is a useful first attempt to apply a number of important military principles to the problems of Australian defence, but it suffers from some deficiencies. The first problem is procedural. Military Strategy 85 was produced by Headquarters ADF staff and endorsed by the COSC with only limited consultation with civilian policy and planning staffs. Rather than being just a military strategy paper, it is in effect more ambitious and attempts to develop a national defence strategy for all of Australia. Any such paper will be of little practical value for defence planning unless it is accepted by the Defence community as a whole, not only the Chiefs of Staff.

Another deficiency is that rather too much of the document amounts to a rewriting of Government-endorsed strategic guidance. Development of military planning might more properly have been expected to build on that guidance, and Headquarters ADF now recognises this deficiency.

Two concepts contributing to a proposed strategy of defence in depth for Australia are developed within Military Strategy 85—those of 'influence' and 'control' as applied to our regional defence environment. Influence may be a useful foreign policy or broad national security concept, but its utility as a military concept is limited by the fact that many situations are beyond effective military influence. This is not to deny the Defence contribution to broader foreign policy objectives in our region, but simply to point out that the concept of influence makes little practical contribution to the development of a more precise defence planning framework. The concept does not assist in setting force structure or operational priorities, and is a most uncertain basis for decision-making about capability needs.

The ADF Concept for Operations paper is a more useful military planning document. It contains a good exposition of important factors in low-level contingencies,
particularly geographic features, the use of forward bases and logistic problems. The treatment of higher-level contingencies is more uneven in quality, perhaps reflecting the speculative assumptions that must underpin any planning in this area. Indeed, it might be concluded that future work in the provision of a conceptual framework for contingency planning should more profitably concentrate on credible low-level contingencies.

The draft Military Basis for Force Development paper has been developed during the course of this Review. Its value lies in its comprehensive treatment of capability requirements, in which single-Service perceptions and priorities have been largely subsumed in a broader ADF perspective. While there are some differences of approach and judgement on particular elements, its general thrust and conclusions are consistent with the priorities established in this Review. Unlike the Review, however, the paper does not attempt to develop strategic and force structure principles into judgements on the numbers and types of equipment and personnel within capability elements.

These three papers represent an important step forward in the development of military planning for the defence of Australia and the ADF ought to give priority to the further development of this work. Two points are important. The first is that the concepts developed must continue to emphasise the development of ADF requirements and not be distorted by single-Service perceptions of need. The second is that the development of ADF thinking in these areas is not an end in itself. Military planning and other defence planning needs to be integrated at all levels so that Government can be provided with comprehensive advice and policy options.

Institutional barriers

It is not within my Terms of Reference to examine the organisational or institutional problems of the Defence community. However, I am directed to advise, where appropriate, on 'any other matters which have an important bearing on the desirable future direction of Australia's defence capabilities'. In this context, it has to be said that there are areas and problems that hinder the provision of timely and agreed defence advice to Government. Indeed, it was the inability of the ADF and the Department to agree even on basic force structure concepts that brought about this Review in the first place.

There are a number of issues that require attention. Some of these were identified by the Defence Review Committee into the Higher Defence Organisation in 1982 (the Utz Committee). That Committee's report correctly stated that the scope for 'improving working habits and relationships' was considerable, but it did not address the institutional flaws which arguably aggravate those relationships.

This Review considers that relationships between senior military and civilian staffs have improved since the time of the Utz Committee. The tensions of earlier years were perhaps a consequence of the changes in our strategic thinking that began 15 years ago and are continuing today. During this period there have been many instances where established and traditional attitudes and judgements have been challenged and replaced. But there is still a lack of agreement on our defence concepts and priorities. This arises from different civilian and military views on how to interpret our strategic circumstances for the purposes of force development. The Review has attempted to overcome some of these differences. It looks forward to the time when the adversarial situation between military and civilian staffs is reduced. This latter remark is made having in mind that disagreements inevitably arise in large organisations such as Defence, and to some extent, may even be healthy.

There are also some important organisational matters that require attention because they will affect any implementation by Government of the recommendations in this Review. The first of these is that there is still a tendency, contrary to the philosophy of the Tange Reorganisation in 1973 and the Utz Committee, for military and civilian advice to be developed separately. It was, I believe, fundamental to Tange's Defence Reorganisation Report that advice to Government should not fall into military and non-military compartments. The Utz Committee correctly stated that the only feasible approach to defence administration at the higher levels is a concerted approach which marries the contributions of the two component parts, the Department and the Defence Force, in a collaborative relationship which recognises more positively the vital role which each plays.

The tendency towards less joint planning has been exacerbated by the creation of separate policy and planning staffs in the Department, the single Services, and the ADF Headquarters. The proliferation of these staffs encourages vested interests and institutional rigidity. Part of the problem is that Parliament requires more detailed accountability and governments need advice on ever more complex issues. But there can be little doubt that the creation—for whatever reason—of more policy staffs and more competing centres of authority results in slower advice, and fosters adversarial attitudes. The need for these staffs and how they are used requires critical reappraisal.

Some military organisational problems need to be resolved. A small Headquarters ADF staff was established some 18 months ago to support the Chief of the Defence Force (CDF) in his command function, to centralise military planning, and to provide a joint-Service input to the policy-formulation process. It is perhaps too early to expect that this transfer of responsibilities from the Service Offices would have been completed. But ADF input to this Review clearly reflects the weight of separate Service views rather than the integrated view of the COSC.

The Review believes that the centralisation of military planning for force structure matters under the CDF is the only way in which an integrated ADF policy can be effectively developed. It is recommended that consideration be given to increasing the size of the Headquarters ADF policy staff and abolishing the relevant single-Service operational requirements and force structure policy staffs. Headquarters ADF has already initiated consolidation of operational intelligence and is now examining the important area of logistics. The next step should be the centralisation of military operational requirements staffs within Headquarters ADF. These staffs would still be responsive to the Chiefs, but would be required to develop an ADF approach to force structure proposals. The Service Chiefs of Staff would continue to provide professional advice to the CDF and be responsible for single-Service doctrine, training and management of personnel, and the acquisition and maintenance of equipment and stores.

Need for joint planning

There would seem to be scope to develop a more streamlined and co-operative approach to defence planning. At present, too much energy is directed towards jurisdictional battles involving civilian and military central staffs and single-Service staffs. These conflicts are neither creative nor productive. Key planning documents take excessive time to produce, and some important studies are simply abandoned in the face of institutional intransigence. Too many planning documents represent the lowest common denominator and contain ambiguities and inconsistencies to accommodate entrenched institutional interests. Added to this is an obsession with the meaning of particular words and concepts, which in themselves become a major impediment to agreed Defence views.

Under the present system, single-Service 'requirements' tend to become fixed early in the process and there is considerable resistance to consideration of alternative means of achieving capability objectives. This problem would be alleviated if, as mentioned above, the single-Service operational requirement staffs were transferred to Headquarters ADF. Moreover, the higher committee system seems to be preoccupied with
equipment matters. Other important areas of policy, such as manpower and supply, do not get sufficient attention.  

Some point to the committee system within Defence and observe that this provides fertile ground for adversarial attitudes. But simplistic solutions, such as doing away with the committee system, would not be appropriate. The Utz Committee concluded that the committee system is essential to the joint process of consultation. More importantly, there is a need for more interaction and a strengthening of the joint approach to force structure planning on a day-to-day basis between the Department and the ADF. 

A further review of the Defence organisation is not required, as the basic organisational structure seems reasonably sound. The central issue is more one of getting people with the right attitudes and motivation to perform well within it.

**Recommendations for future planning procedures**

The process whereby the major defence planning documents are produced also requires attention. At present about every three years the Defence Committee produces the Strategic Basis document, which examines Australia's strategic circumstances and their broad implications for defence planning. As mentioned earlier, only on one occasion has a companion document been produced which outlined the defence capabilities required in some sort of general priority order (Defence Force Capabilities, produced by the DFDC in 1981). For the rest of the time, the committee system tends to use the Strategic Basis document as broad guidance, but relies more on interpretation of doctrine based on such concepts as the 'core force', the expansion base, 'warning time', 'deterrence', and 'credible contingencies'.

A major problem here is that the Strategic Basis document does not develop arguments for capabilities priorities. There is no joint machinery which regularly reviews the strategic context, capabilities requirements, and force structure priorities in the one document, or even in closely associated documents. It is recommended that a process might be considered whereby every three years or so a similar approach to that undertaken by this Review might be undertaken. Such an approach would place rather more emphasis on the kinds of long-term force structure concerns defined in this Review and somewhat less on assessing detailed variations in our strategic environment, unless the latter were seen to be deteriorating seriously.

The practical consequence of this recommendation may be the establishment of new arrangements in which strategic and force planning concepts are integrated in a single long-term defence planning document, as this Review has attempted to do. As much as possible of the document should be made available publicly as a contribution to a better-informed defence debate within this country.

I see no compelling need for such periodic reviews to be undertaken by advisers from outside Defence. While an outside perspective can be useful, the necessary knowledge and intellectual skills exist within the Defence community. It would be appropriate for the preparation of this document to be the joint responsibility of the Secretary and the CDF, for submission to the Minister for Defence.

5. A particular matter which the Review has identified, and which is discussed further in Part 4, is that the mechanisms which monitor progress in Army force development for its overall consistency with strategic guidance are not as regular or thorough as they are for Navy and Air Force capabilities.

6. There are 15 high-level policy committees within Defence.

7. Earlier papers, such as that produced in 1976, tended to describe the capabilities available in our defence forces, rather than prescribe future force structure priorities.

8. A requirement will continue to exist for a separate intelligence assessment undertaken by ONA from time to time, both to inform defence policy judgements and to meet other government requirements.

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**KEY CONCEPTS FOR AUSTRALIAN DEFENCE PLANNING**

The purpose of this section is to outline some key concepts in current Australian defence thinking, and to review their implications for the development of our defence capabilities. Agreed strategic concepts are required if our defence forces are to be developed in a logical and rational manner.

**Nuclear threat**

Australian judgements on the risk of nuclear war emphasize that superpower conflict is most unlikely. The threat of massive nuclear retaliation continues to be a powerful deterrent to global conflict. Australia is involved in this system of deterrence through our hosting of joint defence facilities. The satellite ground stations at Nurrungar and Pine Gap also have an important role in early warning and the verification of arms-control agreements. The joint facilities contribute to stability.

Our best protection against the risk of nuclear war is a government policy of support for the system of mutual deterrence and effective arms control. We should therefore continue to demonstrate our resolve to promote and contribute to the Western strategic community's deterrent of the Soviet Union.

If nuclear conflict occurred, it is possible—some say likely—that the joint facilities would be attacked. It is unlikely that Australian cities would be attacked, because they have little military significance and there would be much higher priority targets elsewhere. This judgement is not affected by the fact that some Australian ports are sometimes visited by United States Navy ships. It would be affected were United States nuclear forces to be based in Australia.

In the aftermath of global nuclear conflict there could be urgent conventional tasks for our defence forces, which are extremely difficult to plan for. They might conceivably range from coping with refugees through to sustaining stricken allies. The risk of nuclear conflict should not, however, be a determinant of our defence planning. The possibility that some isolated areas of Australia might be attacked in a nuclear conflict does have implications for civil defence planning. These are addressed in Part 5 of this Review.

Like Australia, all significant states in South East Asia and the South Pacific adhere to the Nuclear Non-Proliferation Treaty. No motive can now be seen for any regional state to acquire a nuclear-weapons capacity. It would take many years for any regional country to acquire such a capacity, and there would be intelligence indicators of this. Beyond our region, neither China's nuclear capability, nor India's or Pakistan's nuclear potential, has any direct significance for Australian security.

It is a fundamental Australian defence interest that nuclear weapons not become a factor in security relationships in our region. We can best achieve this through support for the Nuclear Non-Proliferation Treaty and practical nuclear-free zones which ensure that nuclear weapons are not based in our region, but which allow transit rights for our allies. We should maintain our intelligence capacity to detect any covert weapons program in our region. There is no foreseeable requirement for Australia to consider acquiring nuclear weapons.

**Conventional global war**

Strategic guidance concludes that sustained conventional global war between the Superpowers is very improbable. The Review considers that asymmetries in conventional forces in key theatres—both on land and at sea—mean that one side or the
other would have to resort to tactical nuclear weapons early in the conflict to avoid destruction of its conventional forces. Once the nuclear threshold were crossed it is highly questionable whether resort to all-out nuclear exchanges could be avoided.

In the initial phase of the conflict the United States would seek our military assistance in its struggle with the Soviet Union. At the minimum we would aim to protect our maritime approaches against any Soviet threat. But such threat to Australia would be limited because we are remote from the theatres of likely superpower confrontation in the North Pacific and elsewhere. Whether and in what ways we might aid the United States beyond our neighbourhood could only be judged at the time. No requirement is foreseen now for pre-committing our limited forces to ANZUS contingency planning for global war.

In any prolonged conflict our access to overseas supplies would be affected. Australia could survive at an adequate, if reduced, standard of living because basic requirements for community survival, such as food and fuel, could be supplied from local sources with the introduction of appropriate measures for conservation and rationing. But the United States and its European allies would give first priority to their own military needs. We could not assume that they would give any priority to our military requirements, except in so far as this made a direct contribution to their effort against the Soviet Union. The only military supplies of which Australia could be assured would be those in which we were self-reliant or those we had been able to stockpile before the start of conflict.

Such considerations are essentially speculative. Both the improbability of global conflict and the likelihood of early escalation to nuclear war mean that the contingency of conventional war between the Superpowers provides no basis for planning our force structure, or for policy in areas such as stockholding.

**Warning time and assessing the threat**

The concept of warning time has been a central element in Australian defence planning since the early 1970s, when our strategic thinking began to emphasise Australia's independence of defence needs. The development of the concept of warning time has been part of the process by which Australia has distinguished its unique strategic circumstances from those of traditional associates. Our allies face a direct and identifiable threat to which they might have to respond in time-scales measured in days and weeks. Australia faces no presently-identifiable major military threat, and all conceivable threats would be preceded by a build-up of forces and a deterioration in relationships. These judgements have been refined in successive reviews of Australia's strategic prospects and defence planning requirements, as mentioned earlier. The conclusion that Australia faces no specific military threat, and that substantial threat would take many years to emerge, continues to be valid.

Our strategic position underpins this judgement. We have no land borders with any other state, and nowhere do our military forces face the forces of another power. We are distant from areas of great-power rivalry, and there are no major issues of territorial sovereignty which could involve us in large-scale conflict. There are sometimes strains in our relations with neighbours, but these occasional tensions have not escalated to military conflict.

It is acknowledged that the political intent of governments can change relatively rapidly. Even so, there is a large gap between political hostility and its translation into military intent, capabilities or conflict. Changes of government in our region, whether left wing or right wing, do not necessarily imply deterioration in our strategic circumstances. Governments of quite different political persuasions have a capacity for acceptance of shared strategic interests. They do not lightly contemplate the use of military force. While political attitudes may change, it takes time to develop a significant military capability or potential. China, India, Vietnam and Japan fall into this category. All are preoccupied with strategic problems in their own regions that determine their defence planning priorities. They are 2000 nautical miles to more than 3000 nautical miles away from Australia. Their long-range force-projection capabilities are limited and will remain so.

Even if they had access to bases in the archipelago, there would still be the formidable problem of attacking Australia across the sea and air gap. Such a threat would require fundamental change in the strategic orientation and military capability of these states which would challenge the security interests of countries other than Australia. Further, it is difficult to imagine that Indonesia would other than resist to the utmost any attempt at 'neo-colonialism' by such states.

Were a potentially hostile power to gain access to military bases in the South Pacific, particularly Papua New Guinea, this would have direct and important implications for our security interests. It would open up a wider range of possible threats involving east-coast centres and maritime interests which we share with New Zealand. Such a development could not occur quickly. It is a long way from fisheries access to the development of a major base capable of supporting military forces that could threaten Australia. Even then, the sea and air gap to our east would be a formidable problem, and any enemy would need to protect long and vulnerable lines of communication through the central and northern Pacific, where United States air and naval forces predominate.

The two Superpowers alone possess the military capabilities that could threaten Australia with large-scale invasion. Even then, the Soviet Union has only limited long-range-assault capabilities and experience. It is difficult to see what purpose would be served by such Soviet adventurism. Such threat could not go unchallenged by the United States, whose powerful maritime forces alone would deter the Soviets from such a hazardous adventure.

Australia thus faces no identifiable direct military threat and there is every prospect that our favourable security circumstances will continue. There is no conceivable prospect of any power contemplating invasion of our continent and subjugation of our population. It would take at least 10 years and massive expenditure of military power to develop a regional capacity to threaten us with substantial assault. But there obtained through negotiation, and for a decision to be made to use force—even at a limited level.

Above all else, our geographic position provides assurance that we would have considerable intelligence warning of the possibility of substantial threat, simply because the ships, aircraft and transportable forces necessary to threaten Australia are not operated by any country in our region. A number of states possess land forces and local air and maritime forces that are relevant to their self-defence and preservation of internal security. While these could conceivably be used against us in some local dispute, no regional state possesses the large quantities of advanced long-range aircraft and ships, and transportable mobile land forces and their associated equipment, that would be required for an effective assault upon Australia. These are the most expensive and sophisticated forms of defence technology for any country to acquire.

Our most important neighbour, Indonesia, has neither the motive nor the capability to threaten Australia with substantial military assault. Its principal security concerns are internal stability and potential threats from its north. Were these attitudes to change it would take time for any disputes to develop into major military confrontation. Leaving aside the question of motivation, Indonesia simply does not have the military capabilities that would allow it to consider a sustained level of intensive joint operations against Australia. These capabilities could not be acquired quickly, even with outside assistance.

Looking well beyond Indonesia there are a number of states that have considerable military capacity or potential. China, India, Vietnam and Japan fall into this category. All are preoccupied with strategic problems in their own regions that determine their defence planning priorities. They are 2000 nautical miles to more than 3000 nautical miles away from Australia. Their long-range force-projection capabilities are limited and will remain so.

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are possibilities for lower levels of conflict—some of which could be very demanding—arising within shorter warning times.

**Defence preparation time**

These judgements about warning time are not universally accepted within the Australian Defence community, although they have been endorsed by successive governments. The Services have some difficulty with using the concept as a planning base, and they question whether sufficient defence preparation time would be available to acquire long-lead-time equipment.

Very few countries in the world face Australia's favourable strategic circumstances free from direct military threat. The proposition is accepted in this Review that even if political intent can change relatively quickly, considerable time is required for the development of a major dispute and the necessary military capabilities for substantial contingencies on Australia.

Military preparations for serious assault on Australia would be evident long beforehand, because of our access to the most advanced intelligence collection systems in the world and our ability to detect clearly apparent adverse trends years beforehand. This essential transparency of our strategic environment is one of our most important national assets. It gives confidence in warning time for substantial attack against Australia. But because the necessary capabilities already exist in the region, warning time for lower-level contingencies could be much shorter and this should be recognised in our force structure planning.

There may be some grounds for caution about the nature of Government response to the possibility of threat and the implications for defence preparation time. While it is sensible to expect Government to be responsive to any developments with the potential for seriously weakening Australia's security, it will be a matter of judgement when in fact we have entered warning time. There may be a temptation for a government to delay action until the situation is clarified. Delay may also be proposed to avoid actions that would be seen as provocative. Some time may elapse before warnings of possible threat are accepted, and Government decides to respond with military preparation. These uncertainties alone require a considerable defence effort simply to maintain the basic elements of defence capability, even if long periods for expansion could be guaranteed in all circumstances. Some military capacities—both equipment and manpower—take time to acquire and absorb, although in time of emergency this period can be compressed. Moreover, the defence effort that we undertake is an important factor in the threat equation. The existence of our defence forces, and in some circumstances a demonstrable willingness to use them, may help prevent the emergence of threats arising within shorter warning times.

**The core-force concept**

The 'core force' is central to current defence planning, and it builds on the concept of warning time just discussed. Although it has been in use for some 10 years now, the core-force concept does not seem to be well understood or accepted, either within the Defence community or outside.

The core-force philosophy is based on the proposition that the ADF must be capable of dealing effectively with the kinds of defence contingencies that are credible in the shorter term, while providing a basis for timely expansion to counter deteriorating strategic circumstances should these arise. The core force is not a static concept. Rather it is a planning model for the allocation of priorities in the light of current requirements, and the need to be responsive to changes in our strategic prospects.

The core-force concept provides a useful set of principles on which to assess priorities for capabilities proposed for retention by or addition to the ADF. But it is highly sensitive to judgements about changes in our strategic situation and the application of the concept of warning time. These are contentious issues within the Defence community. By definition, the core-force concept cannot predict how Australia's future 'terminal forces' will be structured because that will depend upon strategic circumstances at the time. It does, however, avoid the trap of concentrating the force structure on preparing to meet what could be the wrong threat at the wrong time.

While the 'core-force' notion purports to establish a disciplined framework for force development, it has not proved sufficient as a practical planning tool. The Department of Defence acknowledges that the processes involved in judgements of what is most fundamental in the core force do not lend themselves to useful generalisation about priorities. Nor has the Defence community been able to refine the wide range of more substantial longer-term contingencies in ways that would assist the planning process, or even to agree on the relative priority to be accorded to longer-term possibilities as against the requirements of more credible lesser situations.

In consequence, the core force has become something of a rationale for a force structure based on equipment decisions made in the 1960s in quite different strategic circumstances, and the automatic 'follow-on' replacement of this equipment. There is a tendency for the Services to emphasise a requirement for the full range of capabilities to be retained in the core force against the possibility they might be required as part of the expansion base.

These considerations lead this Review to conclude that the concept of a core force does not provide an entirely adequate basis for force structure decision-making. A more focused approach derived from a defence strategy to deal primarily with credible levels of conflict within defined geographic boundaries is proposed in Part 2 of this Review.

**The concept of deterrence**

More recently, the concept of deterrence has been advanced as a defence planning methodology because, it is claimed, it would enable Australia to control its threat environment. In the absence of perceived threats, it is suggested that Australia's defence planning should be oriented towards deterring aggression against us. This approach considers that an effective strategy can be based on an opponent's fear of our capacity to counter his attack and to respond with unacceptable force. To use the official ADF definition:

Deterrence is a state of mind brought about by the existence of a credible threat of unacceptable counter action.

The problem with deterrence as a force-planning concept is that there are historical examples where apparently inferior forces have attacked—that is, were undeterred—and have won. Deterrence relies essentially on influencing the enemy's perceptions, and this must be an uncertain basis for a conventional defence strategy. The military balance between two opposing sides, even if correctly assessed, is only one of several considerations—including domestic political imperatives—taken into account by policymakers contemplating war.

The main difficulty with the concept of deterrence for defence planning is with its interpretation in terms of deciding what equipment to buy, at what degrees of technology and at what levels of readiness. Ultimately, all peacetime defence spending is deterrent in nature, in so far as we would not be doing it if we did not believe it would make a hostile act less likely.

One line of deterrence thinking is to emphasise the value of pre-emptive or retaliatory strike forces. Long-range strike assets, which would destroy the enemy's bases, internal lines of communication and infrastructure, are the kinds of military capability given a high priority in this approach. The problem here is that there can be a difference between the military capabilities that are relevant to an offensive...
deterrent posture of this type, and the defensive capabilities that would actually be required to counter an enemy threat should deterrence fail. For any Australian Government there would probably be political factors restraining the use of strike forces against the enemy's homeland, particularly in circumstances short of major conflict. The consequence could be that large resources are devoted to forces that are capable of punishing the enemy but which could not be effectively utilised. Moreover, if carried too far, a force heavily biased towards deterrent strike forces might make an adversary feel so threatened that he would have to build up his own retaliatory strike forces. This is not to deny the value of strike capabilities, but simply to point out their limitation as a basis for a defence strategy. Within the context of deterrence, it is sometimes suggested that we should incorporate into the ADF specific capabilities that will cause a potential aggressor to respond disproportionately. This concept draws on an opponent's perception of the costs and risks of attacking us, and emphasises those military capabilities that would require a massive effort and lead time for a potential opponent to overcome. This is a useful concept, but it could also lead to distorting our force structure in particular directions. In a campaign having limited political objectives, the adversary may choose to tailor his attack below the threshold of commitment of our strike and interdiction forces, for example, or commit small-scale forces in a dispersed way to require a disproportionate effort on our part.

More fundamentally, a concept of deterrence based on disproportionate response, like a concept based on retaliation, depends upon a notional opponent's perceptions of relative military strengths and acceptable costs and risks. The deterrent power of a particular capability is not a constant applying in all contingencies. For these reasons deterrence is not a basis for detailed force structure decisions, although it can be a useful element of our general defence strategy. Deterring aggression against us should be the outcome of our detailed defence planning and preparations, not the starting point.

**National security interests**

Current strategic guidance does not include a definition of our national security interests, but a basic definition was provided in the 1976 White Paper in the following terms:

to provide the nation with security from armed attack and from constraints on independent national decisions imposed by the threat of such attack.

This definition has been repeated several times since by Ministers for Defence and endorsed in the 1984 Report of the Joint Committee on Foreign Affairs and Defence, *The Australian Defence Force: Its Structure and Capabilities*. The Joint Committee observed that such a general definition needs to be developed to provide further guidance for the role of defence policy and the development of defence capabilities. Part of the difficulty in defining national security interests rests in the fact that we face no identifiable threat or prospect of threat to focus our concerns. We have thus tended to define our national security interests in terms of what has to be prevented to preserve our present favourable situation, not in terms of what has to be done to promote our security.

Much of what are presented as national security interests are basically current political perceptions of what is favourable and unfavourable. We are told at one point in our history that our security depends upon an Allied victory on the other side of the globe; at another that our security is inextricably linked with preventing the downward thrust of Chinese communism. Definition of our national security interests should begin with the statement that the exercise of authority over our land territory, territorial sea and airspace is fundamental to our sovereignty and security. The size of our continent and the location of some external island territories make this a formidable task.9

The second element in our national security is our maritime environment. We are surrounded by three of the great oceans of the world—the Pacific, Indian and Southern Oceans. We have important economic interests in the maritime environment—a 200-nautical-mile Fishing Zone, a prospective Exclusive Economic Zone out to 200 nautical miles (and in some places beyond), and coastal and international sea lines of communication. Most importantly, it is over or through our maritime surrounds that any aggressor must pass to attack Australia. It is thus basic to our national security that we can protect our interests and demonstrate an independent military capacity in our maritime area.

To the north and east of Australia there are a series of archipelagos stretching from Sumatra through to Papua New Guinea and the nearby island states of the South West Pacific and New Zealand. Significant military threat to Australia could be projected from or through only these areas. Their security and stability are thus important to our security. We have a special interest in Papua New Guinea.

We have some security interests further afield. Conflict and instability in mainland South East Asia and Indochina would not be in our general security interest, but any military effects would be indirect. Tensions in areas elsewhere in the world remote from Australia and our neighbours, such as Africa, the Middle East, South Asia or North East Asia, do not automatically indicate change in our security prospects. Superpower relations are in a different category because of the profound implications of global nuclear war. While our capacity to affect events is limited, we share with all nations a fundamental interest in avoiding global nuclear conflict.

Australia's principal national security interests might thus be summarised as follows:

- The avoidance of global conflict.
- The maintenance of a favourable strategic situation in South East Asia and the South Pacific generally; this is Australia's sphere of primary strategic interest where developments can affect our national security; it covers more than 20 percent of the earth's surface.
- The promotion of a sense of strategic community between Australia and its neighbours (Indonesia, Papua New Guinea, the nearby island states of the South West Pacific and New Zealand); this is Australia's area of direct military interest where we should aim to be able to apply independent military power; it accounts for almost 10 percent of the earth's surface.
- The defence of Australian territory and society from threat of military attack.
- The protection of Australian interests in the surrounding maritime environment, including our overseas territories and proximate sea lines of communication and focal points.

It is questionable whether any set of national aims and objectives can go much beyond these general statements. A detailed grading of national security priorities that would be of real practical value for defence force development is not possible. Defence policy is but one element in our national security. Other national policies and organisations have at least as much to do as defence policy in the promotion of a strategic environment favourable to Australia. The effective co-ordination of our policies in areas such as trade, immigration and political relations is thus basic to the effective pursuit of our national security interests. Defence can provide support for these other national policies but it cannot substitute for them.

9. Australia's territorial claims in Antarctica are beyond an effective defence effort. Our policy objective there should be the maintenance of the present international regime under which the Antarctic is not militarised and territorial claims are suspended.
The Terms of Reference for this Review require me to advise on whether official strategic guidance can be made more explicit for the purposes of future defence forward planning. The following are my recommendations.

Levels of threat and force structure planning

It is important that our defence capability planning should be better aligned to the priority emphasis of strategic guidance. The Government has approved guidance which requires that the forces in being be capable of dealing effectively with current and foreseeable tasks and the kinds of military contingencies that are credible in the shorter term, including denuclearisation of such escalation as an enemy may be capable of. Almost by definition, credible contingencies must be of kinds able to be mounted by forces which are in existence or which could be introduced and made operational quickly without a major redirection of the adversary's national priorities.

The constraints of regional political and economic capabilities and the effects of geography limit at this time what is practicable. The periodic testing of these limits, through the study of contingencies accepted as credible, is a necessary discipline of force development. These studies are sensitive because they involve assigning a hostile intent to regional countries which at present are friendly. The Review’s conclusions on credible levels of conflict are set out in Part 2.

Effects of geography on force development

There is a requirement to study more seriously the effects of geography on force development. Because of its proximity, the archipelago to our north is the area from or through which a conventional military threat to the security of Australian territory could most easily be posed. A thorough understanding of the sea and air gap to our north, and of Australia's northern hinterland, will enable us to take account of the limitations and risks that geography places on any attacking force.

The sea gap to our north and to our east is a formidable barrier to any enemy, and the problems of crossing it need to be assessed thoroughly. Any serious military operations against Australia would require air and naval assets capable of protecting forces that would have to cross hundreds of miles of water. Except for Torres Strait, the nearest foreign territory varies from 250 nautical miles in the Timor and Aru Sea, to 900 nautical miles from our north-west coastline, and out to 1000 nautical miles to the island chain (the Solomon, Vanuatu and New Caledonia) that screens our eastern approaches. Even the narrow Torres Strait is a hazardous stretch of water for an invader to cross.

There are few nations that could undertake such hazardous and exposed operations. Experience in projecting and sustaining large-scale power in opposed conditions across large expanses of ocean is confined to Western nations. The ports and airfields closest to Australia are not well suited for supporting major operations against us. Improvements needed to make them suitable would be part of the warning we seek.

Strategic guidance acknowledges that the paucity of population and of transport and other infrastructure in northern Australia, and the nature of the land, will tend to focus military operations of substance against Australia on the few areas where

10. According to the Navy Hydrographer, the presence of extensive uncharted reefs, the absence of navigational aids, strong tidal streams, prevailing winds and the distance of at least 80 nautical miles combine to make Torres Strait a significant barrier to seaborne crossing from north to south.

11. The export share of Australia’s GDP fell from 20 percent in 1953 to 13 percent in 1983. In 1953 Australia was the eighth largest exporter in the world, but by 1983 it had fallen to 23rd. According to a United States National Defense University study, even in the event of a 75-percent interdiction of Australia's trade in primary commodities with Japan the economic impact over the first year would be only a 3-percent reduction of our GDP.
CONCLUSION

This Part of the Review has found that there have been commendable advances in Australia's strategic thinking and defence planning over the last decade, which have focused increasingly on the problems of the defence of Australia. It observes, however, that there is still no agreed strategy for the defence of Australia. This problem is compounded by difficulties in applying generalised strategic priorities to the specifics of force structure development. A way forward in these areas is examined in the next Part of this Review.

Strategic guidance, military concepts, capabilities analysis, and financial guidance are not drawn together under present arrangements. This leads to inadequate advice being available to Government, and also makes it difficult to plan ahead with sufficient clarity. These problems would be ameliorated by a periodic review, along the lines of this Review, conducted by staff who are responsible to the Secretary and the CDF.

These planning difficulties are exacerbated by adversarial attitudes that exist in the Defence community. While differences of view are inevitable—and indeed healthy—in any large organisation, the levels of disagreement within the Defence organisation are excessive. They arise from different civilian and military views on how to interpret our strategic circumstances for the purposes of force development. Agreement on these fundamental issues is a prerequisite to the effective implementation of long-term force-development planning as proposed in later Parts of this Review. There is also a need to ensure more interaction and joint planning between civilian and military staffs and greater centralisation of military planning under the CDF.

Defence policy in this country should lend itself to forward planning and agreed concepts more than in most other areas of Government. Our vital interests are compact and easily identified, geography is an unchanging factor in our strategic calculations, and the nature of possible military threats can be well understood. Concepts of war based on the prospect of massive invasion and large-scale air and sea battles have no relevance to planning for the defence of Australia. The prospect of major invasion can be excluded as a possibility for the rest of this century at least. This leaves a range of contingencies from low-level harassment and raids through to more substantial lodgement on Australian territory.

Conflict at the lower end of this scale is possible with relatively little warning. Escalation to the higher level of conflict would depend upon the availability of significant numbers of more capable equipments than at present exist in regional inventories. A determined effort starting over the next few years—for which no motive or indication can yet be seen—would be required for any regional state to have the capacity to attempt such a lodgement on the Australian continent.

This judgement about warning time is a key concept for our defence planning and it requires regular review and testing. It allows our shorter-term preparation to be focused on the requirements of lower-level contingencies. But our planning and force structure development also needs to take account of the possibility that, at some future time, we may need to undertake specific preparation against the prospect of more substantial threat.

Within the revised approach to strategic planning documentation that this Review proposes, there are several areas where deeper analysis will allow strategic guidance to be more specific for the purposes of force structure development. We need to have a clearer understanding of the levels of threat that we could credibly face. Contingency studies will identify strengths and weaknesses in our own capabilities and lead to priorities for corrective development. Studies of the effects of geography on our operational environment will give clearer focus to our operational needs. Studies of threats in our maritime environment, especially in credible northern contingencies, are also important so that the potential for threat to our shipping is better understood.
The preceding Part of this Review discussed the main concepts and issues in Australian strategic guidance and defence planning. On the basis of this analysis, some areas were identified where our thinking can be further developed to provide a better planning base for our defence capabilities. This Part of the Review will concentrate on the development of a more comprehensive defence strategy for Australia and more explicit force structure guidelines.

THE RATIONALE FOR A NATIONAL DEFENCE STRATEGY

We begin by examining those fundamental factors that should guide the development of our defence strategy. They include a range of issues, some of which are familiar considerations in our security thinking (such as our alliance with the United States and the importance to us of our regional environment).

Limits to defence capacity and influence

There are clear limits to our defence capacity and influence. We are a large country with a small population and industrial base. We are remote from traditional allies and from situations that are important to them. These are factors that, on balance, favour our security. But they also impose considerable constraints on our ability to influence events through our defence activity.

Even if Australia were prepared to spend many times our current three percent of Gross Domestic Product (GDP) on defence, we could not aspire to match the military power or influence of major powers. Our forces are always going to be limited by the available manpower resources. In any comparison between Australia and most other countries we will inevitably appear deficient in numbers of men under arms.

This does not mean that we are incapable of providing for our own defence. Through a strategy based on the fundamentals of our geographic location we can maximise the benefits of an essentially defensive posture in our neighbourhood. Through judicious selection of modern technology, and the ability to operate and support it, we have the capacity to defend ourselves from within our own resources. We have a larger economic base than any regional country (our GDP is as large as those of Indonesia, Malaysia, Singapore, and Thailand combined), and our combat sustainability is potentially greater.

In regional terms, we have formidable defence capabilities—especially in our capacity to project military power, which is greater than that of any South East Asian country. In the South Pacific we are perceived as being by far the largest military power. We operate and support locally military equipment that is considerably more advanced than that in any other regional inventory.

We have some security interests outside our region, but these areas are beyond the exercise of effective military power by us. Our influence on developments in areas such as mainland Asia and the Persian Gulf must rest primarily with diplomatic efforts undertaken in association with others. Although our economic interests are worldwide, we cannot expect to protect them by military means. The growing economic interdependence of nations gives most countries a common interest in the stability of international commerce. Nations that are much more dependent than we are on trade for their essential well-being (for example Japan) do not have the capacity to protect distant trade routes.

If considered necessary by Government, there would always be an option to make a modest military contribution in support of our more distant diplomatic interests and the military efforts of others. But this should be seen essentially as a gesture of support, not as a contribution that could materially affect the outcome. Such gestures should not be a significant detriment to preparations for our national defence. Nor should our forces be specifically structured or equipped to undertake such tasks.

Peace time priorities

The foremost peace time defence requirement is reliable and comprehensive intelligence about our own strategic environment, including up-to-date maps and charts and hydrographic knowledge. We also need to have an adequate surveillance capability in the sea and air approaches to the continent. These requirements are discussed further in Part 3 of this Review.

An associated requirement is for the Australian Defence Force (ADF) to have a sound appreciation of our area of direct military interest. This area should largely determine the priority for our day-to-day military activities. Operations, including joint exercises, and regular patrols and surveillance activities are needed for familiarisation purposes and to demonstrate commitment to our defence and the protection of our sovereignty.

The enduring geographical features of the continent substantially increase the difficulty of launching and sustaining significant attack on the mainland, even from the proximate archipelago to our north. A wide sea and air gap must be crossed and there are limited landing areas along the coastline. Routes inland are restricted and key points in the north, including military facilities and townships, are potentially vulnerable but dispersed. Our access to internal lines of communication and secure bases in the south of the continent provides us with much better potential sustainability. These features of our physical environment should be exploited in our peacetime exercises and planning.

Australia is one of the most consistent supporters of international peacekeeping. These activities, which have generally been in regions well beyond our area of primary strategic concern, are undertaken in support of our international political interests, and not in support of any direct strategic concern. They are not without costs and risks: for example, the presence of our helicopters in the Sinai seriously detracted from the ability of our defence forces to train and prepare for national defence tasks. The structure of the ADF is not and should not be determined by such tasks.

Similarly, we undertake naval visits to such areas as the North Pacific, East Africa, and the west coast of America. Such visits support our wider political interests, but they must not determine the development of our naval forces or dominate our peacetime naval operations.

Defence co-operation, training, visits, and exercises with neighbours are in a different category. They can contribute directly to our favourable strategic prospects and should be encouraged. While they should not influence the force structure, they should be given some priority in peace time activities.
Peacetime civil commitments at home raise difficult resource issues. At present, perhaps the best equipped and most ready forces are those allocated to government-directed counter-terrorist tasks, civil coastal surveillance and fisheries protection. Such tasks provide training relevant to low-level contingencies, but the extent to which they detract from primary defence activities should be understood. Over time these national needs have become more demanding of scarce resources to the detriment of other defence tasks. While these activities are nationally important, the extent of the commitment requires careful monitoring so that ADF capabilities and priorities are not distorted.

The basic features of our area of direct military interest have potential to absorb our defence effort, even in peacetime. Priorities must be rigorously applied and limits placed upon activities beyond the neighbourhood, or which are not strictly defence tasks.

Independence and self-reliance

Independence and self-reliance should be a central theme in our national defence effort. The security interests at stake in the range of more credible threats facing us are primarily Australian interests. We owe it to ourselves to have the independent capacity to defend those interests. Nor can we expect the respect or support of other states if we do not possess the appropriate military capacity and the will to use it if necessary. This is not to argue that we can be completely independent—very few nations can—but we can aim for a higher level of independence in our military capabilities.

Independence is not a new theme in Australian defence planning. It has been a central tenet of our strategic posture since the end of the Vietnam commitment. Considerable progress has been made in redirecting our defence effort along more independent lines, but much remains to be done. Part of the problem lies in the fact that some ADF equipment is the legacy of decisions made in a previous era. The ships, aircraft and tanks that we acquired as a result of those decisions can be fitted into a more independent posture—but sometimes with difficulty and limitations. Only now are we beginning to acquire major items of equipment that have been selected primarily for their contribution to a more independent defence effort.

A concept of defence independence also requires that the ADF think in terms of independent joint operations by forces composed of elements of the three Services, and supported from Australian resources. This is a major departure from earlier concepts of integrating with allied forces, and these new doctrines take time to implement. The implications of this for command and control arrangements are examined in Part 5 of this Review.

An independent Australian combat effort may have to be sustained over a number of years of conflict, which may be intermittent. The effectiveness of our military forces then will largely depend upon our ability to support our forces with fuel, ammunition and other supplies, and to repair and replace damaged equipment. At the same time we must recognise that industrial self-sufficiency is neither possible nor necessarily appropriate for the kinds of threat we may face.

Self-reliance involves significantly enhanced logistic capabilities. The resource implications of these capabilities can be reduced by greater integration with the civilian infrastructure—bearing in mind that our defence posture sees our forces operating predominantly within or from continental Australia. As a general principle resources existing within the civilian infrastructure should be duplicated within the ADF only if the civil resources are not readily available in peacetime, or could not be developed to meet the particular requirements of a combat environment.

Similar considerations apply to the development of other national infrastructure elements such as ports, roads, railways, fuel depots and communications links particularly in the north of the continent. Not only should their potential contribution to the defence effort be considered, but measures to reduce their vulnerability to attack should be examined at the planning stage.

In accordance with my Terms of Reference, Part 6 of this Review develops guidelines for the development of infrastructure, support and defence industry as part of an overall national defence strategy.

Technology and capital equipment

The effectiveness of Australia’s armed forces depends to a significant extent upon our maintaining a sufficiently high level of technology in critical capabilities. This includes our ability to absorb, operate and support advanced military equipment. No regional country is likely to make a quantum jump in defence technology by acquiring large quantities of highly-advanced arms and equipment, but a steady improvement in regional military capability through largely imported technology can be expected. It is fundamental for Australia to monitor these developments and to maintain our advantage in industrial, technical and scientific competence.

High-technology equipment offers potential for increased capabilities and reduced manpower requirements, albeit usually at increased acquisition costs. However, acquiring high-technology equipment is not an end in itself. Advanced equipment can offset Australia’s small population base, but careful study of strategic and geographic factors suggests that selectivity in our technological aspirations is also a key principle.

We can procure important defence systems off the shelf from foreign suppliers, but there are also some important Australian defence technology requirements that are not readily available anywhere overseas. In these areas there is a need for indigenous Australian development, drawing on overseas developments where appropriate. Intelligence, surveillance and sensor equipment—together with associated command and control systems—should have priority for local technological development because they may need to be specifically tailored to the Australian environment. They are also important to allow us to exploit to our advantage the vast distances that any enemy would have to cross.

Local development of military platforms will generally be limited to lighter and simpler platforms specifically designed to suit local conditions. Indigenous development of weapons will be difficult to justify as weapons suitable to our needs are readily available from allied sources. High-endurance platforms and modern stand-off missiles can contribute most significantly to our security.

Australia’s capacity in the selection, adaptation, operation and maintenance of advanced equipment is relevant to our regional military situation and our self-reliance. It is particularly important that our military equipment, including advanced technology, should be supportable from Australian resources. This capacity can be enhanced by local participation in the production of equipment acquired from overseas.

The need to maintain our relative position suggests that some technological superiority should be included in new equipments. But any concept of technology margins needs to be applied carefully on a case-by-case basis. The last few percent in the performance of advanced equipment is often disproportionately expensive. In Australia’s current and prospective circumstances, our requirements for a technological margin can often be met by choosing our upper level of technology from a level below the most advanced developed by our military allies.

The real costs of many new defence equipments are rising, and this means that the numbers of platforms that can be afforded are generally falling. It has to be accepted that this numerical reduction—accompanied as it is by greatly improved combat performance—will affect Australia’s long-term force structure. As overall numbers
ANZUS and the United States

Our close relationship with the United States is significant for our security and the development of our defence capability, but for over a decade we have recognised that the United States is a global power with a variety of interests, none of them centred on Australia. There are potential situations where we would not expect the United States to commit combat forces on our behalf and where we need a demonstrably independent combat capability.

We have an obligation to provide for our own defence, and our defence forces would not be freely available for other situations that the United States might consider as in the general Western interest. Each situation would have to be considered on its merits at the time and in the light of our own defence priorities.

The ANZUS Treaty provides for consultation in the first instance. There are no guarantees inherent in it. It is realistic to assume that the parties will continue to approach each situation in accordance with their respective national interests. Yet ANZUS remains as a deterrent, particularly against higher-level threats. A potential aggressor must take into account possible United States involvement in the defence of Australia.

Of more direct importance are the practical benefits of the ANZUS relationship for our independent defence. We have access to United States intelligence resources which can provide technical military intelligence coverage beyond the comprehension of previous generations of military planners. These resources contribute not only to our capacity for strategic analysis, but also to the potential effectiveness of our forces in circumstances of combat. They could not be duplicated from our national resources.

Materiel acquisition and support from the United States continues to be considerable, reflecting our efforts to maintain a clear technological advantage. Notwithstanding our desire for increased self-reliance, we cannot hope to be able to meet all of our defence needs locally, and the technology transfer associated with these acquisitions benefits Australian industry. Also, through important defence science co-operative arrangements, we have access to the new technologies that can make a unique contribution to the defensibility of our continent.

We have logistic support arrangements with the United States that provide us with some assurance that in a time of conflict military supplies would continue to be available. Without the ANZUS relationship such arrangements would be less certain. No other country seems likely to be able to offer us similar assurances of priority for military supplies.

ANZUS is also an expression of our membership of the Western strategic community, and it supports our regional security role. This regional role is generally welcomed by neighbours and regional states. In the South Pacific, ANZUS is a source of security for small island states without the need for direct superpower involvement. In South East Asia, the ANZUS relationship ensures the security and stability of ASEAN’s southern flank. An Australian withdrawal from ANZUS would be seen by the region as destabilising.

In return, the costs for Australia are not high. There is no standing ANZUS headquarters or joint planning machinery, and no earmarking of Australian forces to a United States defence effort. Some argue that the joint facilities are an unacceptable cost because of the risk of nuclear attack. But this risk is more than outweighed by the contribution made by the facilities to the avoidance of global nuclear conflict, and thus to our security.

United States warships visit this country, although they have no home-porting here, and unarmed B-52 bombers stage through Australia. The access that we provide in this way, together with the presence of the joint facilities and political support, is a sufficient tangible contribution to the Alliance, from the perspective of both parties.

There is no requirement for Australia to become involved in ANZUS contingency planning for global war. Neither this possibility, nor other remote possibilities for calls of assistance under ANZUS, should influence the structure and equipment of the ADF—apart from the need to maintain a degree of interoperability in key areas such as common communications.

The Radford—Collins Agreement

Reference is often made to the Radford—Collins Agreement with the United States, which provides for Australian responsibility for the naval control of allied shipping in wide-ocean areas around our region. At the time when it was initiated, 34 years ago, a series of international crises were seen as indicators of impending global war. A situation was envisaged in which Australia and the United States would be operating against a common enemy (by implication, the Soviet Union).

Radford—Collins is possibly a useful peacetime planning measure to exercise procedural doctrine and command and control, but it has particular limitations in time of threat. Its convoying and escort connotations, which extend more than 2000 nautical miles west of Australia to the mid-Indian Ocean, suggest a disproportionate commitment of scarce resources to activities which may be only marginally related to our national interest and capabilities.

Under Australian treaty practice, the Agreement would not be categorised as a treaty. Therefore, it does not create binding rights and obligations. The document merely prescribes procedures in which the parties may conduct their operations by mutual agreement, should they find themselves operating against a common enemy. The Radford—Collins Agreement should not be a capability determinant, and the Chiefs of Staff have advised this Review that Navy does not base its force structure requirements on the possible implementation of the Agreement.

New Zealand

Our defence relationship with New Zealand is of particular importance because of proximity and shared strategic concerns. New Zealand lies on the flank of our trade and military supply routes across the Pacific. It provides them and the Tasman Sea with a measure of security by virtue of its location, military potential, and our joint activities in the South Pacific.

New Zealand has had close cultural, economic and military ties with us over many decades. Its new directions in defence planning are the subject of government review but a central theme will be New Zealand’s role in the South Pacific. Access to New Zealand’s ports and airfields and to those in the nearby islands which have close relationships with New Zealand could facilitate Australia’s military reach into the South Pacific. New Zealand’s association with some of the island states is more substantial than our own—it has a traditional affinity with them. In co-operating with New Zealand in pursuit of our desire to assist South Pacific states, we should not attempt to provide a rival focus of support.

The dispute between New Zealand and the United States over port access for vessels which are nuclear-powered or may be armed with nuclear weapons has raised questions about the future of ANZUS. Australia has expressed its desire to see this issue resolved amicably and full ANZUS co-operation restored. But if this is not possible, a United States suspension of its obligations to New Zealand under ANZUS will not mean the end of the ANZUS relationship between Australia and the United States, or prevent bilateral defence co-operation between Australia and New Zealand. For practical defence purposes we can substitute separate bilateral relationships for the previous trilateral relationship.
New Zealand itself seeks closer defence ties with Australia. It recognises that for purposes of defence planning we can be regarded as sharing a common strategic entity and that New Zealand's security is very much dependent on our own. Any serious threat to Australia would be regarded as a threat to New Zealand. These matters should be explored further with New Zealand. There is a particular need to ensure the maximum possible interoperability of equipment between the armed forces of the two countries and there is scope for joint military planning.

Regional considerations
A strong stable region free from external pressures is a fundamental security interest. We thus seek to co-operate with South East Asian and South Pacific friends in the development of their defence capabilities, and to exercise and train with them. The objective of this activity should be to promote a sense of shared strategic interests. This is not an easy task. We are a developed country of basically European descent. Our interest in the region is recent and we have continuing strong ties to the northern hemisphere. It is all too easy to fall back on cultural stereotypes.

Indonesia and the ASEAN states
A primary national objective must be to improve this state of affairs. Priority should be given to Indonesia, which is the most important of our neighbours. The Indonesian archipelago forms a protective barrier to Australia's northern approaches, and Australia is a stable and non-threatening country on Indonesia's southern flank. These shared strategic interests and our common concerns for regional security, free from interference by potentially hostile external powers, support a co-operative bilateral relationship. But we must also recognise that, because of its proximity, the archipelago to our north is the area from or through which a military threat to Australia could most easily be posed. This would require a fundamental change in present political circumstances, which are characterised by a stable government in Indonesia.

In defence terms, other ASEAN states do not have the geographical proximity to involve our military interests so closely. The Five Power Defence Arrangements, including our presence at Butterworth, reflect the concerns of a previous era. These Arrangements are still useful as a basis for practical co-operation, but their continued existence is a political rather than a military consideration. Any future military involvement that Australia might have in South East Asia will reflect an Australian judgement on the balance of our interests at the time.

The considerable political common purpose and economic strength that exist within ASEAN are matters for Australian defence interest because they underpin stability in the region. Without exception, the ASEAN countries are basically Western inclined, strongly suspicious of communism and wary of the ambitions of external large powers. These attitudes meet with Australia's strategic concerns and minimise the risk that a potentially hostile power might use an ASEAN country from which to threaten us militarily.

Our defence efforts in South East Asia should focus on the continuing development of military relationships and associations that foster a sense of shared concerns. We are well placed to assist with training and exercising and the transfer of skills and doctrine necessary for operating modern equipment, and we should continue actively to seek opportunities in these areas.

The South Pacific
Unlike the ASEAN countries, the South Pacific nations have limited economic viability and only minimal defence capabilities. They tend to regard Australia and New Zealand as large "regional powers" with a primary stake in the South Pacific region. They seek from Australia and New Zealand a contribution towards both their economic survivability and their security.

We must be particularly mindful of the national sensitivities and aspirations of small South Pacific nations. Australia's support should be predominantly economic and political. Military co-operation should be directed at increasing the self-defence capability of those island states that possess defence forces. Where defence forces do not exist, defence assistance can be provided for other purposes such as surveillance and fisheries protection. Such activities, combined with a regular pattern of ship and aircraft visits, will encourage the inclination of South Pacific states to look to Australia and New Zealand for strategic support.

Current strategic guidance identifies no likelihood of adverse effects on Australia's security from developments in the South Pacific in the next decade. But it also notes that access by the Soviet Union, especially the establishment there of a presence ashore, would be cause for concern. This Review recommends that our foreign policy, aid programs, and defence policy should be co-ordinated carefully with other regional states, including New Zealand, so as to discourage Soviet naval visits, or other military access, to the South Pacific.

A STRATEGY OF DENIAL

The previous sections have outlined an approach for a national defence strategy for Australia, based on judgements about those factors that guide our basic security interests. It remains to suggest what defence concepts are appropriate as a basis and rationale for our future force structure.

Strategic options for Australia
Australia has a number of options. It can retain the core-force concept, which has been developed over the last 10 years but has been found difficult to apply in practice in force structure planning. We could rely more on a strategy of deterrence, as reflected in the concepts of influence and control favoured by military planners. Or we could opt for a different approach which nevertheless retains the useful elements of these philosophies.

A wide range of other possibilities exists. At one extreme, it is conceivable that Australia could move in the direction of armed neutrality or even non-alignment. This course of action has been rejected by successive governments. To be credible it would demand even higher defence spending; and it would deny us the tangible benefits of our traditional defence association with the United States. At the other end of the spectrum, it might be possible to reduce Australia's defence forces and rely more on our alliance with America. This course of action would not be acceptable to the United States, nor accord with the Government's policy of self-reliance. Even more extreme possibilities, such as manufacturing our own nuclear weapons or opting for a passive strategy of non-military defence, are not considered appropriate to Australia's strategic circumstances or the inclinations of the people.

My view is that although the core force does not sufficiently articulate Australia's defence priorities, its approach to expansion base planning needs to be retained. What is needed in addition, however, is a strategic concept focused rather more deliberately on our geographical circumstances, credible levels of conflict and what we need to defend.
The concept of denial

This Review proposes that a strategy of denial more closely suits our strategic conditions. Such a strategy, underpinned by agreed priorities for varying levels of threat and combined with the force expansion base concept, would materially assist in settling our long-term force structure planning.

A strategy of denial would be essentially a defensive policy. The distant projection of military power would have low priority. Rather, such a strategy would seek to deny any putative enemy successful military operations in the sea and air gap surrounding Australia, and to prevent any successful landing of significant forces on Australian soil. To the extent that lesser enemy forces might land, it would aim to protect our vital population settlements and infrastructure and deny the enemy any prolonged operations on our territory.

An Australian concept of denial would rely on having in our force structure, or in the planned expansion base, sufficient surveillance assets, maritime strike forces, continental air defence and mobile land forces to ensure that any likely enemy would be denied success. Such a strategy would support a defence policy designed primarily to defend our vital interests: it allows our geography to impose long lines of communication on an adversary and forces him to consider the ultimate prospect of fighting on unfamiliar and generally inhospitable terrain. It should have the effect of deterring aggression against us, but it does not depend upon deterrence as a force planning concept.

The important thing about a capability to deny is that it defines what is necessary to prevent the aggressor from succeeding. In Australia’s unique strategic circumstances a defensive posture of denial, based on superior technological and geographical considerations, and on a secure home base in the south of the continent, should provide a sound strategy to meet all credible levels of threat. The mix of capabilities we should possess would be such that a potential enemy could not sensibly conclude that his own forces would succeed, either when in or crossing the sea and air gap or when attempting operations on Australian soil.

Denial ultimately rests on a capability to defeat an opponent in defined areas of our own vital national interest. To be able to do this, we need to identify and remedy weak spots in our force structure and, if necessary, shed or reduce those capabilities inherited from the era of ‘forward defence’ that are no longer relevant.

Three corollaries result from this line of reasoning. First, it is not possible to have in the peacetime ADF all the capabilities required to deny any aggressor victory at all conceivable levels of conflict. An expansion base, which plans on timely force expansion to meet higher levels of threat, is confirmed as an important defence planning concept.

Second, concepts such as ‘force multipliers’, ‘disproportionate response’, and ‘pre-emptive strike’ may all have a place in one or another element of a strategy of denial, but they are not to be applied unthinkingly.

Third, our priorities are to defend our own continent and the maritime and air approaches, including the Timor and Arafura Seas, the Coral and Tasman Seas, and our Indian Ocean approaches. The areas to the immediate north of Papua New Guinea and Indonesia are included within our area of direct military interest. The area thus involved measures more than 4000 nautical miles from the Cocos Islands in the west, and more than 3000 nautical miles from the archipelagic chain and Papua New Guinea in the north to the Southern Ocean in the south.

Defending such a large area, which amounts to some 10 percent of the earth’s surface, is a formidable task for a nation of less than 16 million and it should not be taken lightly.

A layered defence

Within this area, a strategy of denial would present an enemy with a series of interlocking barriers to an attack on Australia, as follows:

First, we require extremely high quality and comprehensive intelligence about military developments in our region, as well as surveillance capabilities to detect and track hostile intruders in the sea and air gap. Broad-area surveillance will give us a capacity to demonstrate that we know what is going on around us and that we can detect a threat. The possibility of a surprise attack will be denied the enemy. Ensuring the ‘transparency’ of the approaches to Australia enhances the effectiveness of our weapons systems.

Second, Australia’s air and naval forces must have the capacity to destroy enemy forces, at credible levels of threat, in the sea and air gap. This is a priority requirement. It means focusing on the north, which is our most vulnerable approach. For higher levels of conflict, it also means having forces capable of striking at an adversary’s bases and interdicting his lines of supply.

Third, closer to our shores, defensive capabilities are required to prevent enemy military operations in our focal areas or shipping lanes or on our territory. These might include surface ships, mine countermeasures capabilities, air defence assets, and mobile land forces capable of being deployed rapidly and pre-emptively.

Fourth, if a landing on Australian soil should occur we would need ground forces capable of denying any putative enemy our vital population centres and military infrastructure. The Australian people must be protected from direct attack. Any enemy force should be prevented from being able to widen the conflict over greater areas of the north of the continent, which could extend our limited resources. Denial of enemy operations on our territory will require a demonstrable capability for highly mobile and dispersed ground force operations.

Main areas of operation

A concept of denial involves recognising that long-range power projection must be considered in a rather more circumscribed way than has been traditionally the Australian view. Capabilities have to be assessed on the basis of the contribution they can make to the unique problems involved in defending a large continent with extensive maritime surrounds and flanked by the archipelagic chain to the north and east. Our requirement is for forces that can operate jointly in Australia’s area of direct military interest where we aim to apply independent military power. In this way, the range of prospective capability requirements can be narrowed.

This broad area encompasses some areas of particular strategic significance which require priority attention in our planning: the sea and air gap; coastal shipping routes and maritime focal points; key installations and population centres in the north of Australia; our island territories; and Papua New Guinea. The maritime approaches to the industrial and population heartland of the continent in the south-east and the west are also important, although less vulnerable. But the offshore oil installations in Bass Strait will require protection.

For operations within these areas our defence forces require mobility and range. Credible contingencies could call on the ADF to handle concurrent widely-spread situations 3000 kilometres or more away from our main military bases in the south of Australia.

1. Denial is sometimes defined as defensive deterrence. But the inclusion of denial as deterrence is the result of stretching the concept of deterrence. To the extent that a potential aggressor is encouraged to believe that his objectives in attacking Australia cannot be achieved (that is, will be denied), he will have little incentive to attempt to gain them by force and he will thus be deterred.

2. See Map 1 at the end of this Report.
Regional and alliance implications
A defensive strategy of denial that focused on our own interests would not threaten regional powers, unless they threatened us. Our neighbours would be reassured of our peaceful intent. But they would also be aware that we were developing formidable military capabilities against the eventuality of attack.

To our allies, and especially the United States, a strategy of denial may seem a more limited policy than traditional Australian defence policies. It focuses more on defending our national interests in a defined region. It gives less military attention to distant interests.

Such a strategy does, however, conform precisely to United States policy of demonstrating our ability to defend ourselves, and of supporting Western strategic interests in our own region. Relations with Australia's other allies and friends in the South Pacific and South East Asia would be strengthened. Australia is not moving towards an isolationist policy. Rather the opposite: we intend to focus our national resources and effort on the region where we live.

FORCE DEVELOPMENT GUIDELINES

If Australia's defences are to be better aligned with our strategic and geographic circumstances, more detailed force development guidelines should be established. It is easy to draw up a list of military capabilities which could be useful in some distant and improbable situation. The issue, however, is to determine which capabilities would be most important for our independent defence. A strict test of essentiality has to be applied in any assessment of capability requirements.

What are sought are the capabilities necessary to permit the ADF to fulfil its peacetime obligations, to satisfy our need for an independent military capability, and to provide a basis for expansion in the event of deterioration in our strategic circumstances. This approach should ensure that we always maintain an advantageous military position. Australia's alliance commitments, and other international policy objectives that may exist from time to time, would be met from a defence force designed to meet these objectives.

In this Review force structure priorities are derived from the requirements suggested by the layered approach to denying an enemy successful military operations either in the sea and air gap or on our territory. These priorities need to be qualified by consideration of the levels of conflict that are credible now and for the foreseeable future, and the time that would be available to develop our defences in response to possibilities for higher levels of conflict.

Levels of conflict
A central defence planning problem for Australia is to decide what possibilities for conflict should be given priority in peacetime preparation. This Review has earlier discussed and dismissed the prospect of invasion as a determinant of Australia's force structure needs. Three levels of conflict have been developed for analytical purposes. They are shown in summary form in Table 1 and are discussed further in Parts 3 and 4 of this Review.

<table>
<thead>
<tr>
<th>Conflict</th>
<th>Possible Nature of Maritime Threat</th>
<th>Possible Nature of Continental Threat</th>
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</thead>
<tbody>
<tr>
<td>Escalated Low-level Conflict</td>
<td>Emphasis would remain on achieving political goals, but force levels would increase and attacking forces would be more clearly identifiable.</td>
<td>Increased levels of air and sea harassment, with possibilities for engagements between major units.</td>
</tr>
<tr>
<td></td>
<td>Limits of escalation would be the capabilities available to the regional aggressor.</td>
<td>Attacks on coastal shipping and mining in northern waters. Direct attack on foreign shipping would be avoided, but discrimination between Australian and foreign vessels may be difficult.</td>
</tr>
<tr>
<td>Low-level Conflict</td>
<td>Aimed at achieving political rather than military goals.</td>
<td>Incursions into sea and airspace</td>
</tr>
<tr>
<td></td>
<td>Conflict deliberately contained at low level with objective of causing disproportionate Australian response and costs.</td>
<td>Harassment of fishing vessels and coastal shipping.</td>
</tr>
<tr>
<td></td>
<td>Campaign could be protracted, with periods of inaction.</td>
<td>Terrorist-type raids on offshore oil and gas rigs.</td>
</tr>
</tbody>
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Table 1: Levels of conflict
### Table 1: Levels of conflict (continued)

<table>
<thead>
<tr>
<th>General Characteristics</th>
<th>Possible Nature of Maritime Threat</th>
<th>Possible Nature of Continental Threat</th>
</tr>
</thead>
<tbody>
<tr>
<td>More Substantial Conflict</td>
<td>• Major improvements in regional military capabilities would be necessary before attacks at this level could be mounted and sustained against Australia. • Objective would be to achieve significant military victories over Australian forces, but with the primary aim of achieving Australian concessions and a favourable political settlement. • Invasion of the continent would be beyond the capacity of the aggressor.</td>
<td>• Enemy sea and air forces deployed to attempt to gain control of the sea and air gap. • Limited maritime capabilities, including submarines, deployed to attack Australian shipping and to deter international shipping from visiting Australian ports. • Substantial mining campaign against Australian ports to disrupt shipping and resupply of Australian forces.</td>
</tr>
</tbody>
</table>

Note: It is emphasised that this table is illustrative of a range of possibilities developed and categorised for analytical purposes only. Neither the types of conflict nor the categories are in any way exhaustive, nor do they represent predictions of conflict.

The first two levels of conflict represent a range of low-level contingencies that are credible on the basis of current regional military capacity. They cover a scale from low-level harassment and raids through to more concentrated conflict, but well below the level of an attempt to lodge substantial forces in Australia.

The use of military force in these lower-level situations would be in support of political objectives, not an attempt to seize and hold territory or resources. The attacker would be using only limited forces, and targets would be selected on the basis of opportunity and political effect rather than military value. If maintained at low levels, the conflict could be quite protracted.

The more concentrated conflict would include escalation of the kinds of conflict conducted at the lower level. Escalation would also involve both the geographic extension of the conflict and supplementations of unconventional tactics and forces by military units prepared to confront our forces direct. The extent of such escalation would be limited by the military capacity of the aggressor, the expectation that escalation would allow Australia greater freedom in the use of its superior strike assets, and the possibility of increased allied assistance to Australia.

At the third level of conflict there are possibilities for more substantial conventional military actions, were the necessary regional capabilities to be developed. Political goals would then be supported by defined military objectives. Specific targets of military value would be identified and there could be intense conflict of limited duration—in which a large proportion of our defence assets would be committed.

It is emphasised that no conflict at any level is seen as likely in the foreseeable future. Even at low levels, any conflict would involve a substantial deterioration in our strategic situation, for which there are no current indications. These assessments simply represent judgements of what might be possible, given potential military capacities, should conflict arise. The possibility of more substantial conflict would depend upon improvements in regional military capabilities. Such improvement would be detected by our intelligence capabilities, and we would have the opportunity to develop further our defences. These judgements are in accordance with strategic guidance.

### Military capability priorities

The unconventional nature of low-level conflict would require characteristics in our defence forces rather different from those required for conflict at the higher end of the scale. At lower levels of conflict international political considerations would be important. There would be constraints on the use of some of our military options. It may be difficult to find and confront the opposing forces, and this would place great demands on our intelligence, surveillance and communications capacities.

Higher levels of conflict would involve greater numbers of and intensity of operations. This would allow us to use conventional military doctrines more effectively and strike at enemy forces and bases. Moreover, our potential to conduct an effective defence at higher levels of conflict is a factor that could inhibit an aggressor from escalating the conflict to the limit of his military capacity.

Preparing our forces primarily to meet contingencies at the lower levels offers the advantage that it ensures that more credible, shorter-warning-time conflicts are accorded the right priority. Also, the nature of the potential threat can be more easily defined, which should make for easier force structure decisions. The difficulty lies in ensuring that such forces are capable of expanding and adapting to meet more remote but potentially very serious threats at more substantial levels of conflict.

Structuring our forces to meet more substantial conflict offers more insurance against the longer-term uncertainties. But it increases the difficulties of the force structuring process because of the speculative elements inherent in any judgements about the nature of higher-level threat. Such forces may also be deficient in their capacity to handle lesser kinds of conflict which could arise at short notice.

In this Review, this difficult planning issue has been considered in terms of organisational, equipment and manpower aspects of capability development. As a general principle, equipment and manpower priorities must ensure that the ADF will have available sufficient weapons, equipment and personnel to respond to credible military situations at the lower levels of conflict. Requirements can be identified on the basis of enduring geographic factors, studies of credible contingencies, and the need to maintain a regional military advantage.

In our longer-term development we must also take account of the possible demands of more substantial situations. This means that acquisition of important long-lead-time equipment can include a capability margin for more substantial levels of conflict. But there is not the same priority for their acquisition as there is for those capabilities that would be required in low-level situations, and where we are currently deficient.

Organisational aspects of capability development can encompass a wider dimension. A corporate knowledge of the skills required at higher levels of conflict would be essential for the effective development of our forces in a period of expansion. This knowledge cannot be acquired quickly. Forces structured only for low-level conflict might require fundamental reorganisation before they could begin the task of preparing for more substantial conflict. Some skills necessary for higher-level conflict should therefore be retained within the ADF. But any tendency to prepare for unrealistically high levels of threat, such as preparing to meet an invasion force, must be resisted, and training and exercising should give priority attention to more credible, lower-level contingencies.\(^3\)

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3. Low-level conflict could be very demanding of command and control, both as a consequence of close political direction and the dispersion of our forces (see Part 5).
Force readiness

The ADF should be able to demonstrate that Australia is serious and competent in defence matters, and capable of responding effectively to military pressure. But unnecessarily high levels of operational readiness would greatly increase the proportion of defence expenditure devoted to operating costs. This would largely be at the expense of investment in new capital equipment.

In current strategic circumstances there is no requirement for high levels of readiness across the range of military units. Rather, readiness levels can be determined on the basis of current tasks and credible contingencies which could arise with little warning. On this basis three main readiness requirements can be identified:

- First, there are those selected units with high-priority national tasks. At present the counter-terrorist forces, the maritime forces committed to peacetime surveillance, and search and rescue elements are in this category. These forces are currently the most ready of all our defence units.

- Second, there are the military forces that might be required to undertake military tasks either to pre-empt or respond to low-level situations arising with little warning. Forces in this category include surveillance aircraft, surface patrol and mine countermeasures vessels, some elements of the Army (particularly surveillance forces and air-mobile infantry) and supporting logistic units. We should overcome any equipment deficiencies in these areas, and provide a level of training sufficient to ensure that key military response forces are at a level of readiness to ensure the credibility of our defence posture with the Australian community, neighbours and allies.

- Third, there are units that can be held at lower levels of readiness. These are capabilities that would be more relevant after the initial stages of tension or conflict, or at higher levels of conflict. They include strike forces, ground forces oriented towards higher-intensity conflict, and anti-shipping capabilities. Their readiness and manning levels can be set by reference to minimum training and exercising requirements and warning-time judgements.

Some qualifications to this approach are required. A number of force units contain capabilities relevant to both lower and higher levels of conflict. Thus selectivity in levels of readiness within a capability or platform may be appropriate. Practical considerations are also relevant. Most Army and Air Force units can operate at reduced manning levels in peacetime, but Navy units need close to a full complement to go to sea. Safety standards dictate minimum flying hours for pilots, but there is less precision in determining minimum steaming times required for Navy vessels or minimum field training needed for ground forces to remain operational.

One option that deserves further consideration in this context is the more effective use of Reserves. Reserves are well suited to assume responsibility for some capabilities having low-readiness status. Such an approach would add purpose to the Reserve commitment. It would ensure the retention of the capability at appropriate readiness levels and allow Regular forces to concentrate on tasks of greater immediacy.

In this process care is required to ensure that combat effectiveness is not impaired. There are difficulties in the use of Reserve personnel in some technically complex areas, and their contribution to the development of doctrine must necessarily be limited. What is needed is for the ADF to develop a long-range strategy for the greater use of Reserves which can be considered and agreed by the Government. Specific areas that appear suitable for greater Reserve participation are discussed in Part 8 of this Review.

4. For example, maritime-patrol aircraft can perform both surveillance and strike tasks. Destroyers can perform surface-patrol and aircraft-detection tasks, as well as anti-submarine and anti-shipping strikes. Submarines are covert surveillance platforms as well as formidable interdiction assets.

Interoperability and standardisation with allies

In the post-war era our defence priorities were determined primarily by the needs of combined operations with allies, and we sought standardisation of our military equipment with them. This had significant advantages when we relied upon the logistic support systems of other nations. But standardisation with allies can lead us towards the acquisition of equipment better suited to NATO conditions than our own. Standardisation of weapons and equipment with our allies is not necessarily consistent with defence self-reliance. Account must be taken of local supportability, and compatibility with our civilian infrastructure where appropriate.

Various standardisation or co-operative programs with our allies have existed for many years. The recent trend in most of these activities has been away from materiel standardisation and towards greater interoperability. The important requirement for Australia is for operational procedures to be similar, so that we can communicate and exchange data with our allies if this is required.

Thus, while strategic considerations suggest a reduced emphasis on interoperability with allies, practical considerations favour the acquisition of some standardised or interoperable systems. Such systems can allow ready materiel and logistic support from overseas sources, and use of international standards can help facilitate interoperability between the Australian Services. The possession of identical equipment, however, is not necessary for effective combined operations with allies.

What is most fundamental to our concept of defence self-reliance is that our single Services are interoperable with one another. This has been neglected in the past, as evidenced by earlier limitations in communications between Air Force and Navy units.

CONCLUSION

Australia must have the military capacity to prevent any enemy from attacking us in our sea and air approaches, gaining a foothold on our soil, or extracting political concessions from us through the use of military force. To do this, we must develop our own solutions to our unique strategic circumstances. Strategic concepts based on the experience of other nations have little relevance to Australia.

An important and recurring theme of this Review is the need to concentrate force structure priorities on our area of direct military interest. This area stretches over 4000 nautical miles from the Cocos Islands in the west to New Zealand and the islands of the South West Pacific in the east and over 3000 nautical miles from the archipelago and island chain in the north to the Southern Ocean. Defending such a large area is a formidable task.

The focus of our attention must be on developing a self-reliant defence posture within our area of direct military interest. The security interests at stake in the range of more credible regional threats facing us are primarily Australian interests, and we must have the independent military capability to defend them.

This Review judges that the effectiveness of Australia's armed forces depends to a significant extent upon our maintaining a sufficiently high level of technology in critical capabilities. This includes our ability to absorb, operate and support advanced military equipment.