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Defending Australia: a history of Australia's defence white papers

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Executive summary

- Australia published defence white papers in 1976, 1987, 1994, 2000, 2009 and 2013 and a new white paper is expected in 2015.
- A community consultation process was undertaken as part of the 2000 and 2009 defence white papers and a similar process is being carried out for the upcoming 2015 defence white paper.
- The need to defend Australia against a major aggressor remains the primary driver in Australian defence policy.
- Regional security and contributing to the global order have been secondary, but still important priorities in Australian defence planning.
- Each of the defence white papers has been created on the basis that Australia should be able to defend itself against a potential aggressor without outside assistance (the principle of self-reliance), while at the same time stressing the importance of the alliance with the United States.
- Threat perceptions have changed from the Cold War influences reflected in the 1976 and 1987 white papers to a contemporary focus on terrorism while also incorporating emerging threats such as cyber attacks and the rise of China.
- Defence white papers are not produced in a vacuum but are informed by key reviews of Australia's strategic situation, industry policy and force posture.
- Defence policy is subject to the broader economic conditions of the time and the Department of Defence must contend with many other priorities for government funding.
- The financial plans set out in the various defence white papers are often ambitious and rarely brought to fruition.
- On the whole, capability choices have displayed continuity between the different white papers regardless of changes in government. This is understandable given the length of time required for major capital equipment acquisitions.
- Recent white papers have placed a greater emphasis on regional engagement.
- The contribution of the Australian Defence Force (ADF) to humanitarian assistance and disaster relief operations, as well as to border protection activities, has also been included in the most recent white papers.

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Introduction

This paper provides a summary of each of Australia's defence white papers issued between 1976 and 2013 and seeks to draw out common themes that emerge in some or all of them. The background provided to each white paper is necessarily selective—in particular, it generally excludes discussion of reviews pertaining to the organisation of the military and civilian components of Australia's Defence organisation.

Given the scope of this topic, this paper does not attempt to provide a comprehensive history of Australian strategic policy. Instead, this paper considers some of the key strategic issues and influencing factors that directly relate to the production of the various defence white papers. It provides a comparison of different government policies relating to defence and considers whether the stated objectives and outcomes of each white paper were fully, or even partially, realised.

Background

Australia's defence white papers originate from the Westminster model whereby government strategic policies are enunciated publicly through white papers. According to the United Kingdom (UK) Parliament's website, white papers contain 'government policy initiatives and proposals for legislation'.¹

Prior to the release of a white paper, the British Government traditionally produces a 'green paper' to promote discussion on key topics as part of a consultation process, after which a white paper is produced.² The government of the day then presents the white paper to Parliament as a way of announcing key government decisions in key policy areas. At this point, the white paper is referred to as a 'command paper' because it is presented to the Parliament 'by Command of Her Majesty'.³ There is no formal definition of what constitutes a white paper but it is commonly accepted as a statement of government policy.⁴

In the Australian context, white papers are similarly described as:

... papers or reports which embody a statement of the government's policy or proposals on some topic of significance, e.g. defence, health insurance. These papers tend to be more common in the federal Parliament than in state parliaments. The term 'white paper' derives from the Imperial Parliament where different types of papers are distinguished by the colour of their covers. 'White papers' are usually smaller documents which do not warrant binding in the stiff blue covers used for more extensive documents.⁵

The distinctive white cover is no longer used. The *Cabinet Handbook* states, as a general rule, that white papers are used to announce government policy and green papers are considered public policy discussion papers. Both papers usually announce significant policy developments when they are tabled in Parliament.⁶ But as this paper shows, not all defence white papers have been tabled in Parliament.

Given this background, it might be argued that the first Australian white paper was produced and tabled in Parliament in the mid-1940s under the Curtin Government; however, it was not explicitly described or presented as a white paper. The then Minister for Post-war Reconstruction, John Dedman, presented the Government's policy paper on post-war employment to Parliament 'to draw the attention of honourable members to the importance of the document and the fundamental character of the policy outlined in it'.⁷

The production of defence white papers is not isolated to Commonwealth countries: defence white papers are regularly produced by, for example, China, Japan and the Republic of Korea.⁸

1. United Kingdom Parliament, '[Government publications \(command papers\)](#)', UK Parliament website, accessed 13 January 2015.

2. The Stationery Office (TSO) Information and Publishing, '[Official and regulatory information and links: official documents](#)', TSO website, accessed 13 January 2015.

3. United Kingdom Parliament, 'Government publications (command papers)', op. cit.

4. TSO Information and Publishing, 'Official and regulatory information and links: official documents', op. cit.

5. DH Borchardt (ed.), *Australian official publications*, Longman, Cheshire, 1979, pp. 93–94.

6. Commonwealth of Australia, [Cabinet handbook](#), Department of the Prime Minister and Cabinet, Canberra, 7th edn, March 2012, p. 38, accessed 13 January 2015.

7. J Dedman, '[Employment policy](#)', Senate and House of Representatives, *Debates*, 30 May 1945, accessed 13 January 2015.

8. Ministry of National Defense, '[White papers](#)', The People's Republic of China website, accessed 13 January 2015; Ministry of Defense, '[White papers](#)', Government of Japan website, accessed 13 January 2015; and Ministry of National Defense, Republic of Korea, '[Defense white papers](#)', website, accessed 13 January 2015.

The purpose of Australia's defence white papers

Since the first defence white paper was released in 1976, leading commentators have questioned their purpose and usefulness. According to Hugh White (Professor of Strategic Studies at the Australian National University), the purpose of a white paper should be to provide 'a detailed statement describing a new policy direction' that is supported by credible arguments and evidence.⁹ While white papers can be produced in any key area of government:

... they are especially important in defence, because it involves such long-term decisions, engaging critical national interests and committing huge sums of money, in circumstances of great uncertainty. Such decisions are inevitably based more on judgement than on hard data, and are often infused with murky, half-articulated hopes and fears. It is all too easy for momentous decisions to be made on flimsy grounds which would not withstand serious scrutiny. It is therefore especially important in defence for the Government to set out explicitly the evidence and arguments underpinning its defence policy.¹⁰

Peter Jennings (Executive Director of the Australian Strategic Policy Institute (ASPI)) asserted in 2005 that a defence white paper should:

... do some hard thinking about the impact of strategic change on defence policy. A clear statement of Australia's strategic outlook would help to order our thinking about how we should set priorities between traditional 'defence of Australia', regional and global tasks. A new white paper also provides an opportunity to develop some disciplined language explaining Australia's policies. This would be helpful in building relations with our closer neighbours.¹¹

In the lead-up to the 2009 defence white paper, Rod Lyon (ASPI) described the role of a defence white paper as being central to resolving the 'puzzle' of Australian strategy, in the public sphere. Lyon argued that the puzzle 'requires us to define the relationship between three core variables':

- a strategic environment largely beyond our own making
- our own role in the world
- and the constraints that bound that role.

Lyon went on to state that a 'White Paper is not merely a clever academic paper. It requires us to make judgments, including judgments about our own strategic future and about how we manage risks in an uncertain world'.¹²

Similarly, John Hartley (National President of the Royal United Services Institute of Australia (RUSI Australia)) argued that white papers:

... are useful because they force a government to consider its policy priorities in a disciplined and structured way and also provide the electorate, and indeed the international community, with a statement of policy direction.¹³

Essentially, defence white papers should define the government's broad strategic objectives and the capabilities needed for them to be achieved within fiscally responsible and realistic boundaries. They should also reflect the Government's position on the composition of Australia's military forces and other factors that support the defence of Australia. Defence white papers are always vulnerable to question and dissent, in part, because some of the strategic rationale that underpins a white paper is classified and therefore unavailable to the public. White papers also suffer the same problem of prediction that affects many academic and policy areas, and with the benefit of hindsight it is often quite easy to highlight inaccurate forecasts in defence white papers.¹⁴

9. H White, '[The new defence white paper: why we need it, and what it needs to do](#)', *Perspectives*, Lowy Institute for International Policy, April 2008, accessed 13 January 2015.

10. Ibid.

11. P Jennings, '[Time for a new defence white paper](#)', *Strategic Insights*, 12, Australian Strategic Policy Institute, February 2005, pp. 3–4, accessed 13 January 2015.

12. R Lyon, '[The next defence white paper: the strategic environment](#)', *Policy Analysis*, 15, Australian Strategic Policy Institute, 29 January 2008, accessed 13 January 2015.

13. J Hartley (National President), *The defence white paper—balancing competitive demands*, Royal United Services Institute of Australia, speech, August 2008, p. 5.

14. Parliament of the Commonwealth of Australia, [Australian defence review](#), Parliamentary Paper, 25, Commonwealth Government Publishing Service, 1972, p. 26, accessed 13 January 2015.

So what should one expect to see in a defence white paper? Hugh White argued that it should contain four main elements aligning ‘force plans with strategic objectives [and] funding realities’:

- first, articulate what our forces are expected to do to achieve the Government’s strategic objectives
- second, identify all necessary capabilities while considering ‘funding realities’
- third, ensure that ‘strategic objectives’, ‘force plans’ and ‘realistic funding’ elements are aligned and
- fourth, test the process of determining objectives by measuring the required capabilities against affordability. In short, is the cost justified to meet certain strategic objectives?¹⁵

A common theme throughout the defence white papers has been Australia’s alliance with the United States under the ANZUS Treaty (Australia, New Zealand, United States Security Treaty signed in 1951).¹⁶ In most white papers, it has been implicitly acknowledged that Australia should not rely entirely on a major allied power to come to our aid if attacked. Nonetheless, as former Secretary of the Department of Defence Arthur Tange stated:

The Government of the day, while prudently avoiding commitment to some American ideas on new military engagements in the Pacific, subscribed to the view that our main defence lay in America honouring an obligation under the ANZUS Treaty... Questioning whether there was certainty of that support, including military action in every circumstance, was forbidden as, to use the political jargon, ‘downgrading ANZUS’.¹⁷

As such, defence white papers have tended to argue that Australia must sufficiently develop and maintain its own military power to repel an attack against the mainland. There was a shift in strategic priorities from a concept of ‘forward defence’ to one of ‘self-reliance’, which was officially adopted by successive Australian governments from the early 1970s and reflected in Australia’s defence white papers. However, by the 1990s, strategic priorities shifted again to a more outward-looking regional focus.

Historically, Australia’s defence white papers have not been released within any specified timeframe. Politics plays a key role in the decision to develop a defence white paper. While white papers seek to articulate particular policy issues, the political objectives sought by successive governments have a big influence on the outcome of any white paper.

The first official Australian defence white paper was released by the Fraser Government in 1976. Subsequent defence white papers were released in 1987 (Hawke), 1994 (Keating), 2000 (Howard) (with biennial updates in 2003, 2005 and 2007), 2009 (Rudd) and 2013 (Gillard).¹⁸ The next defence white paper is expected to be delivered in the second half of 2015 and the Government has said that it will be costed, affordable and ‘align defence policy with military strategy’.¹⁹

Historical context: 1870–1976

According to David Horner (historian):

The legacy of the past exerts a powerful influence on force structure, defence concepts and doctrine. At the beginning of the twentieth century there had been tension between the Australianists, who wanted a militia that could not be deployed outside Australia, and the Imperialists, who preferred a field force that could be deployed on imperial operations overseas. By the 1950s, Australia’s adherence to the Western alliance and its commitment to forward defence had superseded its reliance on imperial defence. In the 1970s, after the Vietnam War, the pendulum swung away from overseas commitments. But during the 1990s, there was an increasing readiness once

15. H White, ‘The new defence white paper’, op. cit., pp. 2–3.

16. [Security Treaty between Australia, New Zealand and the United States of America](#) (ANZUS), opened for signature 1 September 1951, ATS [1952] No. 2 (entered into force for Australia 29 April 1952), accessed 13 January 2015.

17. A Tange, [Defence policy-making: a close-up view, 1950–1980: a personal memoir](#), Australian National University, Canberra, 2008, p. 11, accessed 13 January 2015.

18. E Andrews, *The Department of Defence: the Australian centenary history of defence: volume V*, Oxford University Press, South Melbourne, 2001, p. 348; J Gillard (Prime Minister) and S Smith (Minister for Defence), [New Defence White Paper 2013](#), media release, 3 May 2012, accessed 13 January 2015.

19. T Abbott (Prime Minister) and D Johnston (Minister for Defence), [Delivering a world class defence force](#), media release, 4 April 2014, accessed 13 January 2015.

again to send forces overseas—expressed more overtly in [*Australia's Strategic Policy* 1997]. This approach was described initially as 'regional engagement' and was later expanded to 'defending Australia's regional interests'.²⁰

From the time the British Army withdrew from Australia in 1870, a conundrum emerged about whether local forces should be raised to defend the country or to provide forces in support of Imperial objectives abroad.²¹ Consequently, aspects of both concepts were employed by the Australian colonies prior to Federation in 1901. Individual colonies deployed volunteer forces to assist the British in Sudan (1885), South Africa (1899–1901) and China (1900).²² Since Federation, the government has maintained discretionary powers to deploy military forces overseas.²³

The *Defence Act* 1909 amendment provided for universal compulsory military training and service during peace time for Australian males aged between 18 and 60.²⁴ In his 1910 report on Australia's military preparedness, Field Marshall Herbert Kitchener (British Army) strongly recommended Australia boost its Citizen Forces through a universal compulsory military training program, which commenced in January 1911 and ran until 1929.²⁵ The scheme had 'a chequered rate of success' before it was suspended in November 1929.²⁶ Within the first four years of the scheme, one in twenty men were prosecuted for non-compliance: around 636,000 enlisted, 34,000 were prosecuted and 7,000 detained.²⁷ In 1911, the Royal Australian Navy (RAN) was officially established and the Army's Royal Military College (RMC) was formed.²⁸ At the outbreak of World War I, Australia's responsibilities as part of the British Empire were recognised by the Government. The RAN was placed under British Admiralty command and a volunteer expeditionary force (the First Australian Imperial Force) deployed overseas in support of British-led operations.²⁹

During the inter-war period, Australia's military preparedness waned as the 'Singapore strategy' dominated domestic strategic thinking and military expenditure was reduced.³⁰ The Singapore strategy was driven by British and United States interests in the Asia-Pacific region in response to Japanese expansionism. At the Washington Naval Conference 1921–1922, three treaties were signed among major naval powers aimed at relieving tensions in the East through naval disarmament.³¹ In turn, the Anglo-Japanese Treaty of 1902 was abandoned.³² In the meantime, the British Government promised to build a large naval base in Singapore and vowed that, in a time of war, British naval forces would be deployed to Singapore within six weeks to protect the sea lanes around Australia, India and New Zealand.³³ By 1937, the British Chiefs of Staff Committee assessed that should a war

20. D Horner, *Making the Australian Defence Force: the Australian centenary history of defence: volume IV*, Oxford University Press, South Melbourne, 2001, p. 75.

21. From 1887 to 1911, the Royal Navy maintained a fleet of seven ships in Australia waters, cited in P Dennis et al., *The Oxford companion to Australian military history*, Oxford University Press, South Melbourne, 2008, 2nd edn, pp. 466–467.

22. Ibid., p. 181.

23. D McKeown and R Jordan, *Parliamentary involvement in declaring war and deploying forces overseas*, Background note, Parliamentary Library, Canberra, 22 March 2010, pp. 5–6, accessed 13 January 2015.

24. *Defence Act 1909* (Cth), part XII, accessed 13 January 2015.

25. Universal military training was introduced by the Australian Government on advice from Field Marshal Kitchener following his visit to Australia in 1909. Kitchener's Memorandum on the Defence of Australia recommended that an army of 80,000 personnel be raised through compulsory training and serve to defend Australia. Cited in Field Marshal Kitchener of Khartoum, *Memorandum on the defence of Australia*, 12 February 1910, p. 5, accessed 13 January 2015; Australian Government, 'Universal military training in Australia, 1911–29', National Archives of Australia, fact sheet 160, accessed 13 January 2015; and P Dennis et al., *The Oxford companion to Australian military history*, op. cit., pp. 155–156.

26. Australian Government, 'Universal military training in Australia, 1911–29', ibid.

27. P Dennis et al., *The Oxford companion to Australian military history*, op. cit., p. 156.

28. Royal Australian Navy (RAN), 'Commemorating our service to the nation 1911–1915', RAN website, accessed 13 January 2015; Australian Army, 'History of Duntroon', Army website, accessed 13 January 2015.

29. J Beaumont, *Australian defence: sources and statistics: the Australian centenary of history of defence: volume VI*, Oxford University Press, South Melbourne, 2001, p. 17.

30. P Dennis et al., *The Oxford companion to Australian military history*, op. cit., pp. 495–496; M Thomson, *The cost of defence: ASPI defence budget brief 2013–2014*, Australian Strategic Policy Institute, Canberra, 2013, p. 28, accessed 13 January 2015.

31. The three treaties were the Five-Power Treaty, Four-Power Treaty and Nine-Power Treaty. Cited in United States Government, 'Milestones: 1921–1936: the Washington Naval Conference, 1921–1922', US Department of State, Office of the Historian website, accessed 13 January 2015.

32. The Anglo-Japanese Alliance Treaty was first signed in London in January 1902 and ostensibly provided for mutual defence. The treaty was renewed and expanded in 1905 and 1911 before it was officially terminated in 1923. *The Anglo-Japanese Alliance*, Treaty, 30 January 1902, accessed 13 January 2015; I Nish et al., 'Studies in the Anglo-Japanese Alliance (1902–1923)', London School of Economics and Political Science, discussion paper, January 2003, accessed 13 January 2015; and P Dennis et al., *The Oxford companion to Australian military history*, op. cit., p. 495.

33. Oxford companion, op. cit., pp. 495–496.

break out in Europe, Japan would not hesitate in furthering its expansion schemes. The Committee noted that while the Singapore defences were nearing completion, 'they alone do not secure our strategic position in the East. The dispatch of a fleet to the Far East remains the operation upon which the security of the eastern half of the Empire depends'.³⁴

Nonetheless, military leaders and senior political figures questioned Australia's reliance on the Royal Navy to defend Australia should war break out in Asia. In 1936, Opposition Leader, John Curtin, warned Parliament that 'the dependence of Australia upon the competence, let alone the readiness, of British statesmen to send forces to our aid is too dangerous a hazard upon which to found Australian defence policy'.³⁵ However, the government continued to rely on the Imperial defence plan—the Singapore strategy—for the defence of Australia.³⁶

Following World War II, Australia's defence policy predominantly aligned with British strategic defence priorities. 'Forward defence' remained the primary focus of the Government's strategic policy at the time due to concerns about Australia's geographical isolation and the need for a larger ally to come to Australia's aid should foreign forces threaten to invade.³⁷ From the late 1940s to the early 1950s, defence planning encountered competing priorities, as David Lowe and Joan Beaumont describe:

... on the one hand, Malaya and the local region, in the context of local decolonisation and communism in South-East Asia; and, on the other hand, the familiar Dominion role of providing an expeditionary force, wool, and food in a global war—the force being required to help defend British air bases in the Middle East...³⁸

In June 1947, the Chifley Government tabled its *Defence: Post-war Policy* in Parliament, which acknowledged, first, the role of the newly formed United Nations in maintaining international peace and security and second, expectations that Australia would maintain forces for regional support, defence of the British Commonwealth and the defence of Australia within the new world order.³⁹ While not officially presented to Parliament as a white paper, the *Post-war Defence Policy* fits the criteria. At that time, Defence Minister John Dedman described the Government's priorities to place Australian forces:

... at the disposal of the United Nations for the maintenance of international peace and security, including regional arrangements in the Pacific; the Forces to be maintained under arrangements for co-operation in British Commonwealth defence; and the Forces to be maintained to provide for the inherent right of individual self-defence. The security of Australia will therefore rest on the blending of these three safeguards, which are complementary to each other, and none of which is exclusive to the others.⁴⁰

The 1947 defence policy also outlined the measures the Government would take to strengthen Australian military forces. Particular emphasis was placed on expanding the RAN as Australia's experience during World War II exposed the need for enhanced sea power.⁴¹

Australia's experience in the Pacific during World War II provided the impetus for building a stronger relationship with the United States and highlighted the importance of the alliance to regional security. The Korean War (1950–53) strengthened this alliance, with the ANZUS treaty being a major outcome of this period. However, there were reservations about the agreement. One key Defence official, the former Secretary of the Department of Defence Arthur Tange, recalled the concern of the time that the United States might not place the same level of importance on the agreement as Australia or New Zealand:

34. L Wigmore, *Australia in the war of 1939–1945: Army: the Japanese thrust*, Australian War Memorial, Canberra, 1957, p. 7, accessed 13 January 2015.

35. Department of Defence, 'Preparedness and mobilisation (provisional)', Australian Defence Doctrine Publication, 00.2, December 2004, pp. 2–7, accessed 13 January 2015; *ibid.*, p. 8.

36. *Ibid.*

37. The policy of 'forward defence' was to counter 'perceived threats to Australian security as far from the shores of Australia as possible. In practice this involved deploying Australian armed forces overseas, basing and exercising Australian forces in South-East Asia in peacetime, forming alliances with great powers and smaller regional powers, and encouraging great power involvement in South-East Asia in particular'. Cited in P Dennis et al., *The Oxford companion to Australian military history*, op. cit., p. 213; E Andrews, *The Department of Defence: the Australian centenary history of defence: volume V*, op. cit., p. 128.

38. J Beaumont, *Australian defence: sources and statistics: The Australian centenary of history of defence: volume VI*, op. cit., p. 22.

39. J Dedman, 'Defence: post-war defence policy', Senate and House of Representatives, *Debates*, 4 June 1947, accessed 13 January 2015.

40. *Ibid.*

41. *Ibid.*

... the new alliance ... was not only a landmark, but a source of uncertainty, because there remained doubts about how Washington would interpret its obligations. Despite another treaty with similar provisions, SEATO, in 1954, Australians' unease about the Americans attitude seemed well founded when, in 1955, Washington made it clear that Australian forces in Malaya would not necessarily trigger an American response of military help under ANZUS. Even with ANZUS and SEATO, the Australians spent much time during the 1950s and early 1960s trying to firm up an American preparedness to intervene in South-East Asia.⁴²

From the mid-1950s until the end of the Vietnam War, Australian defence policy was based on the concept of forward defence, predominantly fighting to prevent the spread of communism in the region. Yet, even before the end of Australia's involvement in Vietnam, defence policy was already shifting towards the concept of self-reliance, sometimes known as 'continental defence'.⁴³

Tange revealed in his memoirs that in the early 1960s, Australia's defence priorities began to shift towards self-reliance, despite the importance placed on Australia's alliance with the United States. Tange remarked that by:

...the early 1960s, Defence programming was putting more emphasis on a capacity to act independently. In 1963 Townley [Minister for Defence] spoke of the desirability of being able to 'react ... by ourselves'.

...

The Americans had longstanding reservations, rooted in their history, about defending British colonial interests in South-East Asia. The consultations [in February 1964] with the Americans brought home to the Australian Government that any US support to Australia with combat troops was neither guaranteed in advance nor unconditional. But this was the last thing for the Government to admit publicly.⁴⁴

By 1968, many new factors had begun to influence Australia's defence policy, namely the British Government's decision in January of that year to completely withdraw its military forces from Malaysia and Singapore by December 1971. The Defence organisation noted at the time that this 'presented a new defence and security situation in the region'.⁴⁵ Five Power Talks on defence arrangements had commenced the year before between Australia, Malaysia, New Zealand, Singapore and the UK that would eventually shape long-term defence cooperation between all five nations.⁴⁶ The Five Power Defence Arrangement (FPDA) was signed in 1971 to support the stability of the newly independent South-East Asian nations.⁴⁷

Also in 1968, Australia's military commitment to the Vietnam War expanded with the Government increasing Australia's military contribution to 8,000 personnel.⁴⁸ However, by mid-1971, Prime Minister William McMahon had announced that Australia would be withdrawing from the conflict.⁴⁹

Another factor affecting Australia's defence policy around this time was the scaling down of US military forces in South East Asia following the Vietnam War.⁵⁰ A key turning point was the announcement of the Guam Doctrine (also known as the Nixon Doctrine) in 1969 that stated allied states were expected to do more for their own security but could rely on help from the United States if they showed genuine efforts to maintain their own security.⁵¹ This shift in US policy led to Australia developing a more self-reliant approach to defence policy.⁵²

42. A Tange, *Defence policy-making: a close-up view, 1950–1980: a personal memoir*, op cit., p. 23.

43. Ibid.

44. Ibid., pp. 12–13.

45. Commonwealth of Australia, *Defence report 1968*, Commonwealth Government Printer, Canberra, 1968, p. 5.

46. Ibid.

47. *Five Power Defence Arrangements: Exchange of notes constituting an agreement between the Government of Australia and the Government of Malaysia regarding external defence*, done in Kuala Lumpur 1 December 1971 (retrospective entry into force for Australia 1 November 1971), accessed 13 January 2015; *Exchange of notes constituting an agreement between the Government of Australia and the Government of the Republic of Singapore regarding external defence*, opened for signature 1 December 1971, ATS [1971] No. 21 (retrospective entry into force for Australia 1 November 1971), accessed 13 January 2015.

48. *Defence report 1968*, op. cit., p. 6.

49. Commonwealth of Australia, *Defence report 1971*, Commonwealth Government Printer, Canberra, 1971, p. 5.

50. United States Government, '1969–1976: the Presidencies of Richard M. Nixon and Gerald R. Ford', Department of State, Office of the Historian, 31 October 2013, accessed 13 January 2015.

51. United States Government, 'Foreign relations of the United States, 1969–1976: volume VI, Vietnam, January 1969–July 1970: document 101', Department of State, Office of the Historian website, accessed 13 January 2015; G Brown, *Australia's post-Cold War security environment: the*

In 1972, the McMahon Government initiated the *Australian Defence Review* to assess the new strategic environment following Australia's withdrawal from Vietnam. The review formed the basis of the Government's revised strategic outlook and defence program, with an outlook through to the 1980s.⁵³ Originally, the review team was tasked to prepare a defence white paper and while Defence Minister David Fairbairn tabled the outcome in Parliament, the Minister insisted it was not a policy document. Rather, it was a document containing 'information and analysis' of interest to Parliament.⁵⁴

The *Australian Defence Review* considered Australia's broader strategic outlook and identified issues that might have affected the development of Australia's military forces. It 'represented the first major review of Australian defence policy since enunciation of the Nixon Doctrine and the end of Australia's commitment in Vietnam'.⁵⁵ The *Australian Defence Review* assessed that:

[t]he first requirement is to make a reasoned definition of the Australian interests needing to be pursued by our defence policy, and of the strategic situations against which we should build our defence capabilities. It is clear that the objective must be a policy for the 1970s and 1980s. It is clear that great changes are occurring in Australia's external environment which justify a careful and progressive re-evaluation of the situation. It is also clear, I suggest, that we should not found our defence policy, or our willingness to engage ourselves to assist others, on a simple faith in the success of diplomatic efforts of mighty powers or on the benign intentions of rivals for ideological supremacy among communist powers.⁵⁶

Consequently, the *Australian Defence Review* recognised the need for a defence policy that balanced elements of 'self-reliance' with developing and maintaining important strategic alliances. As Minister Fairbairn acknowledged:

There is a duality in the requirements of a national Australian defence policy: on the one hand, we need defence equipment and manning giving Australian services an increasing measure of self-reliance and ability to act alone in certain situations. On the other, we seek an intensification of our defence understandings with the United States and with our northern neighbours in the expectation that the United States will, as pledged to the Prime Minister, Mr McMahon since the Nixon Doctrine was promulgated, provide the foundation of Australian security against threats or actual attack going beyond Australian capacity to deal with alone.... the first objective – greater Australian self-reliance – will of itself contribute to the second objective – getting the support we need from greater allies in emergencies going beyond our capabilities.⁵⁷

The Whitlam Government's election in December 1972 meant that the McMahon Government's embryonic defence policy discussion went nowhere. However, on 30 May 1973, the Whitlam Government tabled its own defence policy statement in Parliament. Two key policy announcements by Defence Minister Lance Barnard included Australia's complete withdrawal of military forces from Vietnam and the abolition of compulsory National Service. Other policy announcements included the development of a volunteer Army of up to 34,000 personnel, which was expected to be reached by 1976, with a view to assessing the need for a further 2,000 personnel that same year.⁵⁸ However, by 1976, the Army's strength had reached just 31,430.⁵⁹ Throughout the Whitlam Government years, a number of strategic and internal defence reviews were commissioned that would feed into Australia's first official defence white paper released by the Fraser Government in 1976.⁶⁰

[emerging defence policy dilemma](#), Background note, Department of the Parliamentary Library, Canberra, 18 November 1991, accessed 13 January 2015.

52. G Brown, *ibid.*

53. D Fairbairn, '[Australian defence: ministerial statement](#)', House of Representatives, *Debates*, 28 March 1972, accessed 13 January 2015; Parliament of the Commonwealth of Australia, [Australian defence review](#), *op. cit.*

54. A Tange, *Defence policy-making: a close-up view, 1950–1980: a personal memoir*, *op. cit.*, pp. 40 and 42; D Fairbairn, 'Australian defence: ministerial statement', *op. cit.*

55. A Hinge, '[Australia's search for self-reliance: a critique of Australian defence policy implementation and outcome 1985–2005](#)', Doctor of Philosophy (Public Sector Management) thesis, University of Canberra, November 2006, p. 39, accessed 13 January 2015.

56. D Fairbairn, '[Australian defence: ministerial statement](#)', *op. cit.*, p. 1.

57. *Ibid.*, p. 3.

58. L Barnard, '[Ministerial statement: Australian defence policy](#)', House of Representatives, *Debates*, 30 May 1973, accessed 13 January 2015.

59. Australian Government, [Australian defence: presented to Parliament by the Minister for Defence the Hon. D.J. Killen](#) (1976 Defence White Paper), White paper, November 1976, p. 32, accessed 13 January 2015.

60. L Barnard, 'Ministerial statement: Australian defence policy', *op. cit.*

[Australian Defence](#) (1976 Defence White Paper)



AP-3C Orion (Source: [Australian Defence Image Library](#))

Synopsis:

- Emphasis on self-reliance as the strategic environment had changed in several ways, including:
 - a shift in the United Kingdom's strategic interests away from South East Asia to focus on Europe
 - United States military disengagement in parts of South East Asia (Guam Doctrine)
 - Russian military build-up in the Indian Ocean and
 - instability in the South West Pacific.
- Australia's primary strategic concern was to protect Australia's contiguous maritime areas of responsibility and more broadly, maintain a military presence in Malaysia and Singapore.
- \$12 billion funding over five years was allocated for the acquisition of white paper capabilities, with an expected five per cent annual increase in real terms.
- Within one year the disconnect between funding and white paper acquisition targets was apparent as it became clear that funding intentions would not be reached.
- A misalignment between self-reliance policy and support for Australian defence industry insofar as Australian industry focused on sustainment while large-scale design and construction work was done overseas.

Introduction

The 1976 Defence White Paper, entitled *Australian Defence*, was tabled in Parliament by the Fraser Government on 4 November 1976 with a five-year funding outlook. Work on the 1976 Defence White Paper had commenced during the Whitlam Government's tenure so it largely received bipartisan support. However, the Australian Labor Party (Labor) Opposition did raise a number of concerns about the Government's ability to fund the proposals set out in the white paper (discussed below).⁶¹

61. DJ Killen, '[Australian defence](#)', House of Representatives, *Debates*, 4 November 1976, accessed 13 January 2015; W Hayden, '[Australian defence](#)', House of Representatives, *Debates*, 4 November 1976, accessed 13 January 2015; *Making the Australian Defence Force*, op. cit., p. 49.

Strategic objectives

The 1976 Defence White Paper sought to establish self-reliance as the primary focus of Australia's defence policy. While the 1972 *Australian Defence Review* had recognised the need for Australia to move towards a policy of self-reliance, the geopolitical environment had significantly changed by 1976, prompting greater emphasis on a self-reliant posture for Australia. These changes included Britain moving away from Asia and 'turning increasingly to Europe and the North Atlantic, where its primary strategic interests' lay, and the military disengagement of the United States from the South-East Asian region.⁶²

The 1976 Defence White Paper declared that Australia no longer based its defence policy on the expectation that its Navy, Army or Air Force would be 'sent abroad to fight as part of some other nation's force'.⁶³ While Australia's alliance with the United States provided some confidence that support from the United States would be provided in the event of a significant threat, the notion of self-reliance meant that 'we owe it to ourselves to be able to mount a national defence effort that would maximise the risks and costs of any aggression' towards Australia.⁶⁴ A policy of self-reliance was expected to enable Australia to accept its local responsibilities, while still being able to contribute effectively to combined operations as part of the ANZUS alliance.⁶⁵

The 1976 Defence White Paper went on to state that, 'for practical purposes, the requirements and scope for Australia's defence activity are limited essentially to the areas closer to home'.⁶⁶ These were identified as areas where an unfriendly power could attack or harass Australia, its maritime resources or its communications. Thus Australia's areas of primary strategic concern were considered to be its contiguous maritime areas of responsibility; potential instability in the South West Pacific with newly independent or soon to be independent states; greater cooperation with neighbours such as Papua New Guinea and Indonesia; and uncertainty in the behaviour of certain states in the South-East Asian region.⁶⁷ The 1976 Defence White Paper also amplified the Fraser Government's concern about Soviet ambitions in the Indian Ocean given the Soviets' extensive military build-up program at that time.⁶⁸ To this end, Australia maintained a military presence in the region by basing Royal Australian Air Force (RAAF) elements in Malaysia and Singapore and operating Royal Australian Navy (RAN) vessels from Singapore.⁶⁹

Identified capability choices

In light of the significant structural changes within Defence following the Tange review—the establishment of a single Department of Defence to replace the three single Service departments and the abolition of the Service Boards—the 1976 Defence White Paper broadly presented a force structure in terms of capabilities across the newly established Australian Defence Force (ADF). This was a significant change in practice as previously, capabilities had been considered by the needs of each individual Service.⁷⁰

Chapter Four of the 1976 Defence White Paper confirmed previous capability decisions and announced a number of new proposed acquisitions, including:

- ten P3-C Orion maritime surveillance aircraft (the 1976 Defence White Paper increased the existing order from eight aircraft to ten)
- 15 naval patrol vessels to replace the RAN's Attack Class patrol boats
- two guided missile frigates (FFGs) (the proposed acquisition of two FFG Adelaide Class frigates had been previously announced. The 1976 Defence White Paper confirmed the Government's support for this acquisition to proceed)
- two Oberon Class submarines (at the time of the 1976 Defence White Paper's release, the RAN already had four Oberon Class submarines in service and these two additional boats were still under construction)

62. 1976 Defence White Paper, op. cit., pp. 1–2.

63. Ibid., p. 10.

64. Ibid., p. 10.

65. Ibid., p. 11.

66. Ibid., p. 6.

67. Ibid., p. 6.

68. Ibid., pp. 4–5.

69. Ibid., p. 7.

70. A Tange, [Australian defence: report on the reorganisation of the defence group of departments: presented to the Minister for Defence](#), Department of Defence, Canberra, November 1973, accessed 13 January 2015; D Horner, *Making the Australian Defence Force*, op. cit., p. 50.

- one replenishment ship
- 14 Leopard tanks (87 tanks had previously been ordered. The 1976 Defence White Paper announced the purchase of an additional 14 tanks)
- one heavy sea lift vessel (the decision to acquire HMAS *Tobruk* was taken prior to the 1976 Defence White Paper release)
- 12 C-130H Hercules (the 1976 Defence White Paper confirmed the previous decision to replace the twelve C-130A aircraft that were in service with the RAAF at the time) and
- the commencement of project development work for the acquisition of new tactical fighters to replace the Mirage III-O fighter squadrons.⁷¹

Cost of capability

The 1976–77 Defence budget allocated more than \$12 billion (in 1976 prices) over five years (1976–81) towards the acquisition of defence capabilities.⁷² The 1976 Defence White Paper confirmed the expected expenditure under the Five Year Defence Program.⁷³ This allocation represented ‘an annual average increase in real terms of more than 5 per cent’. However, half the money was dedicated to personnel costs including recruitment; training; retraining and accommodation; major capital equipment acquisitions and defence facilities, with around 22 per cent of expenditure allocated to operational and maintenance costs.⁷⁴

Within a year, it became apparent that the Government’s original funding intentions for the 1976 Defence White Paper would not be fully realised. The 1977–78 Defence budget saw an increase by only one per cent in real terms, which the Government considered ‘inevitable’ given the economic climate at the time (public sector spending was being contained to deal with high inflation).⁷⁵ In October 1978, the Government acknowledged that not all the objectives and projects detailed in the 1976 Defence White Paper would be achieved as originally planned, due to continued budgetary constraints.⁷⁶

Alignment of cost, capability and strategic objectives

Within the first year of the 1976 Defence White Paper’s release, the Government received considerable criticism from commentators over what, it was argued, was a lack of strategic direction on procurement decisions. *National Times* journalist Anne Summers, for example, wrote in July 1977 that the Department of Defence was ordering equipment ‘without reference to a Cabinet-sanctioned statement of what it was needed for’ and recent purchases did ‘not reflect even the vague guidelines of the Strategic Basis’.⁷⁷ In the same article, Professor Des Ball discussed the new strategic direction, as laid out in the 1976 Defence White Paper, noting that the alignment of strategic objectives did not fit with the stated capability requirements:

Because strategic documentation says nothing about how continental defence is to be achieved, Defence has been allowed to operate on the old forward defence mentality. This allows the services rather than Defence to control procurement.⁷⁸

Opposition spokesperson on Defence and Economic Management, Bill Hayden, emphasised that in his view there was insufficient funding for the procurement activities specified in the 1976 Defence White Paper. Hayden criticised the ‘Fraser Government’s austerity drive against the defence forces’ during a speech at the National Press Club in early December 1977. Citing a number of recent procurement decisions, he warned that there was the potential for gaps in capability to develop, including the P3-C Orion aircraft project (each aircraft valued at \$18 million). Hayden noted that the P3-C Orion aircraft would not be fully operational for at least another three years as anti-submarine avionics needed to be fitted. Additionally, although the number of operational Oberon

71. Horner, op. cit., pp. 15–27.

72. J Killen, ‘[Ministerial statement: Defence](#)’, House of Representatives, *Debates*, 25 May 1976, accessed 13 January 2015.

73. 1976 Defence White Paper, op. cit., pp. 15 and 58.

74. Ibid., pp. 59–60.

75. J Killen, ‘[Ministerial statement: Defence review](#)’, House of Representatives, *Debates*, 22 September 1977, accessed 13 January 2015.

76. J Killen, ‘[Ministerial statement: Defence review](#)’, House of Representatives, *Debates*, 24 October 1978, accessed 13 January 2015.

77. Following World War II, Defence regularly produced *Strategic Basis* papers which were, until 1990, classified documents. The purpose of these papers was to assess Australia’s strategic threats and potential areas of concern to provide guidance to Defence planning. Cited in S Frühling, [A history of Australian strategic policy since 1945](#), Commonwealth of Australia, Canberra, 2009, pp. 35–36, accessed 13 January 2015; A Summers, ‘Defence: 100,000 extras without a script’, *The National Times*, 11–16 July 1977, p. 13.

78. Ibid., p. 14.

Class submarines was soon to total six, the RAN only had enough crew to operate four vessels at one time. The basing of seven major fleet units at HMAS *Stirling*, Western Australia, had been reduced to three and the purchase of World War II Bofors guns for the RAN Hayden likened to 'arming Manly ferries with pea rifles'.⁷⁹

The personnel chapter of the 1976 Defence White Paper discussed the Government's plan to increase the permanent forces of all three services and the Reserve forces, while reducing the civilian component. The white paper did not, however, discuss the strategic objective for this plan.⁸⁰ There was a hint that the planned increase in uniformed personnel was aimed at preparing Australia's military forces for the introduction of new major capabilities.⁸¹ As at June 1976, the total personnel strength of the Permanent ADF (a voluntary force since National Service had completely phased out in 1975) was 68,774 (the Reserve force totalled 22,666).⁸² Defence funding, as a proportion of public sector expenditure, was around 2.8 per cent.⁸³

The capability choices outlined in the 1976 Defence White Paper confirmed the policy shift towards self-reliance. It did not, however, provide a balanced explanation of how Australian military forces should be positioned to best respond to any of the potential threats identified in the paper.

Despite the paper's emphasis on self-reliance, there was little in the way of a corresponding policy to support and promote the growth of an Australian industry for defence, which was needed to make 'self-reliance' a reality. While the 1976 Defence White Paper highlighted the need for Australia to maintain, and potentially expand, a local defence industry capability (with a view to reducing Australia's dependence on overseas arms purchases), it explicitly stated that 'Australia will continue to rely on overseas sources for the design and construction of most of the larger and more complex weapons systems'.⁸⁴ The main objective therefore was for Australia's defence industry to develop and maintain the capability to sustain Australian military forces.⁸⁵ Given the nominal increase in personnel and the number of new platforms expected to come online over the subsequent few years, the Government's limited investment in the Australian defence industry at this juncture was at odds with the new strategic concept of self-reliance, particularly in the naval and aerospace sectors.

Kevin Foley (a former Liberal member in the Victorian Upper House and consultant to the Department of Defence) forewarned in a July 1976 article that the ADF's preparedness levels were reliant on strategic guidance from the Government, and needed to be aligned with capability development:

Resources acquired for the "wrong" conflict, or no conflict at all, or resources acquired via a planning process that follows a "replacement philosophy" can all have a negative effect on defence capability. If planning is anticipatory decision-making, and not an inexorable, and absurdly simple process of replacement or "following-on" with the new model, then those responsible for Australia's defence in the last two decades are guilty of a dereliction of duty, waste, irrationality and irresponsibility... National defence planning must be developed from and justified in terms of a strategic basis—that is, the official Government view of the future threat environment. A second requirement of rational planning is an equally clear statement of strategic doctrine: that is, how and where the threats are to be met, by nuclear weapons or conventional warfare, on their beaches or ours?⁸⁶

As such, Foley emphasised that defence planners required firm and clear strategic directives from government. Lack of direction from government would leave them with 'only one of the sets of data necessary to allow them to select the "right" defence resource', especially in terms of new technology. He went on to write:

Increased [technological] performance becomes synonymous with increased effectiveness ... [and] planning under these circumstances, has meant an inexorable movement up the technology ladder. It has meant we are buying performance we don't need, and in the process, pricing ourselves out of the market. There is nothing in logic nor in

79. B Hayden (Labor Spokesman on Economic Development), *The uncertainty facing Australia under three more years of Fraser Government*, Perth Press Club, speech, 5 December 1977, p. 7.

80. The ceiling for permanent ADF personnel was raised in 1976–1977: the RAN by 100, Army by 300 and RAAF by 100. Over the Five Year Defence Program, the strength of the permanent Army was expected to expand by 2,500 personnel to a total of 34,000 and the Army Reserves were to increase by around 5,000. Cited in 1976 Defence White Paper, op. cit., pp. 30–38.

81. Ibid., p. 31.

82. Australian Government, *Defence report 1976*, Australian Government Publishing Service, Canberra, 1976, p. 57.

83. Ibid., p. 53.

84. Ibid., pp. 50–51.

85. Ibid., p. 51.

86. K Foley, 'The "best for the boys" may not always be the best for the country in defence procurement for Australia', *Financial Review Survey*, 16 July 1976, pp. 2–3.

common sense to suggest that irrespective of the way in which threats might change over time, they will always be most appropriately deterred or defeated by weapons from higher levels of technology.⁸⁷

On revisiting the 1976 Defence White Paper in the late 1980s, Alan Stephens (from the University of New South Wales/Australian Defence Force Academy) noted that its intention was 'to set the agenda and provide the framework for Australian defence for years to come. Instead, by 1981 it had collapsed'.⁸⁸ The Government's inability to fully define its strategic objectives and to set realistic financial projections was cited as the main cause of this collapse.⁸⁹

87. Ibid., p. 2.

88. A Stephens, 'The white paper—1976 revisited', *Pacific Defence Reporter*, 15(10), April 1989, p. 7.

89. Ibid., p. 7; DG Schott, 'Australian Defence Policy 1976–1987', *Defence Force Journal*, 67, November/December 1987, p. 12.

[The Defence of Australia](#) (1987 Defence White Paper)



Guided Missile Frigate HMAS Sydney (IV) (Source: [Australian Defence Image Library](#))

Synopsis:

- Recommendations from the 1986 Dibb Review of Australia's defence capabilities prompted serious debate about Defence's force structure and influenced the 1987 Defence White Paper's strategic objectives.
- The 1986 Cooksey Review into Australia's defence exports and industry capacity identified that Australia was not internationally competitive. The Government's response backing the Review's recommendations in support of Australian industry was reflected in the 1987 Defence White Paper.
- The 1987 Defence White Paper reaffirmed the strategy of self-reliance.
- While the white paper featured around \$18 billion (1987 prices) worth of major capital equipment projects, most were not new announcements.
- At the time of the white paper's release, tenders (for submarine design and combat systems) were being evaluated for the Oberon Class submarine's replacement.
- A decision was pending on the RAN's new light patrol frigates, which sought to select an overseas design to be built in Australia at around \$3.5 billion (1987 prices).
- The white paper emphasised modernising the ADF with new technology.
- Force element changes included:
 - the expansion of HMAS *Stirling* to accommodate more RAN platforms, especially submarines
 - permanently locating a squadron of fighter aircraft at RAAF Base Tindal (Northern Territory) and
 - relocating an Army regiment to Darwin with the prospect of moving an entire Brigade to northern Australia.
- The Dibb Review recommended that an appropriate level of defence expenditure should be around 3 per cent of GDP. The white paper set a range of 2.6 to 3 per cent of GDP, but within 2 years it had marginally dropped to 2.3 per cent of GDP.

Introduction

On 19 March 1987, the Hawke Government tabled *The Defence of Australia 1987* (1987 Defence White Paper) in Parliament as a 'Policy Information Paper' with a ten to fifteen-year outlook.⁹⁰ The Opposition supported the paper in part while raising a number of concerns about the Government's strategic priorities in the region, military acquisition programs and the financial resources needed to support these programs, and the retention of trained personnel.⁹¹

Prior to the release of the 1987 Defence White Paper, reviews were conducted into Australia's defence capabilities and industry's capacity to support defence—the Dibb Review and the Cooksey Review. The outcomes from these reviews are discussed below as they made important contributions to the final content of the 1987 Defence White Paper.

Review of Australia's defence capabilities

The Hawke Government commissioned a review of Australia's defence capabilities in February 1985. Review Chair Paul Dibb presented the report to the Government in March 1986 (the Dibb Review). It was tabled by the Government in Parliament on 3 June 1986.⁹² The Dibb Review stated that difficulties had been encountered in trying to estimate the:

... size of force elements we need to meet our particular strategic circumstances. For much of our force structure this issue has not been comprehensively addressed. The Review could obtain no material centrally endorsed by the higher Defence structure which explained, for example, the strategic rationale for a 12-destroyer Navy, three fighter squadrons, six Regular Army battalions and an Army Reserve target of 30 000. Few of the documents made available to the Review examine, in any rigorous, analytical way, the size of forces we should have for credible contingencies and as a contribution to the expansion base. Most focus on justifying the present force structure rather than estimating what our strategic circumstances require. The key difficulty here is that the Department and the ADF do not agree on the appropriate level of conflict against which we should structure the Defence Force.⁹³

As such, one of the Dibb Review's key recommendations was to employ a 'strategy of denial'. The intention of the strategy was to deter potential adversaries from bridging Australia's air and sea approaches by developing capabilities that would create sufficient problems for any invading force, ensuring it would not be a worthwhile venture.⁹⁴ As a defensive policy, the strategy involved four layers:

1. Enhanced intelligence and surveillance capabilities
2. Air and naval force posture, with strike capacity, focused predominantly in northern Australia
3. Stronger continental defence capabilities
4. Highly capable and mobile land forces to repel an attack.⁹⁵

The Dibb Review also recommended establishing an area of primary strategic interest that encompassed South-East Asia and the South Pacific, and identifying direct military interests and structuring the ADF accordingly.⁹⁶

The Dibb Review noted that while 'Australia is a defensible continent', there needed to be some 'reordering of priorities' if Australia was to be better positioned to provide its own defence.⁹⁷ The Dibb Review elaborated:

The distant projection of military power would have a low priority. Rather such a strategy would seek to deny any putative enemy successful military operations in the sea and air gap around Australia, and to prevent any successful landing of significant forces on Australian soil.⁹⁸

90. Australian Government, *The defence of Australia 1987* (1987 Defence White Paper), White paper, March 1987, accessed 13 January 2015; K Beazley, 'Defence policy: paper and ministerial statement', House of Representatives, *Debates*, 19 March 1987, accessed 13 January 2015.

91. I Sinclair, 'Defence policy: paper and ministerial statement: procedural text', House of Representatives, *Debates*, 20 March 1987, accessed 13 January 2015.

92. K Beazley, 'Review of Australia's Defence capabilities', House of Representatives, *Debates*, 3 June 1986, accessed 13 January 2015.

93. P Dibb, *Review of Australia's Defence capabilities: report to the Minister for Defence by Mr Paul Dibb*, Australian Government Publishing Service, Canberra, March 1986, pp. v–vi, accessed 13 January 2015.

94. *Ibid.*, p. 5.

95. *Ibid.*, pp. 49–51.

96. *Ibid.*, p. 5.

97. *Ibid.*, pp. 1–16.

The Dobb Review asserted that restricting the ADF's area of operation would allow the military to exert adequate, affordable and independent power.⁹⁹ One of the outcomes from the Dobb Review was to prompt debate on Australia's future force posture and influence the strategic objectives contained in the upcoming 1987 Defence White Paper.¹⁰⁰

This strategy of 'denial' was strongly opposed by the Opposition and a variety of critics who contended it was too defensive and even isolationist.¹⁰¹ In addition, concerns were expressed that the Dobb Review was, in effect, recommending a withdrawal from the whole-hearted level of participation in the ANZUS alliance that Australia commonly pursued.¹⁰²

'Denial' continued to be criticised for some years after the publication of both the Dobb Review and the subsequent 1987 Defence White Paper. Commentators such as Graeme Cheeseman and St John Kettle argued that these 'two documents marked a stage in the evolution of defence policy from a regionally oriented "forward defence" posture wholly tied to the United States, to a concept of "self-reliance" which was more concerned with the defence of the Australian mainland and its maritime surrounds'.¹⁰³ Cheeseman and Kettle warned that Australia's 'new militarism' mismatched with other Australian policies in the region and continued to lock 'Australia into the most offensive defence strategy' under the ANZUS Treaty.¹⁰⁴ As a consequence, they argued that this strategy would adversely impact relations with New Zealand, which had been suspended from ANZUS, and other regional states.¹⁰⁵

Review of Australia's Industry for Defence

One month after the Dobb Review was announced, the Government commissioned Robert Cooksey to conduct a *Review of Australia's Defence Exports and Defence Industry* (Cooksey Review).¹⁰⁶ The Cooksey Review's terms of reference included an examination of Australia's industry for defence with a view to improving Australia's defence export prospects. The final report of the Cooksey Review was presented to the Government in October 1986, and included a number of recommendations to improve Australian industry.¹⁰⁷

The Cooksey Review described Australia's defence industry as 'a microcosm of the manufacturing and services sector of the economy'.¹⁰⁸ In referring to 'defence industry', it identifies key sectors of Australian industry that align with strategic importance, such as munitions, shipbuilding and aerospace.¹⁰⁹

The Cooksey Review identified two key factors that were impeding defence industry and defence exports:

... Firstly, there is a distinct lack of policy coordination in relation to overall strategic defence policy, which determines both force structure and policy for defence industry: the latter in turn, determining the supporting infrastructure. Secondly, Australia's poor performance in export of defence equipment and materiel on any scale is directly linked to industry development policy, highlighting the fact that we are uncompetitive.¹¹⁰

The Cooksey Review was critical of the Department of Defence's approach to working with industry, stating that the department did not have a good understanding of 'what all the measures of competitiveness are, let alone a strategic plan aimed at maximising defence industry's true potential'.¹¹¹ He went on to argue:

It has been all too easy for DOD [Department of Defence] to hide behind the 'rubbery' nature of strategic guidance in the development of competitive industry capabilities, leaving the running on the tougher economic, social and

98. Ibid., p. 50.

99. Ibid., pp. 5–6.

100. K Beazley, 'Review of Australia's defence capabilities', op. cit.; G Evans, '[Review of Australia's defence capabilities](#)', Senate, *Debates*, 3 June 1986, accessed 13 January 2015.

101. I Sinclair, '[Review of Australia's defence capabilities](#)', House of Representatives, *Debates*, 3 June 1986, accessed 13 January 2015.

102. Ibid.

103. G Cheeseman and ST J Kettle (eds), *The new Australian militarism: undermining our future security*, Pluto Press, Marrickville, 1990, p. 22.

104. Ibid., p. 193.

105. Ibid., p. 194.

106. RJ Cooksey, *Review of Australia's defence exports and defence industry: report to the Minister for Defence*, Australian Government Publishing Service, Canberra, 17 October 1986.

107. Ibid., p. 45.

108. Ibid., p. 45.

109. Ibid., p. 48.

110. Ibid., p. 53.

111. Ibid., p. 53.

other issues to the relevant authorities. It seems to me that most defence decisions relating to industry are based on qualitative analysis and value judgment, rather than rigorous empirical research and quantitative analysis.¹¹²

The Cooksey Review recommended that the Department of Defence publish information about ‘capabilities, processes, procedures, products, mechanisms and points of contact within DOD’ to allow industry to compete more effectively in the marketplace.¹¹³

One of the 30 recommendations in the Cooksey Review was that procurement ‘should be used more extensively to develop selectively those industries of major defence importance’.¹¹⁴ It also recommended that defence industry be provided with ‘sanitised’ information about expected future defence procurement plans to assist industry with future planning; ideally, the Five Year Defence Program.¹¹⁵ Most urgently, however, was the recommendation to task the Department of Defence ‘to produce a detailed and authoritative paper which translates long-term strategic defence planning into precise industry objectives and/or measures to encourage maximum participation by Australian industry’.¹¹⁶

Government response

In October 1986, the Government released a number of measures targeting defence industry in response to preliminary recommendations from the Cooksey Review. The measures included:

- the publication of a booklet for Australian industry doing business with the Department of Defence
- establishing mechanisms that would allow Australian industry to collaborate with international partners on the design, development and production (DD&P) of defence products
- prioritisation of Defence Offsets for international collaborative projects on DD&P¹¹⁷
- better ownership and control of Australian defence innovations
- improved information sharing and collaboration between the Defence Science and Technology Organisation (DSTO) and industry on research and development
- facilitating information on defence forward plans and capability requirements for industry and
- better guidelines and support for the export of defence and defence related products.¹¹⁸

Additionally, the Government promised to improve ‘information and access to defence industry, and the wider export support and increased role of Austrade in selling defence-related products’.¹¹⁹ Despite the report being handed down in 1986, the recommendations of the Cooksey Review were not fully accepted by the Government until 1988. Various reasons have been cited for this delay, in particular resistance from the Department of Foreign Affairs and Trade over its veto power on proposed defence exports.¹²⁰

At the time the outcome of the Cooksey Review was released, representatives of the manufacturing industry believed Australia needed to become more ‘isolationist’ in its approach to defence industry policy. To achieve this, Government assistance would be needed through the Defence Offsets program and technical exchanges.¹²¹ In support of this argument, industry representatives pointed out that Australia’s skilled labour force drastically lagged behind other nations such as Japan, where 30 per cent of the manufacturing labour force involved professional engineers. In the United States, statistics suggested a much lower figure of 5 per cent. In Australia

112. Ibid., p. 57.

113. Ibid., p. 57.

114. Ibid., p. 6.

115. Ibid., p. 8.

116. Ibid., p. 8.

117. Some countries include offset agreements in large defence contracts, which can be either direct or indirect. Direct offsets ‘are linked to the original defence contract. Companies often agree to transfer relevant technological knowhow or use local suppliers to build the equipment they are selling to the government’. Indirect offsets, while ‘prompted by the defence sale, have nothing to do with what the country is purchasing. These can include the company making or drumming up investments in local industries, or helping export a country’s goods’. Cited in C Hoyos et al., ‘Q&A: what are offsets?’, *Financial Times*, 9 October 2013, accessed 13 January 2015.

118. K Beazley (Minister for Defence), *Defence supports ‘buy Australian’ and export drives*, media release, 14 October 1986.

119. K Beazley (Minister for Defence), *Major report on Australia’s exports and defence industry*, media release, 15 December 1986.

120. G Brown, ‘The dilemmas facing Australia’s Defence policy’, *Contemporary Southeast Asia*, 15(3), December 1993, fn. 19, p. 339.

121. T Mannix, ‘Manufacturers aim at defence orders’, *Canberra Times*, 30 July 1986.

at that time, the number of professional engineers working in the manufacturing industry was assessed at only 0.05 per cent.¹²²

Criticism of the Government's Defence Offset program emerged around the time of the 1987 Defence White Paper's release. Commentators argued that the program was a 'band-aid' measure with limited long-term benefits.¹²³ The original intention of the program was well-regarded in that it aimed to support Australian industry through the transfer of 'high technology and advanced manufacturing techniques'. However, it was noted:

... in very few cases there has been a transfer of technology which has given Australian industry a new capability in particular areas, but more often the result has been a limited production run of specialised components that ends when the offset contract expires, leaving no residual benefit to industry.¹²⁴

Industry representatives and commentators argued that Australia needed to develop its own 'design and project management expertise in major projects. Without such expertise Australian industry would be limited to producing components or providing services for overseas designed systems'.¹²⁵

1987 Defence White Paper

Strategic objectives

The 1987 Defence White Paper affirmed that Australia faced 'no presently identifiable military threat, except for the remote possibility of global war'.¹²⁶ It asserted that no regional country had the 'capacity, nor the motivation, to sustain high level military operations against Australia'. However, the 1987 Defence White Paper noted that Australia might be vulnerable to a low level campaign of harassment across its large coastline and sea approaches.¹²⁷

Self-reliance was reaffirmed in the 1987 Defence White Paper and the strategy of 'defence in depth' adopted.¹²⁸ The paper defined self-reliance in terms of giving 'Australia the military capability to prevent an aggressor from attacking us successfully in our sea and air approaches, gaining a foothold on any part of our territory or extracting concessions from Australia through the use or threat of military force'.¹²⁹

The strategy of 'defence in depth' meant that Australia should aim to meet 'any credible level of threat in Australia's area of direct military interest' in such a manner that a potential adversary would be aware that they would pay a significant cost for an act of aggression.¹³⁰ While this concept was widely perceived to be a departure from the Dibb Review's controversial 'strategy of denial' recommendation, a closer look might suggest there are similarities in the two concepts. Journalist Peter Cole-Adams's assessment was:

The actual program for military procurement, force structure and 'layered defence-in-depth', which the White Paper endorses, is almost exactly as advocated by analyst Paul Dibb. What is different, more in flavour and emphasis than in substance, is the rhetorical dressing. The White Paper is Dibb with a touch of curry to please the military palate.¹³¹

In the paper's introduction, Defence Minister Kim Beazley is at pains to point out that the strategy is not isolationist. He wrote:

For Australia, defence self-reliance must be firmly set within the framework of our alliances and regional associations. The support they give us makes self-reliance achievable....It must be emphasised that self-reliance does not mean self-sufficiency.¹³²

122. Ibid.

123. J Jesser, 'The offsets debacle', *Australian Business*, 18 March 1987, p. 69.

124. Ibid.

125. Ibid.

126. 1987 Defence White Paper, op. cit., p. 30.

127. Ibid., p. 25

128. Ibid., p. vi.

129. Ibid., pp. vii-x

130. Ibid., pp. vii-x.

131. P Cole-Adams, 'A dab of rhetorical dressing makes Dibb recipe palatable', *The Age*, 21 March 1987.

132. 1987 Defence White Paper, op. cit., pp. vii-x.

The 1987 Defence White Paper firmly restated the importance of Australia's alliance with the United States and noted that any extension of the Soviet Union's influence in 'our region' would be a matter of fundamental importance to Australia.¹³³

Like the Dobb Review, the 1987 Defence White Paper assigned priorities in military planning according to two main areas:

- direct military interest, which is defined as 'Australia, its territories and proximate ocean areas, Indonesia, Papua New Guinea, New Zealand and other nearby countries of the South West Pacific' and
- broader strategic interests, which include South East Asia, Indochina, the eastern Indian Ocean and the South West Pacific. Further, the 1987 Defence White Paper speculated that Australia might face three levels of conflict: low level, escalated low level and more substantial conflict.¹³⁴

Australia's area of direct military interest, as defined by the Dobb Review and adopted in the 1987 Defence White Paper, is an area stretching more than '7,000 kilometres from the Cocos Islands to New Zealand and the islands of the South-West Pacific, and over 5,000 kilometres from the archipelago and island chain in the north to the Southern Ocean'.¹³⁵

The 1987 Defence White Paper endeavoured to set out an intellectually cogent underpinning for Australia's defence and the enduring emphasis on self-reliance made it clear that, as the Minister for Defence put it some weeks after the release of the white paper, Australia's 'contribution to global conflict would be small and not a force structure determinant'.¹³⁶ Although the Government emphasised the need for Australia to be self-reliant, this was not reflected by any real change to force structure.

Identified capability choices

While the 1987 Defence White Paper did not announce a long list of completely new capability projects—although previous decisions were reiterated—it valued the major capital equipment projects at around \$18 billion (in 1987 prices).¹³⁷ There was also a great deal of reassurance in the 1987 Defence White Paper that Australia had the capabilities it needed to defend itself.¹³⁸ However, these capabilities tended to be geared towards the ADF's ability to adequately respond to low-level conflicts, which would be tested much later in the case of Timor Leste in 1999.¹³⁹

Given the emphasis on air and sea denial, the 1987 Defence White Paper emphasised the acquisition of modern technology to accomplish this aim. It committed the Government to establishing a large satellite communications station in Western Australia (the Australian Defence Satellite Communications Station near Geraldton) and further development of the Jindalee Over-the-Horizon Radar Project.¹⁴⁰ In order to make better use of the information acquired through these and other sources, the 1987 Defence White Paper set out the Government's commitment to the development of a national air defence and aerospace control system. The Government also acknowledged the requirement for the Department of Defence to seek and evaluate proposals for new airborne early warning and control (AEW&C) aircraft.¹⁴¹

The 1987 Defence White Paper highlighted the ongoing project to acquire six new submarines to replace the Oberon Class boats (which would become the Collins Class submarines). At the time of its release, the Government was evaluating tenders for both submarine design and submarine combat systems and stated that a public announcement about the decision would be made sometime in 1987.¹⁴²

133. Ibid., p. 3.

134. Ibid., p. 2.

135. Ibid., p. 2.

136. K Beazley (Minister for Defence), *After the white paper: the challenge of management; address to the National Press Club*, speech, 25 March 1987.

137. Department of Defence, *Defence report 1987–88*, Australian Government Publishing Service, Canberra, 1988, p. 21.

138. 1987 Defence White Paper, op. cit., pp. 34–64.

139. Australian Government, *Australia's strategic planning in the 1990s*, Department of Defence, Canberra, September 1992, p. 22, accessed 13 January 2015; Australian National Audit Office (ANAO), *Management of Australian Defence Force deployment to East Timor: Department of Defence*, Audit report, 38, 2001–02, ANAO, Barton, ACT, 2002, p. 10, accessed 13 January 2015.

140. Ibid., pp. 34–35 and 71–72.

141. Ibid., p. 36.

142. Ibid., pp. 41–42.

A further major development for the RAN was the decision to build eight 'light patrol frigates' in Australia at around \$3.5 billion (1987 prices). These frigates—which would become the Anzac Class frigates—were intended to extend the RAN's ability to fulfil the requirements set out in the Dibb Review and 1987 Defence White Paper for patrol and interception activities in Australia's area of military interest, as well as contributing to contingency operations.¹⁴³

The concept of 'defence in depth' demanded some rethinking of the location of certain military assets. To this end, the 1987 Defence White Paper announced the expansion of HMAS *Stirling* near Perth to allow the homeporting of a greater number of RAN platforms, specifically submarines and a soon-to-be-established submarine training facility.¹⁴⁴ In addition, a squadron of F/A-18A/B Hornet multi-role fighter aircraft would be located at RAAF Base Tindal in the Northern Territory.¹⁴⁵ An Army Regiment would be moved to Darwin and a study had commenced into the possible deployment of an entire brigade to the north.¹⁴⁶

Alignment of cost, capability and strategic objectives

The 1987 Defence White Paper provided no detailed expenditure proposal to explain how the approved capabilities would be paid for. Instead, it asserted that defence funding would need to be maintained at 'a share of GDP [gross domestic product] similar to that devoted to defence in recent years'.¹⁴⁷ The white paper set a range of 2.6 to 3 per cent of GDP.¹⁴⁸ The Minister for Defence stressed that the goals set in the 1987 Defence White Paper could be achieved without excessive spending, declaring that the 'fact is that with the sustained growth of recent years, defence spending has now reached a level at which further growth is not required to sustain a credible defence policy'.¹⁴⁹ The Minister went on to state that the 'extraordinarily difficult budgetary circumstances of the next few years' would make promises of real growth impossible to fulfil.¹⁵⁰

The budget is one place where the 1987 Defence White Paper diverges somewhat from the Dibb Review. The latter had gone into greater detail about the financial implications of its recommendations and concluded that 'total defence outlays of around three per cent of GDP seem broadly appropriate for Australia ... With some modest adjustments, the Review's recommendations can be accommodated within the Department's 3.1 percent real growth program for FYDP 1986–91, and there is no indication of difficulties beyond this period'.¹⁵¹

Nonetheless, not for the first (or last) time, the availability of funds to pay for defence capability development did not live up to the expectations raised in the white paper. Defence budget outlays were falling throughout the period in which the Dibb Review and the 1987 Defence White Paper were published. In fact total spending on defence had fallen slightly below the benchmark of 2.6 per cent of GDP, as set out in the 1987 Defence White Paper, to 2.5 per cent in 1987–88 and 2.3 per cent in 1988–89.¹⁵² Likewise, the proportion of the defence budget spent on capital equipment fell from 27.1 per cent in 1986–87 to 21.8 per cent in 1988–89.¹⁵³

The Government declared that Defence would contribute towards the cost of capability development by making savings from within its existing budget. Defence Minister Beazley told the House of Representatives in March 1988 that the Government's:

... defence policy encompasses the largest capital investment program in Australia's peacetime history; but we can fund that program without continuous growth in defence spending provided we manage the defence budget carefully. We have proved that over the past year. Financial circumstances have been tough. After years of strong

143. Ibid., pp. 44, 62 and 87.

144. Ibid., pp. 44 and 48.

145. Ibid., p. 49.

146. Ibid., p. 63.

147. Ibid., p. 99.

148. Ibid., p. 112.

149. K Beazley, *After the white paper*, op. cit.

150. Ibid.

151. P Dibb, *Review of Australia's defence capabilities: report to the Minister for Defence by Mr Paul Dibb*, op. cit., pp. 172–73.

152. Department of Defence, *Defence report 1987–88*, Australian Government Publishing Service, Canberra, 1988, p. 90; Department of Defence, *Defence report 1988–89*, Australian Government Publishing Service, Canberra, 1989, p. 114.

153. G Cheeseman, 'Australia's defence: white paper in the red', *Australian Journal of International Affairs*, 44(2), August 1990, p. 103; Department of Defence, *Defence report 1988–89*, Australian Government Publishing Service, Canberra, 1989, p. 117.

growth under the Hawke Government defence spending has been cut this year, but through innovative management we have kept the White Paper on track.¹⁵⁴

Indeed, Minister Beazley asserted that the realisation of such savings was typically a part of the white paper process. The same speech also indicated that the Government was engaged with one of the major problems of the 1987 Defence White Paper strategy: how to defend Australia from low-level attacks across large areas of northern Australia and its air and sea approaches. To this end, the Minister announced the formation of Northern Command (NORCOM) to be based in Darwin and also, the conduct of exercise Kangaroo 89, which he claimed would test the ADF's ability to respond to threats across such large areas.¹⁵⁵

The 1987 Defence White Paper defined Australia's area of primary strategic interest as being South East Asia, the South West Pacific and the eastern Indian Ocean. Some commentators pointed out the difficulty Australia, with its limited resources, would have operating across such a broad area. In particular, Ross Babbage, a former Head of Strategic Analysis in the Office of National Assessments, commented on limitations in the ability of the ADF to counter widespread but low-level incursions into Australian territory, including the:

- inability of the Jindalee Operational Radar Network (JORN) to track small vessels which would be used to assist with such low-level incursions
- difficulties faced by Australia's P3-C Orion fleet in identifying such vessels
- JORN's inability to detect the height of incoming aircraft would restrict its ability to direct RAAF fighters to intercept incoming aircraft
- lack of adequate ocean hydrography in some areas of Australia's northern coastline and
- legal constraints on Australia's ability to act outside of its territorial waters.¹⁵⁶

Babbage also noted the concerns of 'many, and perhaps most, senior servicemen' that denial as a strategy was too reactive. They would have preferred to select a 'range of offensive options'. Babbage also pointed out the difficulty this would present in translating this approach into clear force structure options.¹⁵⁷

The air and sea denial concept set out by both the Dibb Review and 1987 Defence White Paper highlighted low-level conflict capabilities to deal with 'credible contingencies'. However, global events would soon test the white paper's capability focus. The 1987 coup in Fiji resulted in the deployment of ADF personnel to assist in the possible evacuation of Australians from that country, under Operation Morris Dance. According to some, Operation Morris Dance revealed shortcomings in the ADF's capacity to land troops from the sea, as well as securing and evacuating Australian citizens.¹⁵⁸ In addition, the deployment to the Gulf War in 1990–91 highlighted the difficulties the ADF faced when preparedness levels declined.¹⁵⁹ These two deployments provided specific examples of the varying roles of the ADF, and highlighted that capability choices needed to be aligned with the full range of potential ADF activities.

154. K Beazley, '[Ministerial statement: Defence policy progress report](#)', House of Representatives, *Debates*, 22 March 1988, accessed 13 January 2015.

155. *Ibid.*

156. R Babbage, *A coast too long: defending Australia beyond the 1990s*, Allen and Unwin, Sydney, 1990, pp. 61–96.

157. R Babbage, 'Australia's defence after the Dibb Report', *Current Affairs Bulletin*, 63(7), December 1986, pp. 16–23.

158. A Hinge, *Australia's search for self-reliance: a critique of Australian defence policy implementation and outcome 1985–2005*, op. cit., pp. 45–46.

159. *Ibid.*, p. 50.

Defending Australia (1994 Defence White Paper)



CH-47 Chinook helicopter (Source: [Australian Defence Image Library](#))

Synopsis:

- The 1991 Force Structure Review recommended, as a cost saving measure, a significant reduction in ADF and Defence civilian personnel numbers.
- By the time of the 1994 Defence White Paper's release, the workforce had been reduced by more than 16 per cent of Defence civilians and 15 per cent of ADF personnel.
- In 1992, despite the end of the Cold War, the Government assessed in *Australia's strategic planning in the 1990s* that Australia's strategic environment had changed very little since the 1987 Defence White Paper. Yet one year on, with the release of the *Strategic Review 1993*, the assessment of Australia's strategic environment had significantly changed and stability in the region was now much harder to predict.
- For the first time, a defence white paper included a section on ADF assistance in international and domestic disaster relief operations, but it emphasised that this would not influence defence capability decision-making.
- The concept of self-reliance remained a high priority.
- There was a greater emphasis on regional engagement and the Australia-United States alliance remained a key defence policy element.
- Defence industry priorities were identified in the white paper while simultaneously acknowledging that demand for defence specific goods and services is difficult to support in such a highly-competitive market.
- The aspiration for defence spending decreased to two per cent of GDP (as opposed to the aspirational 2.6 to 3 per cent outlined in the 1987 Defence White Paper).
- This white paper emphasised spending on major defence equipment upgrades, arguably at the expense of overall military preparedness levels through a reduction in personnel and training.

Introduction

The Keating Government tabled the 1994 Defence White Paper, entitled *Defending Australia*, in Parliament on 30 November 1994.¹⁶⁰ The 1994 Defence White Paper reaffirmed Australia's defence policy of self-reliance while also supporting strategic engagement with regional neighbours and the United States. The white paper's outlook encompassed the next 15 years.¹⁶¹ The Opposition expressed disappointment with the 1994 Defence White Paper, arguing that it was not adequately funded and did not do enough to support ADF personnel.¹⁶²

Prior to the 1994 Defence White Paper's release, the Government initiated a number of key reviews that contributed to the paper.

Force Structure Review 1991

In May 1990, the Government commissioned a Force Structure Review (FSR) and within one year, the Minister for Defence, Robert Ray, released the public version of the report.¹⁶³ The FSR aimed to convert 'some combat capabilities—principally in Army—to the reserves, by greater efficiency in support and maintenance functions for all three Services, and by instituting some adjustments to the major capital investment program'.¹⁶⁴

The FSR suggested a number of adjustments, including:

- maximising combat capabilities by reducing the numbers of service personnel involved in headquarters and base support functions; and by using commercial and civilian support and maintenance where operationally feasible, practicable and cost effective
- meeting the strategic focus on northern and western operations by extending western basing for the Navy and northern basing for further major Army units, and enhancing the forward deployment capacity of the Air Force and
- making greater use of reserves, including a new form of reserve service, the Ready Reserve, to supplement the current reserve forces of each Service, while maintaining the required overall force readiness.¹⁶⁵

As a cost-saving measure, the FSR prompted significant cuts to personnel numbers, up to 10,500 over ten years: 1,000 from the RAN; 5,200 from Army; 4,200 from the RAAF and more than 3,800 Defence civilians.¹⁶⁶ The subsequent 1994 Defence White Paper recognised that savings had been achieved through the reduction of the workforce by more than 16 per cent of Defence civilian personnel and 15 per cent of military personnel.¹⁶⁷

The FSR considered what capabilities the ADF was likely to require in the 21st century, particularly as platforms and equipment became obsolete.¹⁶⁸ For instance, the FSR suggested that the RAN's fleet of surface combatants should increase from ten to sixteen ships by 2010 and the existing 15 Fremantle Class Patrol Boats (FCPBs) be retained until 2004, to be replaced by 12 new patrol boats.¹⁶⁹ As it turned out, 12 surface combatant vessels were in service with the RAN by 2010 and three Air Warfare Destroyers were under construction.¹⁷⁰ The fleet of FCPBs began to be replaced by the Armidale Class Patrol Boats from mid-2005.¹⁷¹

Australia's Strategic Planning in the 1990s

Australia's Strategic Planning in the 1990s (ASP 90) was drafted in 1989 to provide guidance to the Department of Defence on government priorities for Australia's military development. ASP 90 effectively followed the strategic approach previously outlined in the 1987 Defence White Paper. ASP 90 received government endorsement in November 1989 but was not publicly released until September 1992. At the time of release, the Government stated that 'no previous Government has published the strategic basis series of papers' and that it

160. Australian Government, [Defending Australia: defence white paper 1994](#) (1994 Defence White Paper), White paper, November 1994, accessed 13 January 2015; R Ray, ['Ministerial statements: Defence white paper'](#), Senate, *Debates*, 30 November 1994, accessed 13 January 2015.

161. *Ibid.*, pp. iii–iv.

162. J Newman, ['Ministerial statements: Defence white paper'](#), Senate, *Debates*, 30 November 1994, accessed 13 January 2015.

163. Australian Government, [Force structure review: report to the Minister for Defence](#), Department of Defence, Canberra, May 1991, accessed 13 January 2015.

164. *Ibid.*, p. v.

165. *Ibid.*, p. 1.

166. R Ray, ['Ministerial statements: Defence policy'](#), Senate, *Debates*, 30 May 1991, accessed 13 January 2015.

167. Department of Defence, *Defending Australia: defence white paper 1994*, op. cit., p. 59.

168. R Ray, 'Ministerial statements: Defence policy', op. cit.

169. Australian Government, *Force structure review: report to the Minister for Defence*, op. cit., p. 4.

170. RAN, ['Ship histories'](#), ['Guided missile frigate'](#), ['Frigate helicopter'](#) and ['Future ships'](#), RAN website, accessed 13 January 2015.

171. RAN, ['Patrol boat'](#), RAN website, accessed 13 January 2015.

was doing this to demonstrate its 'commitment to more openness in Government'.¹⁷² From that point on, all unclassified versions of strategic guidance documents were published following Cabinet endorsement.¹⁷³

ASP 90 asserted that Australia's security approach to changing global events (such as the end of the Cold War) required little adjustment from the direction set out in the 1987 Defence White Paper. Furthermore, Australia's regional defence policy focus meant that 'events in Europe and elsewhere do not have a direct impact on our strategic planning. Dramatic as the collapse of the Soviet Union or events such as the Gulf War were, they did not change Australia's immediate security environment'.¹⁷⁴ Nonetheless, another strategic review was conducted and released by the Government in the following year.

Strategic Review 1993

The *Strategic Review 1993* departed from ASP 90's steadfast approach by acknowledging that while it had set the general direction for defence planning, 'since then Australia and the world have changed considerably'.¹⁷⁵ The aim of *Strategic Review 1993* was to begin the process of identifying and adapting Australia's strategic and defence policies to address emerging challenges in the post-Cold War era. While the *Strategic Review 1993* contributed in part to the forthcoming defence white paper process, it only had an outlook of three to five years, whereas the 1994 Defence White Paper would look much further into the 21st century. The *Strategic Review 1993* reinforced the defence of Australia doctrine (self-reliance) but also placed a higher degree of importance on supporting broader regional engagement and Australia's strategic alliances.¹⁷⁶ In addition, it recognised the need for Australian defence and security planners to adapt to 'growing complexity and uncertainty' in the region, particularly the:

- increased modernisation of regional forces
- United States' focus and its role in the Asia-Pacific region over the next ten years
- promotion of international peace and security through the United Nations and emerging regional multilateral organisations
- strategic posturing of China, Japan and India
- concern about the proliferation of weapons of mass destruction
- insecurity on the Korean peninsula
- impact of economic and trade alliances on strategic planning
- rise of Asian economies and their impact on regional stability
- socio-economic concerns in the South West Pacific and
- continuing 'instability in the Middle East'.¹⁷⁷

Overall, the *Strategic Review 1993* assessed that Australia's main strategic focus should be pursued through greater engagement in the 'Asia-Pacific' region.¹⁷⁸ This concept was reproduced in the 1994 Defence White Paper.

Public consultation—defence white paper process

In the lead-up to the release of the 1994 Defence White Paper, the Australian Democrats unsuccessfully called for the Keating Government to conduct a public consultation process to canvass public opinion on Australia's defence priorities. The Democrats viewed current defence policy (and thinking) as outdated and prompted the Government to take a fresh look at Australia's military requirements by involving the Australian public through public hearings and written submissions.¹⁷⁹ The content of previous defence white papers was not informed by

172. Australian Government, [Australia's strategic planning in the 1990s](#), op. cit., p. iii, accessed 13 January 2015.

173. S Frühling, *A history of Australian strategic policy since 1945*, op. cit., pp. 35–36.

174. Ibid., p. iii.

175. Australian Government, [Strategic review 1993](#), Departmental Publications, 8009/93, Canberra, 1993, p. iii, accessed 13 January 2015.

176. R Ray (Minister for Defence), [Strategic review 1993](#), Defence Publication, Canberra, 1993, p. iii, accessed 13 January 2015.

177. Ibid., pp. 1–2.

178. Ibid.

179. J Woodley (Senator for Queensland), *Democrats call for expert public inquiry to precede defence white paper*, media release, 30 June 1994.

input from the public. However, a public consultation process was adopted in the lead-up to the 2000 Defence White Paper and this has been repeated for subsequent defence white papers (discussed below).¹⁸⁰

1994 Defence White Paper

Strategic objectives

While Defence Minister Robert Ray acknowledged that the 1994 Defence White Paper was ‘not sexy enough’ and did not contain ‘any massive new equipment purchases’ or ‘any shocking revelations’, he argued that this was satisfying because it showed the Government had been doing a good job on defence matters over the last seven years.¹⁸¹

The 1994 Defence White Paper reflected a similar concept to that which was outlined in the *Strategic Review 1993*—that Australia’s strategic outlook should focus on Asia and the Pacific.¹⁸² While previous defence white papers discussed Australia’s engagement within the region, they delineated between South East Asia and the Pacific, whereas the 1994 Defence White Paper focused on the broader Asia-Pacific region as a whole.¹⁸³ Subsequent defence white papers continued this trend.

The 1994 Defence White Paper was the first of its kind produced after the end of the Cold War. The terminology used in it acknowledged the post-Cold War environment and the changed strategic dynamics within the region—recognising that Australia’s ‘future security’ was dependent on stability in broader Asia and in the Pacific.¹⁸⁴ Despite the enhanced focus on ensuring security in the Asia-Pacific, the overarching premise of self-reliance continued to dominate. Primarily, Australia must rely on its own forces because its ‘security environment and national interests are unique’.¹⁸⁵ The strategic posture laid out in the 1994 Defence White Paper was relatively defensive, stating:

We will not use armed force except to defend our national interests, and we do not envisage resorting to armed force other than in response to the use or threat of force by others. We have no disputes with other countries which might be expected to give rise to the use of force, and no reason at present to expect that disputes of that sort will develop.¹⁸⁶

The White Paper warned of ‘new uncertainties’ as the security environment in Asia became less predictable following the end of the Cold War. Power struggles and political change in the region had the potential to destabilise the region and ‘perhaps quite seriously in the future’ possibly lead to armed force being used against Australia.¹⁸⁷ As such, Australia would need to be prepared to respond, and ‘be capable, without combat assistance from other countries, of defeating any attack which could credibly be mounted against Australia’.¹⁸⁸ Consequently, this objective would determine the capabilities required of the ADF.¹⁸⁹

Another first for an Australian defence white paper was the inclusion of a specific objective to use the ADF in disaster relief activities, domestically and internationally. The 1994 Defence White Paper emphasised, however, that these activities would not determine the force structure of the ADF or deter the military from their primary

180. J Moore (Minister for Defence), [Community consultation team report released](#), media release, 9 November 2000, accessed 13 January 2015.

181. Editorial, ‘Australian Defence Studies Centre Conference: Ray ‘opens up’ on defending Australia’, *Defence Industry & Aerospace Report*, 4, 16 December 1994, p. 1; G Cheeseman, ‘Defending Australia from Defence: Labor’s 1994 White Paper’, *Current Affairs Bulletin*, June/July 1995, p. 37.

182. The *Strategic Review 1993* used the term ‘Asia-Pacific’ to broadly incorporate the following: Australia’s ‘region’ refers to the ‘Subcontinent, South-East Asia, North-East Asia and the South West Pacific. Australia’s ‘nearer region’ refers to South-East Asia, the South-West Pacific and the nearer reaches of the Indian Ocean. South-East Asia comprises the six members of the Association of South-East Asian Nations (ASEAN) (Indonesia, Malaysia, Singapore, The Philippines, Thailand and Brunei) as well as Burma and the three countries of Indochina. The South-West Pacific includes Papua New Guinea, the other South Pacific Forum states, French, New Zealand and United States territories’. Cited in Australian Government, *Strategic Review 1993*, op. cit., p. 1. The 1994 Defence White Paper used the term ‘Asia and the Pacific’ and included the states described in the *Strategic Review 1993* with varying levels of importance—1994 Defence White Paper, op. cit., pp. 85–93.

183. Ibid., 1994 Defence White Paper, pp. iii–iv.

184. Ibid., p. 3.

185. Ibid., p. 3.

186. Ibid., pp. 3–4.

187. Ibid., p. 4.

188. Ibid., p. 14.

189. Ibid., p. 14.

role in defending Australia.¹⁹⁰ The use of ADF personnel and equipment in disaster relief operations went on to feature more prominently in subsequent defence white papers.

The 1994 Defence White Paper noted the ongoing post-Cold War presence of the United States in the region but recognised that it would not 'seek nor accept primary responsibility for maintaining peace and stability in the region'.¹⁹¹ Despite this realisation, coupled with the Australian Government's emphasis on self-reliance, the United States alliance remained a 'key element' in Australia's defence policy.¹⁹²

In addition, the white paper predicted that over the next 15 years, China's economy would grow to become the largest in Asia. Consequently, China's military capabilities, particularly its maritime forces, would expand and influence the strategic and political framework within the Asia-Pacific.¹⁹³ Notwithstanding this, the discussion about China in the white paper was relatively minimal.

Just after the 1994 Defence White Paper was released, the Defence Minister stated that while self-reliance was still the principal theme of Australia's defence policy, this:

... doesn't mean self-sufficiency, because if we were arguing for a self-sufficient defence force that can supply all its own materiel, you would be looking at doubling or trebling the defence budget.¹⁹⁴

Given the recession of the early 1990s, it was not surprising that the 1994 Defence White Paper contained some austerity measures and little in the way of new capability announcements. Consequently, the ADF's preparedness levels were prioritised to concentrate on areas that contribute to sea and air intelligence, surveillance and responses, some strike capability elements and 'land force surveillance, reconnaissance, ready reaction and Special Forces elements'.¹⁹⁵ Outside of these areas, a lower priority was placed on maintaining high levels of readiness. Specifically, the 1994 Defence White Paper stated that the ADF would 'continue to emphasise strengthening the long-term capacity of our Defence Force through investment, rather than on sustaining higher levels of preparedness than our present strategic circumstances and levels of activity require'.¹⁹⁶

This objective mirrored recommendations made by Alan Wrigley (former Deputy Secretary of the Department of Defence and former Director-General of the Australian Secret Intelligence Organisation), following his review of Defence in the 1990s. Wrigley proposed—and later reinforced in an article written in January 1994—that:

... the weight given by the Defence Force to its "requirement" for relatively high combat readiness was out of balance with that given to its longer-term expansion potential. For example, in the absence of any credible prospect of a military threat there is no justification for the overwhelming bias, most notably in the Navy and Air Force, favouring full-time forces over reserve forces which allow a larger number of people to be brought to a rather lower level of readiness for the same cost and so providing a better expansion capacity.¹⁹⁷

The 1994 Defence White Paper did, however, maintain that the ADF needed to be prepared for short-warning conflicts, recognising that while Australia's 'survival as a nation would not be at stake in such a conflict, great damage could be done to our national interests if we were unable to deal with the adversary and to settle the conflict on terms favourable to Australia'.¹⁹⁸ The white paper also stipulated that Australia's military preparedness needed to be adequate as the ADF 'would not have time to develop additional capabilities within the relatively short notice we might receive of the development of motive or intention to attack Australia'.¹⁹⁹ In 1999, the ADF's ability to respond at short notice was put to the test as part of the operation to restore peace and security in Timor Leste. While Australia's military contribution in support of the International Force East Timor (INTERFET) was well executed, the ADF was found to have capability deficiencies in training and

190. Ibid., p. 5.

191. Ibid., p. 8.

192. Ibid., pp. 13 and 16.

193. Ibid., p. 9.

194. Editorial, 'Australian Defence Studies Centre conference: Ray 'opens up' on defending Australia', *Defence Industry & Aerospace Report*, op. cit., p. 2.

195. 1994 Defence White Paper, op. cit., p. 31.

196. Ibid., p. 32.

197. A Wrigley, 'Defence forces must live in real world—and on a real budget', *The Sydney Morning Herald*, 27 January 1994.

198. 1994 Defence White Paper, op. cit., p. 24.

199. Ibid., pp. 24–25.

equipment, which made it difficult for military units to train additional personnel and marshal equipment at short notice.²⁰⁰

Identified capability choices

Considering that the strategic doctrine of self-reliance continued over from the 1987 Defence White Paper, it is hardly surprising that the key capabilities nominated remained broadly similar. Some of the capability intentions outlined in the 1994 Defence White Paper were:²⁰¹

- consideration of a Fremantle Class Patrol Boat replacement²⁰²
- major upgrades to the P3-C Orion maritime surveillance aircraft, Guided Missile Frigates (FFGs), the RAN's Sea King helicopters and the RAAF's F/A-18A/B fighter aircraft (within the decade) to extend their life-of-type
- acquisition of helicopters for the ANZAC Class Frigates (FFHs)²⁰³ (this became the ill-fated Super Seasprite project that was eventually cancelled in 2008 after \$1.4 billion had been expended)²⁰⁴
- construction of six Huon Class minehunter ships in Australia
- the purchase of two heavy landing ships from the United States, which were to be modernised into an amphibious capability (HMA Ships *Kanimbla* and *Manoora* were commissioned into service with the RAN in 1994 and decommissioned in 2011 following seaworthiness issues)²⁰⁵
- consideration of a lead-in fighter aircraft for operational and training support²⁰⁶
- acquisition of six mobile ground air defence radars
- raising a fifth Regular Army battalion, including one Reserve company
- consideration of a Kiowa helicopter replacement (a decision was made in March 1999 to acquire 22 ARH Tiger Helicopters, which received Initial Operational Test and Evaluation Readiness in June 2014)²⁰⁷
- consideration of a Caribou aircraft replacement (a decision on this particular capability would not be made until May 2012²⁰⁸) and
- a decision was made not to replace Australia's 103 Leopard tanks with a newer version of the Leopard—the current fleet was described as being 'adequate' out to 2010 (by 2004, the Government had decided to replace the Leopard tanks with 59 M1A1 Abrams tanks from the United States, which were introduced into service in 2007).²⁰⁹

200. ANAO, [Management of Australian Defence Force deployment to East Timor](#), op. cit., p. 10.

201. 1994 Defence White Paper, op. cit., pp. 14 and 43–51.

202. The 1994 Defence White Paper noted that Australia was scoping a collaborative arrangement with Malaysia for an offshore patrol combatant/joint patrol vessel. This program was not pursued by the Government at the time and the life-of-type of the Fremantle Class Patrol Boat was extended until a suitable replacement could be sourced. The patrol boat replacement program commenced in 1999 under Project SEA 1444 with the contract awarded to Defence Maritime Services in December 2003, with Austal Ships as the builder. Cited in Sea Power Centre Australia, ['Welcome to the Armidale Class'](#), *Semaphore*, 4, 4 February 2006, accessed 13 January 2015.

203. This became known as the ill-fated Super Seasprite project. Defence signed a contract with Kaman Aerospace International Corporation in June 1997 but by 1999 the project was already in trouble. After more than 12 years and \$1.4 billion later, the Rudd Government cancelled the project in March 2008. Cited in ANAO, [The Super Seasprite](#): Department of Defence, Audit report, 41, 2008–09, ANAO, Barton, ACT, 2009, p. 13–14, accessed 13 January 2015.

204. Ibid., pp. 13–14.

205. Despite these ships being launched in the United States in the early 1970s, the Australian modernisation program was expected to enable the ships to remain in service until around 2015–16. Both ships were decommissioned in 2011 following significant maintenance issues. Cited in S Smith (Minister for Defence) and J Clare (Minister for Defence Materiel), [Team of experts to plan way forward on amphibious ships fleet](#), media release, 15 February 2011; RAN, ['HMAS Manoora II'](#), RAN website, accessed 13 January 2015; RAN, ['HMAS Kanimbla II'](#), RAN website, accessed 13 January 2015.

206. The A27 BAE Hawk 127 lead-in fighter entered into service with the Royal Australian Air Force (RAAF) in October 2000 and remains in service today. Cited in RAAF Museum, [A27 BAE Hawk 127](#), RAAF Museum website; RAAF, ['Hawk 127'](#), RAAF website, accessed 13 January 2015.

207. ANAO, [2013–14 major projects report: Defence Materiel Organisation](#), Audit report, 14, 2014–15, ANAO, Barton, ACT, 2014, p. 280, accessed 3 August 2015.

208. S Smith (Minister for Defence) and J Clare (Minister for Materiel), [New battlefield aircraft for the Air Force](#), media release, 10 May 2012, accessed 13 January 2015.

209. 1994 Defence White Paper, op. cit., pp. 37–55; R Hill (Minister for Defence), [M1 Abrams chosen as Australian Army's replacement tank](#), media release, 10 March 2004, accessed 13 January 2015.

Industry for defence

Prior to the release of the 1994 Defence White Paper, a number of reviews had been conducted and recommendations concerning defence industry policy were in the process of being implemented. The *Defence Annual Report 1993–94* highlighted the Department of Defence's program for developing greater industry involvement in defence procurement and sustainment.²¹⁰ The report listed a suite of measures the Department of Defence was undertaking in this area, including:

- increased guidance on defence priority for Australian industry capabilities and technologies
- greater industry awareness of Defence priorities, policies and programs leading towards better involvement in capability planning and procurement processes through awareness training offered to industry
- the Defence Industry Development (DID) program, which involved \$13.8 million worth of activities
- new defence policy and procedures for intellectual property
- improvements to the tendering process and costs (based on results from the defence industry survey on tendering costs) and
- the establishment of a contracting policy and procedural framework, which included better standard contracting documents, regular updates on Departmental Contracting Instructions, as well as a newsletter, a help desk, procurement training, and contracting officer networks.²¹¹

The 1994 Defence White Paper contained 11 pages dedicated to defence policy for industry (slightly less than the 15 pages dedicated in the 1987 Defence White Paper, but certainly more than the four pages in the 1976 Defence White Paper).²¹²

The 1994 Defence White Paper adopted a number of Priority Industry Capabilities that needed government support, which had been identified in the *Strategic Review 1993*. These included:

- combat systems software and support
- data management and signal processing, including for intelligence and surveillance
- command, control and communications systems
- systems integration and
- repair and maintenance of major weapons and surveillance platforms.²¹³

The 1994 Defence White Paper asserted that in these areas, the 'defence-related skills which Australian companies develop will enable them to take advantage of wider commercial opportunities in Australia' and overseas.²¹⁴

The 1994 Defence White Paper commended the success of the Government's earlier defence policy for industry, stating that it had encouraged:

... efficient production and work practices and export-oriented Australian manufacturing and services. Major projects, such as the Collins Class submarines and ANZAC frigates, have transferred new technologies to Australia and enhanced important skills, including managing complex engineering development projects, systems integration and software engineering. Other projects, such as the Jindalee Operational Radar Network, have developed new technologies indigenous to Australia. Industry's capabilities have also been strengthened as the Defence Organisation has set demanding standards for quality assurance, project cost and schedule control. At the same time, the Commercial Support Program has opened significant areas of activity to Australian industry.

In 1994–95, some 80 per cent of Defence's expenditure on facilities, equipment, goods and services will be spent in Australia. This percentage, which represents a major increase over the last decade, results from the high levels of

210. Commonwealth of Australia, *Defence annual report 1993–1994*, Department of Defence, Canberra, 1994, pp. 191–196.

211. *Ibid.*, pp. 193–195.

212. 1994 Defence White Paper, *op. cit.*, p. 13 and 113.

213. *Ibid.*, pp. 115–116.

214. *Ibid.*, p. 116.

Australian industry involvement in major equipment projects. These projects increased the share of capital equipment expenditure in Australia from 25 per cent in 1984–85 to 64 per cent in 1994–95.²¹⁵

However, the white paper warned that demand for defence specific goods and services would remain uneven and would inevitably be insufficient to sustain the whole range of companies. As such, Australian industry would need to continue diversifying into other markets to remain sustainable in the long term.²¹⁶ The risk with Australian companies branching out into other markets was that defence-related work could potentially be sidelined and as a result, defence contracts could be lost to other countries, which was the case when Australian firm ASTA lost the F/A-18 fighter aircraft maintenance contract to New Zealand.²¹⁷

The Government promised to provide specific information for each major procurement project, regarding the level of industry capacity required to provide through-life support to the ADF. Additionally, to promote better industry involvement in the capability development process, the Department of Defence would 'consider modifying the timing of its defence projects where this improves the continuity of work-flow, encourages the sustainability of high priority skills, and does not jeopardise the capability' of the ADF.²¹⁸ To allow Australian industry to provide input to procurement and sustainment solutions, the Department of Defence also promised to release forward procurement plans. Similarly, it would seek Australian industry's contribution to technically complex capability solutions.²¹⁹

The Government's contracting policy in 1994 resolved to 'buy Australian', and as such, all Defence acquisitions worth more than \$5 million formally required the involvement of local industry considerations.²²⁰

The 1994 Defence White Paper promised that the Department of Defence would prioritise and support industry capabilities by improving 'its Industry Development Program to ensure it promotes those industrial processes which are critical to developing adaptable and versatile defence capabilities'.²²¹ It also noted that there was limited industry involvement in defence-related research and development (R&D). In response, the Defence Science and Technology Organisation (DSTO) expanded its interaction with industry under its new Industry Support Office to seek greater local R&D contributions to major projects.²²²

The defence export market plays a crucial role in maintaining Australia's own industry capabilities, but at the time of the 1994 Defence White Paper, efforts in this area remained quite modest. The sale of defence and defence-related goods in 1993–94 totalled just \$70.6 million and the white paper acknowledged that Australia was unlikely to become a major exporter in this market. However, it also noted that if Australia's defence industry continued to focus on 'niche markets', further export opportunities would likely develop, particularly under the defence investment program.²²³ Despite the long-term benefits to the Department of Defence for supporting defence industry exports, the Government expected 'Australian firms to take the lead in marketing and exporting defence products'.²²⁴ Nevertheless, the Government also undertook to consult with industry in developing an export and materiel cooperation strategy, especially given the strict controls the Department of Defence placed on defence exports.²²⁵

While the 1987 Defence White Paper emphasised the benefits of the Defence Offsets Program (via the Australian Industry Involvement program) as a way to promote and support local defence industry, the 1994 Defence White Paper did not feature Offsets as a defence industry policy measure. The reason for its omission can be traced to the Price Review in 1992, which recommended that Australian industry involvement in defence purchasing should be achieved by more focused provisions in contracts and that 'Defence offsets are to be maintained as a measure of last resort'.²²⁶

215. Ibid., pp. 113–114.

216. Ibid., p. 114.

217. S Dolan, 'Dispute over \$2.5 m aerospace deal', *Herald Sun*, 6 February 1995.

218. Ibid., p. 117.

219. Ibid., p. 117.

220. Commonwealth of Australia, *Defence annual report 1995–1996*, Department of Defence, Canberra, 1996, p. 144.

221. 1994 Defence White Paper, op. cit., p. 121.

222. Ibid., p. 121.

223. Ibid., p. 122.

224. Ibid., p. 123.

225. Ibid., pp. 122–123.

226. R Price, *Defence policy and industry: report to the Minister for Defence*, Department of Defence, Canberra, January 1992, p. vii.

Alignment of cost, capability and strategic objectives

At the time the 1994 Defence White Paper was released, the Keating Government committed to spending two per cent of Australia's GDP on defence and was committed to making 'a five-year defence budget commitment from 1996–97'. The two per cent expenditure figure stated in the 1994 Defence budget was less than that committed by the Hawke Government on the release of the 1987 Defence White Paper. At that time, the Government promised to maintain defence spending at between 2.6 and 3 per cent of GDP.²²⁷

Defence Minister Robert Ray argued that while the Department of Defence budget had decreased by 1.25 per cent in 1994, this was minimal compared to other countries. For instance, in that same year, it was reported that Canada's defence budget decreased by 11.3 per cent, New Zealand's by 23.6 per cent, Britain's by 13.3 per cent and the United States' by 21.9 per cent.²²⁸ The Defence Minister predicted that the Australian defence budget would need to increase in 1997–98 to allow the white paper targets to be met.²²⁹ Minister Ray warned, however, that capability gaps in Australia's combat aircraft, surface combatant fleet and Army tanks could develop around the year 2010 if governments in the years 2000 and 2002 neglected to make decisions about replacement capabilities.²³⁰

Efficiency savings that had previously been put in place were still being implemented through the reduction of the Department of Defence's civilian workforce—the number of civilian employees declined from 25,006 in 1991 to 20,966 by 1994.²³¹ The number of civilian employees was further reduced to 17,664 by 1997–98.²³²

The Defence Minister also highlighted key changes to funding arrangements which would allow the Department of Defence to 'carry over up to \$100 million of planned expenditure on major capital equipment and facilities projects into the following financial years'.²³³ Previously, the Department of Defence had to spend its entire budgetary allocation or risk any underspend being deducted from future funding.²³⁴ The capital investment expenditure allocated to the Department of Defence for the year 1994–95 amounted to \$2.9 billion. This was expected to cover approved planned procurement projects, such as the ANZAC Frigates, Collins Class submarines, JORN and the Australian light armoured vehicle.²³⁵

Following the Government's budget announcement, the Opposition raised concerns about the risk of lowering the ADF's preparedness levels. Shadow Defence spokesperson Peter Reith argued that the Government should prioritise bringing 'the capital equipment, personnel and operating cost equations back into a more sensible balance' to ensure levels of preparedness were maintained.²³⁶

The reduction in the 1994–95 Defence budget had been forecast in the previous year's Budget. The Chief of the Defence Force at the time, Admiral Alan Beaumont, warned that 'defence spending had already been cut to the bare bones and that a further fall in spending would directly harm combat capability'.²³⁷ The Defence Minister was quoted as agreeing with Admiral Beaumont, saying that he did not 'think the defence budget [could] be reduced much further without cutting capabilities'.²³⁸ Nonetheless, Minister Ray was adamant the current defence allocation would 'enable Defence to continue with its planned capital investment programs and its ongoing schedule of exercises, deployments and training activities'.²³⁹

227. 1987 Defence White Paper, op. cit., p. 112.

228. Editorial, 'Australian Defence Studies Centre conference: Ray 'opens up' on defending Australia', *Defence Industry & Aerospace Report*, op. cit., p. 4.

229. Ibid.

230. Ibid., p. 5.

231. P Keating, 'Ministerial statements: Defence Australia: defence white paper 1994', House of Representatives, *Debates*, 8 December 1994; ibid., p. 60, accessed 13 January 2015.

232. Department of Defence, *Defence annual report 1997–1998*, Canberra, 1998, p. 24.

233. R Ray (Minister for Defence), *New defence budget arrangements to maximise value for money*, media release, 10 May 1994, accessed 3 August 2015.

234. Editorial, 'Defence cuts continue', *Royal Australian Air Force News*, June 1994; Editorial, 'Ray 'trumps' Beazley on Budget overflow: Defence budget report', *Defence Industry & Aerospace Report*, 13 May 1994, p. 3.

235. Ibid.; M Hawkins 'Defence update', *Australian Aviation*, July 1994, p. 41.

236. P Reith (Shadow Minister for Defence), *Defence cuts exacerbate Labor's record of mismanagement*, media release, 10 May 1994; Editorial, 'Defence spending down \$42.5b: Reith', *The Canberra Times*, 26 June 1994, p. 3.

237. G Ferguson, 'Australian Defense [sic] chief warns against more budget cuts', *Defence News*, 18–24 October 1993, p. 40; C Stewart, 'Defence capability in doubt as allocation sliced again', *The Australian*, 11 May 1994, p. 21.

238. Cited in Editorial, 'Funding can't be cut, says minister', *The Australian*, 11 October 1993, p. 7.

239. Cited in C Stewart, 'Defence capability in doubt as allocation sliced again', op. cit.



The Government's 1994–95 Defence budget measures drew widespread criticism, particularly from the Australian Defence Association (ADA) which argued that the budget measures had effectively dismantled Australia's national defence. ADA spokesperson Michael O'Connor stressed that the ADF was 'being reduced to a care and maintenance organisation as it had been in the 1930s' and was 'simply unable to support the government's foreign policy in Asia, much less' defend Australia; 'the ADF is just one more major national asset being sold off by the government'.²⁴⁰

240. M O'Connor, *Government is dismantling national defence*, media release, Australian Defence Association, 11 May 1994.

Defence 2000: Our Future Defence Force (2000 Defence White Paper)



M777 Howitzer (Source: [Australian Defence Image Library](#))

Synopsis:

- The *1996 Defence Efficiency Review* (McIntosh Review) triggered the Government's Defence Reform Program, which resulted in internal rationalisation and efficiency reforms, and was completed just prior to the release of the 2000 Defence White Paper.
- The outcomes of the 1997 strategic review focused on defeating attacks against Australia without increasing defence funding.
- In the lead-up to the 2000 Defence White Paper, the first public consultation was conducted, but the degree to which this influenced the white paper is unclear.
- While Australia's alliance with the United States remained key, the concept of self-reliance was retained in this white paper as a priority, which reinforced the need to support local capabilities.
- Cyber security featured for the first time as a national security issue in a white paper.
- Priority Industry Capabilities identified in the white paper mostly replicated those listed in the 1994 iteration.
- The inaugural Defence Capability Plan (DCP) promised to provide better guidance to industry on defence capability proposals. The DCP had a ten-year outlook and included around \$47 billion (year 2000 prices) worth of projects.
- The white paper included a strategy to increase ADF personnel levels from 51,000 to 54,000 over ten years, with a greater emphasis on Army capability.
- A new fighter aircraft replacement program was flagged with a view to introducing 100 new aircraft from 2012.
- Through-life capability costs for white paper projects were estimated at \$141 billion over ten years.
- Defence spending was expected to grow at around three per cent annually in real terms over the decade. The white paper maintained its funding commitment, but delivery of new or upgraded equipment soon began to slow.
- In contrast to previous defence white papers, the 2000 Defence White Paper set out and linked strategic priorities to the subsequent capability requirements, and then attached them to a long-term program to fund the necessary acquisitions and enhancements.

Introduction

The Howard Government tabled *Defence 2000: Our Future Defence Force* (2000 Defence White Paper) in Parliament on 6 December 2000.²⁴¹ The 2000 Defence White Paper was presented with a ten-year funding

241. Australian Government, [Defence 2000: our future defence force](#) (2000 Defence White Paper), White paper, December 2000, accessed 13 January 2015, p. vii; J Howard, '[Ministerial statements: Defence 2000—our future defence force](#)', House of Representatives, *Debates*, 6 December 2000, accessed 13 January 2015.

outlook and was accompanied by the inaugural *Defence Capability Plan* (DCP), containing unapproved major capital projects over the next ten years.²⁴² The paper received bipartisan support, with the Opposition Leader, Kim Beazley, indicating that it was 'an appropriate basis for defence policy and military strategy in Australia'.²⁴³

Similar to previous white papers, key reviews were undertaken to inform the direction of the 2000 Defence White Paper. These are discussed below.

Defence Efficiency Review 1996

In 1996, the Howard Government initiated the Defence Efficiency Review, headed by CSIRO Chief Executive Malcolm McIntosh.²⁴⁴ McIntosh delivered the final report, *Future Directions for the Management of Australia's Defence* (McIntosh Report), to the Government in March 1997.²⁴⁵ The McIntosh Report highlighted that Australia's former 'comfortable margin of military capability over most of the countries of our region' was beginning to erode as the economies in Australia's region grew, allowing them to spend more on military capabilities.²⁴⁶

The McIntosh Report aimed to find cost efficiencies within Defence that would maximise capability spending.²⁴⁷ It estimated that one-off savings of \$442 million could be achieved, with recurrent annual savings of \$773 million, through its stated reforms.²⁴⁸

In response to the McIntosh Report, Defence Minister Ian McLachlan announced the Defence Reform Program (DRP), which was based on the 70 recommendations and findings set out in the McIntosh Report.²⁴⁹ In terms of defence procurement, the DRP entailed the co-location of acquisition functions and the re-organisation of the materiel, industry and contracting groups that would focus on common industry sectors or types of equipment, rather than divisions by Service.²⁵⁰ The internal rationalisation and efficiency reforms occurred throughout the Department of Defence, including in the Defence Acquisition Organisation, with the aim of shortening acquisition times, providing better whole-of-life costing for equipment, reducing transaction costs with industry, streamlining personnel functions and providing the Government with 'greater transparency and oversight of the acquisition process'.²⁵¹

The DRP was completed on 30 June 2000 and reportedly yielded:

... a significant redistribution of resources to combat capability. As at 30 June 2001, a total of \$1,657m had been redirected to current and future capability from cumulative reform program savings of \$2,010m (the remainder, \$353m, being spent on transition costs, mostly involving market testing activities).²⁵²

Whilst the DRP led to some savings, they were not sufficient to eliminate the pressure on the defence budget. In a key finding, the McIntosh Review cautioned that 'finding and redistributing savings to warfighting capability will be a major step forward however it is likely that more overall resources (i.e. a higher proportion of Gross Domestic Product) will need to be allocated to Defence in the future'.²⁵³

This mismatch between resources and demands was also echoed in the subsequent Government report, *Australia's Strategic Policy 1997*.

242. The Defence Capability Plan (DCP) replaced previous iterations of the Defence New Capital Equipment Proposals (the Pink Book) which traditionally spanned five-year periods—2000 Defence White Paper, *ibid.*, p. v and p. 77; Australian Government, [Defence capability plan 2001–2010](#) (Public version), Department of Defence, Canberra, 2001, accessed 13 January 2015.

243. K Beazley, 'Ministerial statements: Defence 2000: our future defence force', *op. cit.*, a similar statement was made by S Martin (Shadow Minister for Defence), [Defence white paper 2000—new policy for new times?](#), Australian Defence Studies Centre Forum, Canberra, speech, 12 December 2000, accessed 13 January 2015.

244. Australian Government, [Future directions for the management of Australia's Defence: report of the defence efficiency review](#), Department of Defence, Canberra, March 1997, accessed 13 January 2015.

245. *Ibid.*, p. i.

246. *Ibid.*, p. 6.

247. *Ibid.*

248. *Ibid.*, Annex C.

249. I McLachlan (Minister for Defence), [Defence reform program](#), media release, 11 April 1997, accessed 13 January 2015.

250. Commonwealth of Australia, *Defence annual report 1996–1997*, Department of Defence, Canberra, 1997, p. 12.

251. Commonwealth of Australia, [Defence annual report 1999–2000](#), Department of Defence, Canberra, 2000, p. 6, accessed 13 January 2015.

252. Commonwealth of Australia, [Defence annual report 2000–2001](#), Department of Defence, Canberra, 2001, p. 3, accessed 13 January 2015.

253. Commonwealth of Australia, *Future directions for the management of Australia's defence*, *op. cit.*, Annex E-1.

Australia's Strategic Policy 1997

In 1996, the Howard Government initiated a review of Australia's strategic environment and the military capability needed to shape the ADF out to 2020 and beyond.²⁵⁴ The review was conducted by Rear Admiral Don Chalmers and was 'the first major assessment of Australia's security outlook' since the election of the Howard Government.²⁵⁵ The resulting document—*Australia's Strategic Policy* (ASP 97)—was made public in December 1997 and closely aligned with the security aspects of the Howard Government's recently released White Paper on Foreign and Trade Policy.²⁵⁶ At the time ASP 97 was released, Australia's strategic interests were 'directly engaged throughout the wider Asia-Pacific region, because events beyond our nearer neighbourhood could have direct effects within it'.²⁵⁷

The paper stated that the ADF therefore needed to be able to perform three major combat tasks:

- defeat attacks against Australia
- to defend our regional strategic interests and
- support Australia's global interests.²⁵⁸

Defeating attacks against Australia was the first priority and Australia's regional interests were the second:

Priority will be given to the first of these tasks, but decisions will be influenced by the ability of forces to contribute to both tasks. Our planning will also take account of the possibility—albeit unlikely—that we could need forces for both.²⁵⁹

ASP 97 concluded that these capabilities could be achieved 'without major increases in defence funding in the shorter term'.²⁶⁰ In terms of the level of preparedness required by the ADF, ASP 97 acknowledged that 'it would be less risky to require a large proportion of our forces to be always ready for action at very short notice', but 'the result would be that over time, and under significant budgetary pressures, our overall capabilities would decline'.²⁶¹ In time, there would be increased pressure for more funding. As it stood, the existing Defence budget constrained the development of new major capabilities, specifically 'new fighter aircraft or new surface combatants'.²⁶²

Defence Review 2000—Our Future Defence Force: a Public Discussion Paper

The release of a public discussion paper (also known as a 'green paper') in June 2000 added a new dimension to defence policy making as, traditionally, Australian governments had not formally consulted the public on defence and security policy.²⁶³ The purpose of the discussion paper and the accompanying discussion program was to 'inform ... the community about our defence needs, and assist the Government in producing the Defence Policy Statement [or white paper]'.²⁶⁴

There had been significant changes in the regional defence and security environment since ASP 97. Most important was Australia's role in support of Timor Leste's independence and how this had complicated Australia's relations with Indonesia. ASP 97 had cautioned that Australia needed 'to resist efforts to make this strategically important relationship hostage to individual incidents'.²⁶⁵ Yet by September 1999, Australia, with

254. Commonwealth of Australia, *Australia's strategic policy*, Department of Defence, Canberra, 1997, accessed 13 January 2015; I McLachlan, 'Ministerial statements: Australia's strategic policy', House of Representatives, *Debates*, 2 December 1997, accessed 13 January 2015.

255. P La Franchi, 'Strategic review under way', *Australian Defence News*, 9(48), 2 December 1996.

256. Commonwealth of Australia, *Australia's strategic policy*, op. cit., p. 3; A Downer (Minister for Foreign Affairs) and T Fischer (Deputy Prime Minister and Minister for Trade), *Foreign and trade policy white paper*, media release, 28 August 1997, accessed 13 January 2015.

257. Commonwealth of Australia, *Australia's strategic policy* (1997), op. cit., pp. 9–10.

258. Ibid., p. 29.

259. Ibid., p. 36.

260. Ibid., p. 51.

261. Ibid., p. 38.

262. Ibid., p. 51.

263. Department of Defence, *Defence review 2000 – our future defence force: a public discussion paper*, Commonwealth of Australia, Canberra, June 2000, p. v, accessed 13 January 2015.

264. Ibid., p. 1.

265. Commonwealth of Australia, *Australia's strategic policy* (1997), op. cit., p. 22.

more than 5,500 personnel, was leading the United Nations-sanctioned International Force for East Timor (INTERFET) to restore peace and security.²⁶⁶

The INTERFET deployment prompted public interest in, and debate over, the actual purpose of the ADF, and whether Timor Leste was a glimpse of its future role. The deployment also highlighted shortcomings in personnel strength and training as well as military equipment and logistics.²⁶⁷ As David Stevens (RAN Sea Power Centre) noted, the INTERFET mission ‘revealed a yawning gap between advertised and actual capability’.²⁶⁸ The Department of Defence agreed:

While the ADF met immediate operational requirements in 1999–2000, it was fully stretched in many areas to achieve this and, was at the expense of the longer-term sustainability of Defence capabilities... In the medium to longer term, the ADF’s ability to undertake higher intensity, concurrent or prolonged operations is likely to be constrained by personnel shortages, which are exacerbated by current recruitment and retention difficulties, logistic support deficiencies and the increasing obsolescence and reduced serviceability due to ageing equipment.²⁶⁹

The public’s response to the green paper was expected to be a ‘valuable resource for developing the Defence Policy Statement’ (that is, the 2000 Defence White Paper).²⁷⁰ The findings of the Community Consultation Team were detailed in a media release issued by the Defence Minister, John Moore, in November 2000.²⁷¹ Featuring prominently were issues concerning the conditions of service for military personnel (including Reserves) and greater support for defence-related industry.²⁷²

Apart from adopting the phraseology of the consultation team report, *Australian Perspectives on Defence: Report of the Community Consultation Team*, it is not clear to what extent, if at all, the 2000 Defence White Paper was influenced by the consultation process.²⁷³

2000 Defence White Paper

Strategic objectives

While the 2000 Defence White Paper acknowledged that a ‘direct military attack on Australia is unlikely’, it set out three key principles to guide the ADF’s priority task of defending Australia:²⁷⁴

- firstly, self-reliance: Australia must be able to defend itself from direct military attack ‘without relying on the combat forces of other countries’
- secondly, a maritime strategy: ‘to control the air and sea approaches to our continent’ and
- thirdly, proactive operations: although Australia’s strategic posture is defensive, ‘we would seek to attack hostile forces as far from our shores as possible’.²⁷⁵

With the 50th anniversary of the ANZUS treaty approaching, the 2000 Defence White Paper stated that it could not be assumed the United States would automatically assist Australia in the event of a significant threat or attack. The Government believed:

... if Australia were attacked, the United States would provide substantial help, including with armed force.... But we will not depend on it to the extent of assuming that US combat forces would be provided to make up for any deficiencies in our capabilities to defend our territory.²⁷⁶

266. Australian War Memorial, [Australians and peacekeeping](#), website, accessed 13 January 2015.

267. C Fernandes, ‘The road to INTERFET: bringing the politics back in’, *Security Challenges*, 4(3), September 2008, pp. 95–96, accessed 13 January 2015; ANAO, [Management of Australian Defence Force deployments to East Timor: Department of Defence](#), op. cit., pp. 12–13 and 16, accessed 13 January 2015.

268. D Stevens, ‘Strength through diversity: the combined naval role in Operation Stabilise’, Sea Power Centre—Australia, Working paper, 20, 2007, p. 3, accessed 13 January 2015.

269. Commonwealth of Australia, *Defence annual report 1999–2000*, op. cit., p. 8.

270. 2000 Defence White Paper, op. cit., p. 2.

271. J Moore (Minister for Defence), [Community consultation team report released](#), media release, 9 November 2000, accessed 13 January 2015.

272. Ibid.

273. Community Consultation Team, [Australian perspectives on defence: report of the community consultation team](#), Commonwealth of Australia, Canberra, September 2000, accessed 13 January 2015.

274. 2000 Defence White Paper, op. cit., p. xi.

275. Ibid., p. xi.

276. Ibid., pp. 35–36.

The 2000 Defence White Paper emphasised the need for a domestic capability to defend Australia and to provide a more structured approach to defence, setting out five strategic objectives, allocated in the following order of priority:²⁷⁷

- ensuring the ‘defence of Australia and its direct approaches’²⁷⁸
- fostering the security of our immediate neighbourhood in which some countries ‘face large economic and structural challenges’²⁷⁹
- working with regional states ‘to promote stability and cooperation in South East Asia’²⁸⁰
- contributing to the maintenance of ‘strategic stability in the wider Asia-Pacific region’²⁸¹ and
- contributing to ‘the efforts of the international community, especially the United Nations’, in maintaining global peace and security.

Under what was termed the ‘concentric circle’ perspective, Australia recognised that it had ‘strategic interests and objectives at the global and regional levels’ but that the allocation of effort would need to be carefully and selectively distributed.²⁸² Australia would also ‘continue to support the United States in the major role it plays in maintaining and strengthening the global security order’.²⁸³

Another of the Government’s objectives was the maintenance of ready frontline forces. The 2000 Defence White Paper envisaged the Army having the capacity to simultaneously sustain multiple operations, including through the expansion of the ‘number of infantry battalions at high readiness from four to six’.²⁸⁴ This would ensure that the ADF would have the flexibility to engage in operations within Australia and overseas.²⁸⁵

For the first time, cyber security was mentioned in a defence white paper as a national security issue.²⁸⁶ The 2000 Defence White Paper recognised the ‘new security challenge’ of cyber attacks against Australia’s critical information infrastructure and noted Defence’s role in contributing to the development of effective responses to such attacks.²⁸⁷ Subsequently, the *E-Security Initiative* was launched in May 2001 as part of the Howard Government’s budget announcement on national security.²⁸⁸ The initiative focused on safeguarding Australia’s critical information infrastructure that required a collaborative approach from the Australian Security Intelligence Organisation, Defence Signals Directorate (now the Australian Signals Directorate—ASD), the Australian Federal Police and the Attorney-General’s Department to assess and deal with identified threats.

Industry for defence

The 2000 Defence White Paper dedicated nine pages to industry and reiterated the policy approach stated in the comprehensive 1998 Defence and industry strategic policy statement with few variations.²⁸⁹ The Government’s focus was to ensure ‘a sustainable and competitive defence industry base, able to support a technologically-

277. Ibid., p. x.

278. Ibid.—‘Direct approaches’ includes land and sea approaches (pp. xi and 30) and, by reference to ‘hostile lodgement in our approaches’ (p. 47), also implies inclusion of land in the maritime approaches. There is also reference to ‘extended’ air and sea approaches in the context of submarine deployment (pp. xiv, 88 and 95), air cover for the Christmas and Cocos (Keeling) Islands (pp. 84–85), and surveillance (p. 95).

279. Ibid.—‘Immediate neighbourhood’ includes Indonesia, East Timor, Papua New Guinea, the island states of the Southwest Pacific and New Zealand, pp. ix, xi and 20.

280. Ibid.—‘South East Asia’ includes Singapore and Malaysia (through the Five Power Defence Agreements between Australia and those two countries and the United Kingdom and New Zealand) and at least the Philippines, Thailand, Vietnam, Cambodia and Brunei, (pp. 17–18 and 40–41).

281. Ibid.—‘Wider Asia-Pacific region’ includes at least the USA through ANZUS (p. 34), Japan (p. 37), China, Russia, India, South Korea (p. 38), and Thailand and the Philippines (p. 35), with the area also affected by the nature of the relationships between China, Japan, India, Russia and the United States (pp. ix and 17–19). Note that other definitions of the Asia-Pacific generally include the entire Pacific rim, South East and East Asia, and sometimes South Asia.

282. R Lyon, ‘[Assessing the defence update 2007](#)’, *Policy Analysis*, Australian Strategic Policy Institute, Canberra, 10 September 2007, p. 2 and p. x, accessed 13 January 2015.

283. 2000 Defence White Paper, op. cit., p. 32.

284. Ibid., p. 80.

285. Ibid.

286. Ibid., pp. viii, 12–13.

287. Ibid., p. 12.

288. D Williams (Attorney-General), [E-Security initiative: protecting the national information infrastructure](#), media release, 22 May 2001, accessed 13 January 2015.

289. 2000 Defence White Paper, op. cit., pp. 98–106; Commonwealth of Australia, [Defence and industry: strategic policy statement](#), Department of Defence, June 1998, p. iii [available from [Library Catalogue](#)].

advanced ADF' and called for 'efficient, innovative and durable industries—and a close partnership between Defence and those industries'.²⁹⁰

The 2000 Defence White Paper departed from previous white paper terminology which had called for a self-reliant industrial base, but maintained that 'Australia needs a specifically targeted set of capabilities'.²⁹¹ The specifically targeted capabilities included support for in-country 'repair, maintenance, modification and provisioning', most notably during wartime when vital supplies are most needed.²⁹²

Similar to the 1994 Defence White Paper, the 2000 iteration identified Priority Industry Capabilities that Defence needs for support. The list replicated the capabilities identified in the 1994 Defence White Paper, with the exception of the final dot point:

- combat and systems software support
- data management and signal processing, including for information gathering and surveillance
- command, control and communications systems
- systems integration
- repair maintenance and upgrades of major weapons and surveillance platforms, and
- provision of services to support the peacetime and operational requirements of the ADF.²⁹³

To achieve these Priority Industry Capabilities, closer relations between DSTO and industry were required so that the technologically advanced military force envisaged in the white paper could be developed and maintained. Additionally, emphasising softening of the language on self-reliance, the Government would 'seek to make greater use of off-the-shelf purchases, especially where the additional capability from Australian-specific modifications does not justify the increased cost and risk'.²⁹⁴

The 2000 Defence White Paper pointedly states the Government's position that it:

... will shape the environment, in which industry makes its decisions, but will not intervene and shape the market through subsidies and preconceived solutions. We will not limit ourselves to purchases from Australian industry, nor pay an unduly high premium for them.²⁹⁵

The paper acknowledged that some industrial consolidation had occurred but not to the levels experienced in the United States and Europe—the Australian experience saw larger companies absorbing smaller businesses rather than mergers between larger companies.²⁹⁶

The 2000 Defence White Paper promised to provide better guidance to industry on defence capability proposals through the release of the *Defence Capability Plan* (DCP). The DCP would include details about the Government's proposed naval shipbuilding program, aviation systems and communications and information systems over a ten-year period.²⁹⁷

As part of the acquisition reform program, and to further improve Department of Defence's relationship with industry, the Government announced a key reform which established the Defence Materiel Organisation (DMO) by consolidating the Defence Acquisition Organisation with Support Command Australia.²⁹⁸ In addition, the Department of Defence established a unit to promote and monitor its relationship with industry and annually report progress to the Defence and Industry Advisory Council (DIAC).²⁹⁹

290. 2000 Defence White Paper, *ibid.*, p. 99.

291. *Ibid.*, p. 99.

292. *Ibid.*, p. 99.

293. *Ibid.*, pp. 99–100.

294. *Ibid.*, p. 100.

295. *Ibid.*, p. 101.

296. *Ibid.*, p. 102.

297. *Ibid.*, pp. 103–104.

298. *Ibid.*, p. 105.

299. *Ibid.*, p. 106.

Defence Capability Plan

The 2000 Defence White Paper introduced the inaugural *Defence Capability Plan: 2001–2010* (2001 DCP) to replace the *Defence New Major Capital Equipment Proposals*.³⁰⁰ The 2001 DCP provided a ten-year outlook (as opposed to its predecessor's five-year outlook) to better assist industry with future workforce and structural planning.³⁰¹ The 2001 DCP also aimed to encourage greater industry involvement in the capability development process. Specifically, the DCP allowed industry to:

- obtain earlier information and guidance on Defence's long-term capability plans
- identify the skills, technology and infrastructure development requirements needed to support defence capability
- identify opportunities for involvement in defence capability delivery and support
- better understand Defence's capability requirements and
- provide meaningful contributions to Defence's capability definition processes.³⁰²

The public version of the 2001 DCP was released in June 2001 and contained 88 capability proposals, including 165 phases, with an estimated expenditure worth \$47 billion (in December 2000 prices) over the period of the DCP.³⁰³ The Howard Government updated the DCP in 2004 and again in 2006, both with ten-year outlooks.³⁰⁴

Identified capability choices

The 2000 Defence White Paper considered Australia's defence capabilities under five groupings—Land Forces, Air Combat, Maritime Forces, Strike, and Information Capability.³⁰⁵ It was, however, reportedly constrained in its approach because, as Hugh White later recalled, Prime Minister Howard 'himself directed that all capabilities then in the ADF were to be preserved and upgraded, without considering whether the resulting force would be cost effective'.³⁰⁶

To ensure the ADF would have the required equipment, the 2001 DCP set out more than two dozen capability enhancements with an estimated \$13.7 billion in capital expenditure over the decade through to 2010–11.³⁰⁷

The Land Forces element of the ADF would now be structured to 'meet a wider range of possible contingencies, both on Australian territory and beyond'.³⁰⁸ The latter were, however, expected to be 'contributions to lower intensity operations'.³⁰⁹ The development of heavy armoured forces was specifically rejected as they 'would be expensive, and are most unlikely to be needed in the defence of Australia or in our immediate region'.³¹⁰

As stated earlier in the section on strategic objectives, for the Army to sustain simultaneous operations, with, for instance, a brigade on deployment for extended periods and at least one battalion group deployed elsewhere, the Regular Reserve forces would be required to shift their focus away from only providing partially trained personnel to the Army. Instead, the clear priority for Army Reserve units 'will be to provide fully-trained personnel to our ready frontline forces deployed on operations'.³¹¹ This strategy would also require the overall full-time ADF strength of 51,500 (year 2000 figures) to be increased to 'about 54,000 full time personnel by 2010'.³¹²

The Army's strengthened posture would be bolstered by:

- around 20–24 new Armed Reconnaissance Helicopters, entering service from 2004–05

300. Department of Defence, *Defence New Major Capital Equipment Proposals 1995–1999* (The Pink Book), Defence, Canberra, 1995.

301. Department of Defence, *Defence capability plan 2001–2010*, op. cit.

302. Ibid., p. i.

303. Ibid., p. iv; P Reith (Minister for Defence), [Historic defence capability plan 2001–2010](#), media release, 26 June 2001, accessed 13 January 2015.

304. Department of Defence, [Defence capability plan 2004–2014](#), Canberra, 2004; Department of Defence, [Defence capability plan 2006–2016](#), Canberra, 2006, accessed 13 January 2015.

305. Defence capability plan 2006–2016, op. cit. p. iv.

306. H White, 'The new defence white paper: why we need it, and what it needs to do', op. cit.

307. 2000 Defence White Paper, op. cit., pp. 77–97.

308. Ibid., p. 79.

309. Ibid., p. 52.

310. Ibid., p. 79.

311. Ibid., p. 82.

312. Ibid., p. xii.

- an additional squadron of troop lift helicopters (12 to enter service from 2007) capable of operating from the RAN's two troop ships, HMA Ships *Manoora* and *Kanimbla*
- upgrading 350 of the M113 Armoured Personnel Carrier fleet (from 2005)
- better personal equipment and weapons (from 2003)
- air defence weapons to supplement the RBS-70 system (from 2005) and replacement of the Rapier system (from 2009)
- 20 new mortar systems on light armoured vehicles (from 2006)
- new surveillance systems from 2003 and Unmanned Aerial Vehicles from 2007 and
- maintaining and investing in existing capabilities, such as field artillery.³¹³

The initiatives detailed in the 2000 Defence White Paper constituted 'the most significant enhancements to Army's combat power in many years'.³¹⁴

The air combat element proposed that four new Airborne Early Warning and Control (AEW&C) aircraft and up to five air-to-air refuelling aircraft (with 'substantial' air cargo capacity) would be in service by about 2006 with the possibility of the purchase of a further three 'AEW&C later in the decade'.³¹⁵

To forestall the F/A-18A/B Hornets from becoming outclassed over the coming decade, the 2000 Defence White Paper supported a continuation and expansion of the upgrade program to include (by 2007) advanced tactical data links, a helmet-mounted missile cueing system and structural upgrades.³¹⁶ In addition, it envisaged the acquisition of up to 100 new combat aircraft to replace both the F/A-18 and F-111 fighter aircraft, with the first aircraft expected to enter service in 2012.³¹⁷

The maritime forces element proposals included:

- upgrading the ANZAC Class frigates to provide anti-ship missile defences and Harpoon anti-ship missiles, to commence in 2001 and be completed by 2007³¹⁸
- a project beginning in 2005–06 for three new air-defence capable ships to replace the Guided Missile Frigates (FFGs), which were due to be decommissioned from 2013 (the Hobart Class Air Warfare Destroyer program was initially approved in May 2005 [first pass approval] but was placed on the Projects of Concern list in June 2014 due to program delays and cost increases)³¹⁹
- replacement of the support ships HMAS *Westralia* in 2009 and HMAS *Success* in 2015
- mid-life upgrade of the Seahawk helicopters, beginning in 2003
- improved capability of the Collins Class submarines including new combat system to be installed from 2005–06, new and more capable torpedoes (commencing 2002–03, completion 2006), and a program of ongoing upgrades and
- from 2001, planning for the replacement of 15 Fremantle Class Patrol Boats to enter service from 2004–05.³²⁰ (The first of the replacement Armidale Class Patrol Boats were commissioned into service in July 2006).³²¹

The strike capabilities mentioned in the 2000 Defence White Paper were expected to provide the ADF with options to contribute to regional coalitions at acceptable levels of risk to crew and aircraft, even if 'against more capable adversaries'.³²² The 2001 DCP envisaged Defence's key strike platform, the F-111 fighter aircraft,

313. Ibid., pp. 82–83.

314. Ibid., p. 83.

315. Ibid., pp. 86–87.

316. Ibid., p. 86.

317. Ibid., p. 87.

318. Ibid., p. 89.

319. D Watt, [Air warfare destroyer program](#), Research paper series, 2014–15, Parliamentary Library, Canberra, 10 November 2014, accessed 13 January 2015.

320. Ibid., pp. 89–91.

321. RAN, '[Patrol boats](#)', op. cit.

322. 2000 Defence White Paper, op. cit., p. 92.

remaining in service until 'between 2015 and 2020', but considered it unlikely that any suitable and comparable strike aircraft would be available at that time.³²³ The RAAF's F-111 aircraft was retired in December 2010 after 37 years of service.³²⁴

Cost of capability

In practical terms, the 2000 Defence White Paper identified more than two dozen capability enhancements, which were expected to cost \$13.7 billion in capital expenditure over ten years within a total defence expenditure of \$141 billion for that period (see Table 1 below).³²⁵ Over the same period, personnel and operating costs associated with these enhanced capabilities were expected to reach \$2.3 billion. This would result in a total of \$16 billion over the decade specifically related to capability enhancement. A further \$12.5 billion would be required each year for 'maintenance of current capabilities'.³²⁶

The 2000 Defence White Paper took into account through-life costing estimates for the components of capability.

Table 1: Total expected costs for decade 2001–02 to 2010–11

Expenditure item	Capability					Total for decade (year 2000 \$ billion)
	Land forces	Air combat	Maritime forces	Strike	Information capability	
Maintenance of current capabilities	59.0	13.0	35.0	5.0	13.0	125.0
Capital expenditure required for capability enhancements	3.9	5.3	1.8	0.8	1.9	13.7
Additional personnel & operating costs due to enhanced capability	1.1	0.3	0.3	0.0	0.6	2.3
TOTAL (\$ billion)	64.0	18.6	37.1	5.8	15.5	141.0

Source: Department of Defence, *Defence 2000: Our Future Defence Force*, Commonwealth of Australia, Canberra, December 2000, pp. 84–97.

Looking ahead to 2010–11, the Government estimated:

...defence spending will need to grow by an average of about three per cent per annum in real terms over the next decade. (Real spending is measured by reference to the GDP deflator.) The Government is committed to meeting this funding requirement, and it has directed Defence to plan within that budget. The Government intends that funding for 2001–02 and 2002–03 will increase by \$500 million and \$1,000 million respectively, to provide substantial initial funding for a number of key initiatives.³²⁷

According to the 2000 Defence White Paper, 'defence spending in cash terms will stand at approximately \$16 billion per year in today's dollars' by the end of the decade, compared to \$12.2 billion for the year 2000.³²⁸ However, by the time the 2000 Defence White Paper was released, this figure was out of date. Defence revenue from the Government for the year 1999–2000 was \$15 billion; however, part of that increase was due to the commitment of the ADF in Timor Leste, which required additional funding.³²⁹

Alignment of cost, capability and strategic objectives

In contrast to previous defence white papers, the 2000 Defence White Paper set out and linked strategic priorities to the subsequent capability requirements, and then attached them to a long-term program to fund the necessary acquisitions and enhancements. In addition, the Government retained flexibility to vary the list of

323. Department of Defence, *Defence capability plan 2001–2010*, op. cit., pp. 37–38; *ibid.*, p. 93.

324. J Clare (Minister for Defence Materiel), *Retired 'pigs' get a new home*, media release, 4 October 2012, accessed 13 January 2015.

325. 2000 Defence White Paper, op. cit., pp. 77–97.

326. *Ibid.*, pp. 84–97.

327. *Ibid.*, p. 117.

328. *Ibid.*

329. Australian Government, *Portfolio additional estimates statements 1999–2000: Defence Portfolio*, p. 6.

projected enhancements, promising ‘any alternative, more cost-effective means of achieving the desired capability result will be considered before final government approval for specific projects’.³³⁰

Nevertheless, the content of the 2000 Defence White Paper raised questions about the Government’s funding model, the relevance of specific capabilities to achieving strategic objectives, the adequacy of certain capabilities and the level of confidence in whether some capabilities could actually be delivered. As the Secretary of the Department of Defence, Alan Hawke, pointed out, the 2001 DCP represented a mindset change from ‘one where proponents say “this is what we want—give us the money”; to one where we say “this is the money available for this capability, how do we get the best possible result within the funding envelope”’.³³¹

These funding arrangements were, however, quickly challenged as potentially inadequate.³³² The Government had committed to increasing spending by three per cent per year in real terms, as measured by reference to the Non-Farm GDP Implicit Price Deflator.³³³ This replaced the former ‘defence deflator’, a series of adjustments which reflected compensation for price and exchange fluctuations and different inflation measures that applied to individual components of the Defence budget producing, in general terms, a consolidated price indexation.³³⁴ The latter approach recognised that not all costs would increase at the same rate, or necessarily in parallel with GDP. In general, military costs increased faster than the rate of inflation. For example, the cost of maintaining ageing aircraft was rising by seven per cent per year during the 2000 Defence White Paper’s ten-year timeframe, well ahead of the Government’s GDP growth prediction of approximately three per cent.³³⁵ If the price of overseas-sourced assets rose faster than Australia’s GDP, or the exchange rate moved against the Australian dollar, then the GDP deflator would offer less protection to the defence budget than had the former defence deflator.³³⁶

Amphibious lift capability was to be maintained ‘at its present level of three major ships’.³³⁷ This undertaking glossed over the fact that, at the time of the INTERFET deployment to Timor Leste, the existing three ship sealift capability proved to be inadequate. There was, according to David Stevens of the Sea Power Centre:

[a] most significant shortfall... in heavy sealift, due in part to delays in modernising two Newport class amphibious transports purchased from the US Navy in 1994 [HMA Ships *Kanimbla* and *Manoora*]. This left available only the heavy lift ship HMAS *Tobruk*, which was itself long overdue for an extended maintenance period.³³⁸

In this case there was a notional capability, but inadequate capacity in practice. The inoperability of two-thirds of the major transports was remedied by chartering a civilian fast wave-piercing catamaran.³³⁹ For future ‘substantial’ contingencies, again according to David Stevens, ‘additional sealift capacity would still be needed and must either come from other Coalition partners or involve further short-notice commercial charters’.³⁴⁰

Increasing the ADF personnel strength from 51,500 to 54,000 over the decade was acknowledged as a ‘challenge’ in the 2000 Defence White Paper, particularly in light of a 25 per cent shortfall in recruiting.³⁴¹ In addition, as military historian Peter Charlton pointed out:

330. 2000 Defence White Paper, op. cit., p. 57.

331. A Hawke (Secretary, Department of Defence), [One year on](#), Defence Watch Seminar, National Press Club, speech, Canberra, 27 February 2001, accessed 13 January 2015.

332. S Martin (Shadow Minister for Defence), [Defence white paper 2000: new policy for new times](#), Australian Defence Studies Centre Forum, speech, Canberra, 12 December 2000, accessed 13 January 2015.

333. 2000 Defence White Paper, op. cit., p. 117.

334. The shift to the Non-Farm GDP Implicit Price Deflator in 2000 is described in: Australian Government, [Defending Australia in the Asia Pacific century: force 2030](#) (2009 Defence White Paper), White paper, May 2009, p. 137, accessed 13 January 2015; [Joint Standing Committee on Foreign Affairs, Defence and Trade, Funding Australia’s defence](#), Parliament of Australia, Canberra, May 1998 p. 11, accessed 13 January 2015.

335. P Barratt, [‘Farewell to arms unless more is spent’](#), *The Sydney Morning Herald*, 7 December 2000, accessed 13 January 2015; 2000 Defence White Paper, op. cit., p. 118.

336. 2000 Defence White Paper, op. cit., p. 118.

337. 2000 Defence White Paper, *ibid.*, p. 84.

338. D Stevens, ‘Strength through diversity: the combined naval role in Operation Stabilise’, op. cit.

339. *Ibid.*, p. 10.

340. *Ibid.*

341. 2000 Defence White Paper, op. cit., p. 62.

... at the height of the Vietnam conflict... Australia maintained in Phuoc Tuy province a task force of three battalions—slightly more than a [deployable] brigade as envisaged in this White Paper. This was achieved by conscription, and by having nine battalions on the order of battle. This White Paper plans for six battalion groups.³⁴²

Despite these issues, Paul Dibb characterised it as ‘arguably the best Defence White Paper Australia has produced’.³⁴³

According to the ASPI defence budget brief in 2009–10, the commitment to increase defence spending by three per cent per annum over a decade was ‘more than achieved’.³⁴⁴ Included in this apparent overall growth, however, was the supplementation provided for ADF deployments and for unscheduled acquisitions, such as the C-17 Globemaster aircraft, but according to ASPI ‘it is difficult to give a definitive figure for the value of additional funds provided post-2000’.³⁴⁵

Despite maintaining funding commitments, by the eve of the next white paper in 2009, the delivery of new or upgraded equipment that had been envisaged in the 2000 Defence White Paper was ‘slower than anticipated’.³⁴⁶ This was due to shifts in strategic priorities (such as the purchase of the Abrams main battle tank, an acquisition not envisaged by the 2000 Defence White Paper or the 2001 DCP), the refining of projects that then required re-approval by the Government, a lack of personnel, etc.³⁴⁷ The following table summarises the fate of some of the major capabilities which were expected by 2009–10.

Table 2: 2000 Defence White Paper—major capability delivery delays

Project	Planned delivery date	
	Original	Expected (at May 2009)
Armed reconnaissance helicopters	2004–05	2010
Multi-role helicopters	2007	2010
Air defence command and control	2003	2009–10
Air refuelling capability	2006	2010
Global Hawk—unmanned reconnaissance	2007	post-2015
Artillery replacement	2008 to 2010	2011–13
New heavyweight torpedo	2006	unknown

Source: M Thomson, *The Cost of Defence: ASPI Defence Budget Brief 2009–2010*, Australian Strategic Policy Institute, Canberra, 2009, p. 93.

342. P Charlton, ‘[Shot in the arm](#)’, *The Courier Mail*, 7 December 2000, accessed 13 January 2015.

343. P Dibb, ‘[Defence paper is evolutionary](#)’, *Australian Financial Review*, 7 December 2000, accessed 13 January 2015.

344. M Thomson, *The cost of defence: ASPI defence budget brief 2009–2010*, Australian Strategic Policy Institute, Canberra, 2009, p. 21, accessed 13 January 2015.

345. *Ibid.*, pp. 98 and 145–146.

346. *Ibid.*, pp. 92–93.

347. *Ibid.*

Australia's National Security: A Defence Update 2003, 2005 and 2007



Special Response Team, Afghan National Security Forces (Source: [Australian Defence Image Library](#))

Synopsis:

- The 2003 Defence Update was prompted by the changing security environment following the terrorist attacks in the United States in September 2001 and Bali, Indonesia in 2002, and focused on threats posed by terrorism and the proliferation of weapons of mass destruction (WMDs).
- The 2003 Defence Update was released just prior to the invasion of Iraq in March 2003 and emphasised support for Australia's interests in the region and overseas, especially the alliance with the United States.
- Despite the ADF's increased operational tempo—Afghanistan, Iraq and border protection—the 2003 Defence Update concluded that the principles of the 2000 Defence White Paper remained unchanged.
- The new focus on counter-terrorism and WMD operations prompted the establishment of new capabilities including a Special Operations Command, a Tactical Assault Group and an Incident Response Regiment.
- The 2005 Defence Update was mostly triggered by US expectations of its allies in the Asia-Pacific region to do more to support regional security. However, this Update maintained the same strategic objectives as the 2000 Defence White Paper.
- The 2005 Defence Update combined the main elements of its predecessor—threat of terrorism and WMDs—with concerns about instability caused by failing states.
- By 2005, an alteration in the concept of self-reliance was beginning to emerge from one of primarily focusing on the Defence of Australia to one that also included a focus on Australia's interests.
- In 2005, Defence policy also began to shift from the 2000 Defence White Paper assertion that the ADF remain trained and equipped for armed conflict, to a broader acknowledgement of the ADFs contribution to whole-of-government activities.
- The 2007 Defence Update was released prior to the 2007 federal election and reflected the expanding activities involving the ADF beyond warfighting, such as humanitarian assistance and disaster relief, whole-of-government activities in support of border protection operations and Indigenous communities.
- The pervading threat of terrorism, WMDs and failing states continued to influence ADF commitments and capabilities.
- By 2007 there was a greater focus on China's military development and security in the Asia-Pacific.
- It was recognised that the ADF needed to expand its forces over the coming decade from just over 51,000 to around 57,000 personnel.

- The conceptual shift in defence policy from the year 2000 through to 2007 was quite stark in view of major global events, the negative effects of globalisation, unconventional threats to Australia's security and national interests, and the development of more sophisticated capabilities in the Asia-Pacific.

Introduction

Following the terrorist attacks in the United States on 11 September 2001 and in Bali, Indonesia in October 2002, the Howard Government initiated a review of Australia's national security arrangements, the results of which provided a defence update in 2003.³⁴⁸ Subsequent reviews provided further defence updates in 2005 and 2007.³⁴⁹

2003 Defence Update

The first of three defence updates, *Australia's National Security: a Defence Update 2003* (2003 Defence Update) was released on 26 February 2003 and assessed Australia's 'changing security environment: the emergence of new and more immediate threats from terrorism and increased concerns about the proliferation of Weapons of Mass Destruction' (WMD).³⁵⁰ The 2003 Defence Update concluded that there was potentially a 'great risk' of terrorists getting and using WMD.³⁵¹ In this context, Prime Minister John Howard and Defence Minister Robert Hill had both previously endorsed the possibility of employing 'anticipatory self-defence' against potential terrorist threats. In light of the hostile regional reactions to this possibility, it was not surprising to find them absent from the 2003 Defence Update (although phrases such as 'there may be increased calls for ADF operations in Australia's immediate neighbourhood' might have alluded to the concept).³⁵²

The 2003 Defence Update did not mention self-reliance. Its focus, inevitably, was on the growth of global terrorism following the 11 September 2001 attacks on the United States, as well as the potential for the use of weapons of mass destruction by terrorist organisations or rogue states. This in turn meant the Update focused on Australia's role as part of the US-led alliance combating these issues. While the ADF still needed to be adequately prepared to defend Australia, the focus of the 2003 Defence Update, given the previously stated potential threats, was on Australia's interests—especially in the region and in alliance with the United States.³⁵³

The 2003 Defence Update highlighted the need to curb the spread of WMD, particularly in Iraq.³⁵⁴ In turn, the perceived WMD threat prompted military action against Iraq in March 2003, which involved the ADF.³⁵⁵

Closer to home, the 2003 Defence Update considered that Australia's neighbourhood constituted 'a troubled region', faced with 'major economic, political, governance and social challenges'.³⁵⁶ This aligned with the 2000 Defence White Paper's conclusion that countries in the immediate neighbourhood 'face large economic and structural challenges'.³⁵⁷

In examining the posturing of the United States, Russia, and China, the 2003 Defence Update concluded that 'major power relations have generally become more stable', although 'the Korean peninsula remains a potential flashpoint'.³⁵⁸

348. Commonwealth of Australia, *Australia's national security: a defence update 2003*, Department of Defence, Canberra, 2003, p. 5, accessed 13 January 2015.

349. Commonwealth of Australia, *Australia's national security: a defence update 2005*, Department of Defence, Canberra, 2005, accessed 13 January 2015; Minister for Defence, *Australia's national security: a defence update 2007*, Department of Defence, Canberra, 2007, accessed 13 January 2015.

350. R Hill (Minister for Defence), *Australia's national security: a defence update*, media release, 26 February 2003, accessed 13 January 2015.

351. 'There remains a great risk that the mass casualties inflicted in recent attacks have set the terrorists' sights even higher, possibly including the acquisition and use of WMD', cited in Commonwealth of Australia, *Australia's national security: a defence update 2003*, op. cit., p. 12.

352. Editorial, 'Diplomacy the best weapon', *The Sydney Morning Herald*, 6 December 2002, accessed 13 January 2015; Commonwealth of Australia, *Australia's national security: a defence update 2003*, ibid., p. 23; G Barker, 'Hill clarifies stand on strikes', *The Australian Financial Review*, 21 June 2002, accessed 13 January 2015; S Kearney and S Hodgson, 'PM: strike terror first', *Herald Sun Sunday*, 1 December 2002, accessed 13 January 2015.

353. Commonwealth of Australia, *Australia's national security: a defence update 2003*, ibid., pp. 5, 7, 9, 13, 16.

354. 'The prospect that Saddam Hussein might threaten to use WMD against his enemies in the region or supply WMD to terrorists reinforces the international community's efforts to ensure Iraq is disarmed', cited in ibid., p. 15.

355. Department of Defence (DoD), *Defence annual report 2002–03*, DoD, Canberra, 2003, pp. 97–98, accessed 13 January 2015.

356. Commonwealth of Australia, *Australia's national security: a defence update 2003*, op. cit., p. 18.

357. 2000 Defence White Paper, op. cit., p. ix.

358. Commonwealth of Australia, *Australia's national security: a defence update 2003*, op. cit., p. 8.

The 2003 Defence Update did not, however, address other developments in the region which also impinged on Australia's strategic interests, such as the suspected illegal entry vessels (SIEVs) in Australia's northern maritime approaches. In the years 2000–01 through 2002–03, arrivals of these 'boat people' totalled more than 7,000. These numbers raised questions about Australia's ability to control its borders.³⁵⁹

Surveillance of SIEVs was an activity in which the ADF had assisted Coastwatch and the Department of Immigration since June 1997. With increasing numbers of SIEVs, the ADF's contribution to these activities increased and the ADF adopted a greater role in supporting what the 2000 Defence White Paper described as 'civil law enforcement and coastal surveillance'.³⁶⁰ From September 2001 under Operation Relex, the ADF moved from a supporting role to the lead agency.³⁶¹ This took the ADF's role beyond that envisioned in the 2000 Defence White Paper's conclusion:

... using the ADF — trained and equipped for armed conflict — is not necessarily the most cost-effective way to address new non-military security concerns. Civilian responses may be more appropriate. Our approach is to draw on the expertise of the Defence Force where it is most appropriate to do so, but not to allow these roles — important as they are — to detract from the ADF's core function of defending Australia from armed attack.³⁶²

In 2002–03, new ADF operations such as Slipper (Afghanistan war from 2001), Falconer and Bastille (lead-up to Iraq war in 2003), and Relex II (air and sea patrols of Australia's northern waters to deter SIEVs) saw the reduction or suspension of ADF activities in Australia's further maritime approaches. Surveillance in the northern Indian Ocean and South China Sea was 'conducted at a reduced rate of effort due to assets being assigned to Operations Relex II, Slipper and Falconer, and the AP-3 [Orion] aircraft upgrade program'.³⁶³ Operations to patrol the South West Pacific, the Coral Sea, Torres Strait and the Timor Gap were characterised as 'dormant' by the ADF.³⁶⁴

Despite these new demands, the 2003 Defence Update concluded that the principles set out in the 2000 Defence White Paper 'remain sound'.³⁶⁵ What the ADF required was a 'rebalancing of capability and expenditure'. This implied there would be no funding increases—apart from those already planned in the 2000 Defence White Paper—and promised no fundamental alteration to the ADF's size, structure and role while placing an emphasis on 'readiness and mobility, on interoperability, on the development and enhancement of important new capabilities and, where sensible and prudent, a reduced emphasis on capabilities of less importance'.³⁶⁶

Given that the 2003 Defence Update devoted one third of its text to terrorism and WMD, the Government's adjustments of the ADF's posture focused on new capabilities relevant to those threats. These comprised a Special Operations Command, a new Tactical Assault Group, and an Incident Response Regiment (IRR) to address the potential threat of WMD.³⁶⁷ The new IRR was the innermost component of what was part of Australia's 'layered defence', with no indication that those layers were integrated into a 'whole-of-government' approach.³⁶⁸

Related capability enhancements also included increasing the size of the Special Forces, acquiring more troop lift helicopters, improved communications systems, electronic warfare self-protection measures, landmine protection/clearance/detection, and ballistic protection for certain ADF assets.³⁶⁹

359. J Phillips and H Spinks, [Boat arrivals in Australia since 1976](#), Background note, Parliamentary Library, Canberra, updated 2011, 2012 and 2013 pp. 4, 18 and 19, accessed 13 January 2015.

360. 2000 Defence White Paper, op. cit., p. 88.

361. [Senate Select Committee for an inquiry into a certain maritime incident](#), The Senate, Canberra, 23 October 2002, p. 13, accessed 13 January 2015.

362. 2000 Defence White Paper, op. cit., p. 13.

363. *Defence annual report 2002–03*, op. cit., p. 97.

364. *Ibid.*, p. 101.

365. Commonwealth of Australia, *Australia's national security: a defence update 2003*, op. cit., p. 5.

366. *Ibid.*, pp. 5–6.

367. *Ibid.*, p. 24.

368. Comprising international cooperation, diplomacy, coalition military operations, intelligence, state and federal law enforcement authorities and the ADF—cited in *ibid.*, p. 16.

369. *Ibid.*, p. 24.

Looking ahead, the 2003 Defence Update noted that the ADF's ability to operate with allies such as the United States would be enhanced by future decisions on the F-35 Joint Strike Fighter, AEW&C surveillance aircraft and Collins Class submarines.³⁷⁰

The 2003 Defence Update concluded that because of 'the increased deterrent effect of the US-Australia alliance flowing from US primacy ... for the near term there is less likely to be a need for ADF operations in defence of Australia'.³⁷¹ This continued a trend established in the 2000 Defence White Paper, that Australia would 'continue to support the United States in the major role it plays in maintaining and strengthening the global security order'.³⁷²

2005 Defence Update

The Howard Government launched the second defence update, *Australia's National Security: a Defence Update 2005* (2005 Defence Update), on 15 December 2005.³⁷³ According to the Government, the update was prompted by shifts in the strategic environment since 2003, such as the United States' expectation that its key allies in the Asia-Pacific—Japan, South Korea and Australia—would contribute more to the region's security.³⁷⁴ China and India were increasing their strategic and economic importance and Japan was becoming more actively involved in global security issues.³⁷⁵ The rapid pace of globalisation was creating greater unpredictability and the diffusion of technology meant that maintaining the ADF's technological advantage was becoming more difficult. National borders were less secure with the increased threat of terror tactics and the potential spread of WMD.³⁷⁶

Despite the recent shifts in the strategic environment, the 2005 Defence Update asserted the 'Government's strategic judgments' in the 2000 Defence White Paper and the 2003 Defence Update had, 'to a considerable extent, been substantiated and confirmed by subsequent events'.³⁷⁷ The 2003 Defence Update had expressed concerns about 'the challenge to Australia's security presented by global terrorism, the proliferation of WMD and the risks posed by failed or failing states'.³⁷⁸ The 2005 Defence Update brought these elements together, stating the 'convergence between failing states, terrorism and the proliferation of WMD remains a major and continuing threat to international security'.³⁷⁹

It was noted that since Australia was unlikely to face any direct conventional military threats in the near future, the need to address international security issues—counter-terrorism, countering proliferation of WMDs, and bolstering regional security—remained a priority (as previously stated in the 2003 Defence Update).³⁸⁰ While the Government stated that its 'first duty' was the defence of Australia, this also included the defence of Australia's interests, which featured more prominently in the update—as had been the case in the 2003 Update, the terminology of self-reliance was no longer used.³⁸¹

The update did not examine or explain how the stated national priorities might interact or even compete in the future. The potential for competing demands signalled that the task of defending Australia *and* its interests was becoming more complex as military capabilities in the Asia-Pacific region grew and the nature of terrorist actions eroded Australia's geographic advantage as an island.³⁸²

The 2005 Defence Update stated that the ongoing threat posed by terrorism was being countered through the ADF's presence in Afghanistan and Iraq, and by the whole-of-government efforts to 'prepare, prevent, respond to and recover from terrorism within Australia'.³⁸³ These efforts also meant Australia needed to work more

370. Ibid., p. 24.

371. Ibid., p. 23.

372. Ibid., p. x.

373. R Hill, (Minister for Defence), [Australia's national security: a defence update 2005](#), media release, 15 December 2005, accessed 13 January 2015.

374. Ibid., p. 6.

375. Ibid., p. 1.

376. Ibid., pp. 3–4.

377. Ibid., p. 2.

378. Ibid., p. 2.

379. Ibid., p. 4.

380. Ibid., p. 2.

381. Ibid., p. 1.

382. Ibid., pp. 4–5.

383. The issues of terrorism had been addressed in detail in [Australia's national counter-terrorism policy and arrangements](#) (2004) and in Commonwealth of Australia, *Australia's national security: a defence update 2005*, op. cit., pp. 2 and 10.

closely with national and international organisations, increase funding for intelligence activities and amend the *Defence Act 1903* 'to ensure that the ADF can be deployed effectively and easily to support law enforcement agencies in responding to terrorist incidents'.³⁸⁴

The 2005 Defence Update was blunt about WMD stating 'The threat of proliferation ... has yet to be defeated'.³⁸⁵ In addition to their potential use by terrorist groups, 'some countries may be tempted to resort to asymmetric solutions, such as WMD ... to bridge their capability gaps'. In that context, Iran's nuclear and missile programs were identified as a threat to the strategic balance in the Middle East.³⁸⁶

In 2005, the ADF was still operating in Timor Leste, Solomon Islands, Iraq and other areas in the Middle East and Afghanistan. Overall, 1,700 military personnel were deployed on a total of eight 'significant' operations.³⁸⁷ In addition to those already mentioned, these included operations in northern Australia and its northern approaches, and patrols of the maritime approaches in Bass Strait and the Southern Ocean. Surveillance in the South West Pacific had been re-activated but 'conducted at a reduced rate of effort due to higher operational commitments'.³⁸⁸ Three previously separate patrol operations in the Indian Ocean, Coral Sea, and Torres Strait had been amalgamated into one operation in June 2004.³⁸⁹ A Joint Offshore Protection Command was set up in March 2005.³⁹⁰ However, as in 2003, the:

Northern Indian Ocean and South China Sea maritime surveillance patrols... continued to be conducted at a reduced rate of effort due to assets being assigned to Operations Relex II [suspected illegal entry vessels] and Catalyst/Slipper [Iraq/Middle East], and the P-3 Orion maritime patrol aircraft upgrade program.³⁹¹

The ADF was operating at a much higher tempo than it had in almost twenty-five years.³⁹²

The 2005 Defence Update shifted defence policy away from the initial 2000 Defence White Paper assertion that 'using the ADF—trained and equipped for armed conflict—is not necessarily the most cost-effective way to address new non-military security concerns', to:

[w]hether it is the whole-of-government response to terrorism, WMD, fisheries and resource protection, or in meeting the needs of neighbouring states, *the contribution of Defence is expected to go far beyond warfighting* [emphasis added].³⁹³

Some initiatives in the 2005 Defence Update included upgrading the Army's light armoured vehicles (ASLAVs) and further developing the Army Reserves 'with specific roles and tasks to support Australia's domestic security effort'.³⁹⁴ The RAN would continue to develop previously approved maritime force capabilities such as the air warfare destroyers, Collins Class submarine upgrades and the ANZAC Class frigates.³⁹⁵ The RAAF were to get improved precision weapons and better survivability for its aircraft and the Government would 'consider the option of a heavy transport aircraft'.³⁹⁶

Australia's involvement in the conflicts in Afghanistan and Iraq had prompted the acceleration of upgrades to the Army's light armoured vehicles which were to be deployed to the Middle East and Afghanistan, as well as a

384. Ibid., pp. 10–11.

385. WMD had been considered in [Weapons of mass destruction, Australia's role in fighting proliferation: practical responses to new challenges](#) (2005); *ibid.*, pp. 1 and 10, accessed 13 January 2015.

386. Commonwealth of Australia, *Australia's national security: a defence update 2005*, *ibid.*, p.10.

387. Tsunami relief operations in Indonesia and Thailand had concluded in April 2005, prior to the release of the 2005 Defence Update—*ibid.*, pp. 2 and 160–162.

388. Department of Defence, [Defence annual report 2004–2005](#), DoD, Canberra, 2005, p. 165, accessed 13 January 2015.

389. Operations Burbage, Osteal and Mellin, respectively, became part of Operation Cranberry ('to coordinate the intelligence and provide surveillance information to the civil authorities that are operating in northern Australia'). Cited in Department of Defence, [Defence annual report 2003–2004](#), DoD, Canberra, 2004, pp. 96–100, accessed 13 January 2015.

390. Involving Defence, the Australian Customs Service and the Australian Federal Police to 'protect our borders and critical infrastructure'—*ibid.*, p. 11; Commonwealth of Australia, *Australia's national security: a defence update 2005*, *op. cit.*, p.10.

391. Department of Defence, *Defence annual report 2004–2005*, *op. cit.*, p. 160.

392. Commonwealth of Australia, *Australia's national security: a defence update 2005*, *op. cit.*, p. 2.

393. *Ibid.*, p. 10; 2000 Defence White Paper, *op. cit.*, p. 13.

394. *Ibid.*, pp. 11 and 22.

395. *Ibid.*, p. 23.

396. *Ibid.*, pp. 22, 23 and 24.

new tank capability.³⁹⁷ The \$550 million acquisition of 59 new M1A1 Abrams battle tanks from the United States had been announced in March 2004 and the vehicles were expected to be introduced into service from 2007.³⁹⁸ At the time of the announcement, the Government stated that ‘the decision to purchase the Abrams M1A1 reflects the same strategic rationale which the Government outlined in the 2000 Defence White Paper’.³⁹⁹ However, the 2000 Defence White Paper also rejected developing heavy armoured forces that would be ‘suitable for contributions to coalition forces in high intensity conflicts’ as it was considered too costly and ‘most unlikely to be needed in defence of Australia or in our immediate region’.⁴⁰⁰

The Government admitted that the cost of equipment, particularly that needed to produce a networked force, coupled with the costs of personnel which were rising faster than the rate of inflation, were:

... putting extra pressure on the Defence Capability Plan... Since the Defence White Paper in 2000, the Government has met these cost pressures with a three per cent real growth inflator and by providing extra funding for operations, logistics, infrastructure and accommodation. Cost pressures will remain and will demand increasing efficiencies across the portfolio.⁴⁰¹

This was also the message in 2000 and 2003—government funding would only go so far. In his review of the 2005 Defence Update, Hugh White concluded that its claim to ‘continue the principles’ of the 2000 White Paper and the 2003 Defence Update, while stressing changes in the strategic environment since the terrorist attacks in 2001, was ‘a bob each way’.⁴⁰² Paul Dibb also commented on a perceived lack of strategic guidance, noting however that the 2005 Defence Update was ‘the most comprehensive ... since the 2000 Defence white paper’.⁴⁰³

Both commentators noted that the Army was growing in importance in comparison to the other arms of the ADF, evidenced by the lesser ‘protective bubble’ role assigned to the RAN and RAAF.⁴⁰⁴ Both expressed concern that this protection was being lavished on a small force, although as White noted, ‘we will not be able to rely on the new army to deliver the strategic weight we need’.⁴⁰⁵ Dibb warned that ‘if we are not careful this will produce a one-shot ADF with nothing left over after we have protected such a small and vulnerable force’.⁴⁰⁶ White concluded that ‘the army ... is not big enough to alone protect Australia’s interests, either close to home or far away ... air and naval forces deliver more strategic weight per dollar’.⁴⁰⁷

2007 Defence Update

The third defence update, *Australia’s National Security: a Defence Update 2007* (2007 Defence Update) was released by the Government on 5 July 2007, four months prior to the federal election.⁴⁰⁸ At that time, the ADF had approximately 4,300 military personnel deployed on 14 operations; mainly in the Middle East (1,450); East Timor (990); Afghanistan (840); Australia’s northern borders (450); and Solomon Islands (140).⁴⁰⁹

Since 2005, and in line with the 2005 Defence Update’s assertion that ADF activities would ‘go far beyond warfighting’, the ADF had also conducted short-notice humanitarian and disaster relief operations in Lebanon, Tonga, Indonesia and Solomon Islands.⁴¹⁰ The ADF was also planning to provide support to ‘whole-of-

397. R Hill (Minister for Defence) and P Leahy (Chief of the Army), [Press conference: new tanks for Army](#), Parliament House, transcript, Canberra, 10 March 2004, accessed 13 January 2015.

398. Commonwealth of Australia, *Australia’s national security: a defence update 2005*, op. cit., p. 22; R Hill, (Minister for Defence), [M1 Abrams chosen as Australian Army’s replacement tank](#), media release, 10 March 2004, accessed 13 January 2015.

399. Ibid.

400. The then current Leopard tank weighed 42.4 tonnes. The Abrams M1A1 AIM (D) weighed a minimum of 57 tonnes. Cited in R Hill (Minister for Defence) and P Leahy (Chief of the Army), *Press conference: new tanks for Army*, op. cit.; Commonwealth of Australia, *Australia’s national security: a defence update 2005*, ibid., p. 79; 2000 Defence White Paper, op. cit., p. 79.

401. Commonwealth of Australia, *Australia’s national security: a defence update 2005*, op. cit., p. 25.

402. Ibid., p. 26; H White, [‘Defence review threatens to diminish Australia’s strategic clout’](#), *The Age*, 20 December 2005, accessed 13 January 2015.

403. P Dibb, [‘Radical new defence policy or Hill’s smoke and mirrors?’](#), *The Australian*, 16 December 2005, accessed 13 January 2015.

404. Ibid.; H White, ‘Defence review threatens to diminish Australia’s strategic clout’, op. cit.

405. Ibid.

406. P Dibb, ‘Radical new defence policy or Hill’s smoke and mirrors?’, op. cit.

407. H White, ‘Defence review threatens to diminish Australia’s strategic clout’, op. cit.

408. B Nelson (Minister for Defence), [Defence update 2007: protecting our people, interests and values](#), media release, 5 July 2007, accessed 13 January 2015; Minister for Defence, *Australia’s national security: a defence update 2007*, op. cit.

409. Department of Defence, [Defence annual report 2006–2007: volume 1](#), DoD, Canberra, 2007, pp. 56, accessed 13 January 2015.

410. Commonwealth of Australia, *Australia’s national security: a defence update 2005*, op. cit., p. 10; ibid., p. 52.

government activities in Indigenous communities in the Northern Territory'.⁴¹¹ This level of operational tempo had not been experienced by the ADF since Vietnam.⁴¹² This resulted in core Army skills becoming 'adversely affected by operational demands'.⁴¹³ Maritime patrols in the South-West Pacific were (still) being conducted at 'a reduced rate of effort due to higher operational commitments' and surveillance patrols of the Indian Ocean and South China Sea comprised just 'one P-3 Orion maritime patrol aircraft for four patrols a year'.⁴¹⁴

The 2007 Defence Update examined the 'challenging and dynamic' strategic environment that would shape the ADF's commitments and capabilities. Australia's strategic interests would be influenced by relations between the United States, China and Japan in the Asia-Pacific region.⁴¹⁵ Similar to the 2003 and 2005 Defence Updates, the 2007 iteration summed up Australia's strategic focus in the following terms:

Globalisation, terrorism, the challenges posed by fragile states and the threat of WMD proliferation... relations between the major powers in our region and the changes in the use of force by states and terrorists... the Middle East and Asia-Pacific will continue to focus our attention for some time.⁴¹⁶

There were, however, some new statements on Australia's strategic environment, including China's economic role in the Asia-Pacific and 'the pace and scope of its military modernisation ... [which] could create misunderstandings and instability in the region', and the asymmetric use of force, which would lead the ADF to be increasingly 'called on to fight irregular opponents'.⁴¹⁷

Defence analysts were divided over whether the policy contained in the 2007 Defence Update was the same formula as before; a hedged bet or a new approach. Dibb maintained that it retained the 'Defence of Australia' approach.⁴¹⁸ According to Prime Minister Howard, it 'abandoned the narrow, misguided and ultimately self-defeating nostrum that our force structure should be determined only or even mostly for the defence of Australia narrowly defined—our coastline and its near approaches'.⁴¹⁹ Although in this the Prime Minister may have been setting up an election-year straw man, others saw 'a whole new ball game', partly as a consequence of the blunt comments about the potential of China's military developments to create 'misunderstandings and instability'.⁴²⁰ Rod Lyon found three important conceptual shifts in the 2007 Defence Update, when compared to the 2000 Defence White Paper:

- the view of globalisation had shifted from proclaiming its benefits in 2000 (strengthen global security) to awareness in 2007 of its negative capacity to bring potential threats closer to Australia.
- the acceptance that, in 2007, the ADF had to be prepared to combat 'irregular opponents' in addition to the conventional warfare envisaged in 2000 and
- the depiction of Australia's interests as declining with distance from Australia (the 'concentric circle' view of 2000) had been replaced in 2007 by a realisation that 'Australia's national interests are not spread uniformly across the globe, but neither do they decline in proportion to the distance from our shoreline'.⁴²¹

The 2007 Defence Update concluded that there was no suggestion that Australia faced a direct military threat:

... either now or in the foreseeable future. However, military forces in the Asia-Pacific region are becoming increasingly sophisticated and Australia must work harder to ensure that our forces retain an edge in leading military capabilities'.⁴²²

411. Department of Defence, *Defence annual report 2006–2007: volume 1*, op. cit., p. 58.

412. Ibid., p. 52.

413. Ibid., p. ii and 52.

414. Ibid., pp. 58 and 56.

415. Minister for Defence, *Australia's national security: a defence update 2007*, op. cit., pp. 9 and 19.

416. Ibid., p. 23.

417. Ibid., p. 16 and 19.

418. P Dibb, 'Homeland still more vital than the Middle East', *The Australian*, 10 July 2007, accessed 13 January 2015.

419. J Howard (Prime Minister), *Address to the ASPI 'Global Forces 2007' conference*, Canberra, speech, 5 July 2007, accessed 13 January 2015.

420. G Sheridan, 'A whole new ball game, but some don't see', *The Australian*, 12 July 2007, accessed 13 January 2015.

421. R Lyon, 'Assessing the defence update 2007', op. cit.; Minister for Defence, *Australia's national security: a defence update 2007*, op. cit., p. 28.

422. Ibid., p. 10.

The 2007 Defence Update identified some capability developments that had not been mentioned in the preceding updates. The most significant of these was the March 2007 decision to acquire 24 F/A–18F Super Hornet multi-role aircraft to ‘guarantee our combat edge through the period of transition from the current fleet of F/A–18 A/B and F–111 aircraft’.⁴²³ It was thought that without this purchase, a potential capability gap could arise from delays to the Joint Strike Fighter program, and the earlier than expected retirement of the F-111 aircraft.⁴²⁴

According to the 2007 Defence Update, the ADF needed to expand its forces to about 57,000 full-time military personnel over the coming decade.⁴²⁵ In 2007, the permanent ADF force was 51,198, noting that the 2000 Defence White Paper target for 2010 had been up to 54,000, from that year’s base of 51,500.⁴²⁶

423. B Nelson (Minister for Defence), [\\$6 billion to maintain Australia’s regional air superiority](#), media release, 6 March 2007, accessed 13 January 2015.

424. Ibid.; Minister for Defence, *Australia’s national security: a defence update 2007*, op. cit., p. 52; G Barker, [‘Surprise shift on fighter aircraft’](#), *Australian Financial Review*, 15 December 2006, accessed 13 January 2015.

425. Ibid., p. 57.

426. Department of Defence, *Defence annual report 2006–2007: volume 1*, op. cit., p. 21; 2000 Defence White Paper, op. cit., p. 62.

Defending Australia in the Asia Pacific Century: Force 2030 (2009 Defence White Paper)



Collins Class submarine (Source: [Australian Defence Image Library](#))

Synopsis:

- The number of reviews that contributed to the 2009 Defence White Paper was unprecedented. Twelve major reviews were conducted to look into nearly all aspects of the Department of Defence, including the:
 - Defence budget; preparedness, personnel and operational costs; logistics; estate; workforce; industry capacity; information, communication and technology; science and technology; air combat capability; force structure; and procurement and sustainment.
- Most of these reviews were not made public but they influenced the outcome of the 2009 Defence White Paper and the establishment of the Strategic Reform Program, which was announced at the time of white paper's release.
- Additionally, a public consultation process was conducted in 2008 but it is not entirely evident what influence this had on the white paper outcomes.
- The 2009 Defence White Paper had a 20-year outlook and contained around \$43 billion worth of new initiatives for the coming decade and around \$146 billion in additional funding over the life of the white paper.
- Since the last defence white paper was released in 2000, the strategic environment had significantly changed due to the global financial crisis, the pervading threat of global terrorism, an increase in cyber security issues, maritime piracy, space capabilities, and China's economic development and military expansion.
- The latter features prominently in this white paper and the statements about the rise of China and the strategic implications were considered to be relatively controversial.
- While Australia's alliance with the United States was recognised as the most important defence relationship, self-reliance remained a consistent defence policy theme.
- The issue of cyber security was elevated to a national security priority and as a countermeasure, the establishment of the Cyber Security Operations Centre was announced.
- The 2009 Defence White Paper contained an ambitious number of new capabilities and enhancements for the ADF with a particular focus on maritime forces. The most expensive, long-term program undertaken announced in the white paper was the promise to expand the submarine force and assemble 12 conventional submarines in Australia.

- Similar to the previous two defence white papers, the 2009 version identified Priority Industry Capabilities that would receive government intervention, under specific conditions, should market forces threaten Australian industries' abilities to maintain these capabilities.
- To accompany the 2009 Defence White Paper, the Government released the 2009 Defence Capability Plan (DCP) a couple of months later. However, it had a much shorter outlook than previous iterations of ten years—the 2009 DCP only looked as far as 2013. The DCP was expected to be updated every six months; a promise that was almost fulfilled up to 2012.
- The level of Defence funding promised in the 2009 Defence White Paper was never realised. It promised three per cent real growth out to 2017–18; 2.2 per cent real growth from 2018 to 2030; 2.5 per cent fixed indexation from 2009 to 2030; and reinvestment of Strategic Reform Program (SRP) savings into defence capability.
- The SRP aimed to generate \$20 billion in savings over ten years via the application of efficiencies and broad-reaching savings. By 2012, the original savings targets had been all but abandoned.
- The 2009–10 Budget was handed down only ten days after the 2009 Defence White Paper and despite the new funding model announced in the white paper, around \$8.8 billion had effectively been removed from the first six years of the life of the white paper.

Introduction

Prior to the 2007 federal election, both the Minister and the Shadow Minister for Defence stated that the next government would deliver a defence white paper.⁴²⁷ The Labor Party promised 'a full detailed reassessment of Australia's strategic circumstances'.⁴²⁸ Consistent with its election promise, the Rudd Government released its *Defending Australia in the Asia Pacific Century: Force 2030* (2009 Defence White Paper) in May 2009 with a 20-year outlook. In the past there had been a convention of tabling white papers in Parliament but this approach was not followed in this instance. Instead, the 2009 Defence White Paper was released at a media launch on a Saturday at the RAN's Fleet Base East, Garden Island in Sydney.⁴²⁹

Bipartisan support was lacking. While the Shadow Defence Minister, David Johnston, stated 'the Opposition is a strong supporter of the Australian Defence Force and national security', he dismissed the white paper, arguing it did not provide a 'detailed plan on how new capabilities and technologies' were going to be paid for. He warned, to 'that extent this document is quite dangerous'.⁴³⁰

Similar to previous defence white papers, a number of key reviews were commissioned that contributed to its development.

2008 Audit of the Defence Budget

The *2008 Audit of the Defence Budget* (known as the Pappas Review) was conducted by George Pappas and supported by a team from McKinsey and Co.⁴³¹ The Pappas Review was conducted between May 2008 and February 2009 and delivered to the Defence Minister, Joel Fitzgibbon, in April 2009. The final redacted version of the report was publicly released in November 2009 as a result of a formal request under the *Freedom of Information Act 1982*.⁴³²

The purpose of the Pappas Review was to:

- advise 'Ministers on the efficiency and effectiveness of, and future risks associated with, the defence budget' and
- recommend 'to Ministers improved arrangements for managing the Defence budget'.

427. T Thomas, 'Define, re-state and refine—inside the 2007 defence update', *Australian Defence Business Review*, June–July 2007, p. 13, accessed 13 January 2015.

428. Australian Labor Party, *Labor's plan for defence*, ALP policy document, Election 2007, p. 2, accessed 13 January 2015.

429. Australian Government, *Defending Australia in the Asia Pacific century: force 2030*, op. cit., accessed 13 January 2015; J Fitzgibbon (Minister for Defence), *The 2009 defence white paper: the most comprehensive white paper of the modern era*, media release, 2 May 2009, accessed 13 January 2015; and G Dobell, 'The white paper and media management', Lowy Institute for International Policy, blog, 6 May 2009, accessed 13 January 2015.

430. D Johnston (Shadow Minister for Defence), *Defence white paper*, media release, 2 May 2009, accessed 13 January 2015.

431. Department of Defence, *2008 audit of the defence budget* (report prepared for the Minister for Defence by G Pappas), April 2009, accessed 13 January 2015.

432. J Faulkner (Minister for Defence), *Defence budget audit released*, media release, accessed 13 January 2015.

A detailed description of the Pappas Review is not possible within the scope of the current publication but it is interesting to note that the Review found that the three per cent rise in real funding that would later be promised by the Government in the 2009 Defence White Paper would not be sufficient to pay for the required force capability. The Review estimated that the real growth rate would need to be 4.2 per cent.⁴³³

This report made clear to the Department of Defence and the Government that achieving the desired ADF capabilities, subsequently set out in the 2009 Defence White Paper, would not be possible without either a further increase in expenditure, or significant savings being made by Defence. The Government responded by introducing the Strategic Reform Program (SRP) which aimed to deliver around \$20 billion in savings to help fund the 2009 Defence White Paper.⁴³⁴

Looking Over the Horizon: Australians Consider Defence

On 22 February 2008, the Rudd Government commissioned the development of a new defence white paper.⁴³⁵ A public discussion paper or 'green paper' for the new white paper—entitled *Key Questions for Defence in the 21st Century*—was launched by the Defence Minister on 5 June 2008, along with a public consultation program to be overseen by a Community Consultation Panel.⁴³⁶ The community consultation process was very similar to that used in the lead up to the 2000 Defence White Paper and following 30 public meetings, more than 450 written submissions, and 34 private meetings, the Panel concluded:

... the Australian community continues to support the concept that the ADF's primary function is to defend Australia and our interests ... [and] continues to expect governments to deliver a strong, well resourced, technically superior ADF that is capable of independent action to secure Australian interests and defend Australian territory.⁴³⁷

The Panel cautioned that government decisions will be influenced by the onset of the global financial crisis 'including those in relation to the White Paper. The current economic situation makes it even more important that the resources allocated to Defence are not wasted...'.⁴³⁸ The Panel also found that 'most people' supported existing defence funding levels but were less supportive of increased funding.⁴³⁹ Many of the Panel's findings were summarised on a page in the 2009 Defence White Paper, except for those relating to funding.⁴⁴⁰ Whether the community consultation process influenced the drafting of the 2009 Defence White Paper was not entirely evident.

Review of Australia's air combat capability

The air combat capability review was commissioned in February 2008 and composed two parts that sought, amongst other things, to identify:

- Australia's air combat capability needs to 2015
- the viability of retaining the F-111 strike aircraft (in service since 1973) in service beyond 2010
- available aircraft that could fill a capability gap left by the withdrawal of the F-111 from service
- whether the acquisition of F/A-18 Super Hornet aircraft could fill a capability gap
- 'trends in Asia-Pacific air power until 2045 and the relative capabilities of current and projected fourth and fifth generation combat aircraft such as the Joint Strike Fighter'
- pros and cons for purchasing the F-22 Raptor stealth fighter aircraft and

433. 2009 Defence White Paper, op. cit., p. 137; Department of Defence, *2008 audit of the defence budget*, op. cit., p. 7.

434. Australian Government, [Response to the defence budget audit](#), Department of Defence, November 2009, accessed 13 January 2015; Australian Government, [The strategic reform program: delivering force 2030](#), Department of Defence, 2009, accessed 13 January 2015.

435. J Fitzgibbon (Minister for Defence), [New defence white paper](#), media release, 22 February 2008, accessed 13 January 2015.

436. J Fitzgibbon (Minister for Defence), [Defence Minister launches discussion paper and community consultation program](#), media release, 5 June 2008, accessed 13 January 2015; Department of Defence, [Key questions for defence in the 21st century: a defence policy discussion paper](#), Canberra, 2008, accessed 13 January 2015.

437. Department of Defence, [Looking over the horizon: Australians consider defence](#), Defence Publishing Service, Canberra, December 2008, pp. 1–2, accessed 13 January 2015.

438. Ibid., p. ix and 1.

439. Ibid., p. 4.

440. 2009 Defence White Paper, op. cit., p. 18.

- the role of Australian industry in developing future air combat capability.⁴⁴¹

On 17 March 2008, the Defence Minister announced the outcomes of Part A of the air combat capability review and concluded:

- There has been a lack of sound, long-term air combat capability planning decisions by the former Government over the course of the last decade.
- The retirement of the F-111 was made in haste but is now irreversible. The cost of turning the F-111 back on would be enormous and crews and skills have already moved on.
- The former Government's decision to leave Australia's air defences in the hands of the Joint Strike Fighter project was a flawed leap of faith in scheduling terms, and combined with the quick decision to retire the F-111 early, allowed an air combat capability gap to emerge.
- The subsequent timetable the former Government put on the acquisition of an interim fighter left defence planners with no choice but to recommend the Super Hornet. No other suitable aircraft could be produced to meet the 2010 deadline the former Government had set. One year on, that is now even more so the case.
- Cancelling the Super Hornet would bring significant financial penalties and create understandable tensions between the contract partners.
- The Super Hornet is an excellent aircraft capable of meeting any known threat in the region and is the only aircraft which can meet the small delivery window created by the former Government's poor planning processes and politically-driven responses.⁴⁴²

Part B of the air combat capability review was not publicly released. However, the main findings were incorporated into the 2009 Defence White Paper, which endorsed the purchase of around 100 Joint Strike Fighter (JSF) aircraft.⁴⁴³

Force Structure Review

The Force Structure Review was conducted by Defence as part of the white paper process and aimed to 'define Australia's future force structure and capability needs'.⁴⁴⁴ According to the Chief of the Defence Force, Angus Houston, in June 2008, the Force Structure Review would not only define the white paper, but produce a new Defence Capability Plan (DCP). Houston stated:

Fundamentally, what the Force Structure Review is doing... is coming up with a force to meet the strategic tasks that will be defined in the white paper and then looking at how we translate that into an acquisition program into the future; in other words, a new DCP...

We will be looking at every capability requirement in the ADF. A Force Structure Review is a very robust process and we need to go through it. It is a process that will take some time. What comes out of the Force Structure Review will be a fundamental outcome from the white paper process...⁴⁴⁵

While the Force Structure Review was not publicly released, the key elements were contained in the 2009 Defence White Paper, which stated:

The force structure review examined plausible defence planning contingencies, the capabilities required for successful operations in those contingencies, and the systems and equipment that would deliver the necessary capabilities. From that analysis, the review identified gaps in our current and projected force structure and presented options to remedy these gaps for the Government's consideration.⁴⁴⁶

441. J Fitzgibbon (Minister for Defence), [Review of Australia's air combat capability](#), media release, 18 February 2008, accessed 13 January 2015.

442. J Fitzgibbon (Minister for Defence), [Poor air power planning exposed but Super Hornet to stay](#), media release, 17 March 2008, accessed 13 January 2015.

443. 2009 Defence White Paper, op. cit., p. 78.

444. Department of Defence, *Defence annual report 2007–08*, op. cit., p. 7.

445. Senate Standing Committee on Foreign Affairs, Defence and Trade, [Official committee Hansard](#), 4 June 2008, p. 110, accessed 13 January 2015.

446. 2009 Defence White Paper, op. cit., p. 58.

Mortimer Review

In May 2008, the Rudd Government announced a review of defence procurement and sustainment to follow up on the implementation of the Kinnaird Review recommendations from 2003.⁴⁴⁷ Headed by David Mortimer, the subsequent report—*Going to the Next Level: the Report of the Defence Procurement and Sustainment Review*—made 46 recommendations focusing on the effectiveness of reforms implemented within the Defence Materiel Organisation (DMO) and the potential for further reforms.⁴⁴⁸

In its response to the Mortimer Review, the Government agreed to 42 of the 46 recommendations. Three recommendations were agreed to in part and one was not agreed to.⁴⁴⁹ The Government agreed with Mortimer (and Kinnaird) that the DMO required a more businesslike approach, and the procurement reform program was spelt out in the 2009 Defence White Paper.⁴⁵⁰

2009 Defence White Paper—companion reviews

Eight companion reviews were undertaken during the 2009 Defence White Paper planning and writing process. These reviews were not made public but contributed to the white paper and the Strategic Reform Program.⁴⁵¹ The eight companion reviews were:

- Review of the Defence Capability Plan
- Review of Defence preparedness, personnel and operating costs
- Review of Defence logistics
- Review of the Defence estate
- Review of the Defence workforce
- Review of the Defence industry capacity
- Review of Defence information and communications technology and
- Review of Defence science and technology.⁴⁵²

2009 Defence White Paper

Prior to the 2007 election, the Labor party committed to ‘maintaining defence spending, including a minimum annual 3 per cent real growth until 2016’.⁴⁵³

At the time the 2009 Budget was handed down (ten days after the 2009 Defence White Paper was launched), the Defence Minister stated that the 2009 Defence White Paper ‘sets out some \$43 billion worth of new initiatives over the decade ... approximately \$146 billion of additional funding across the life of the White Paper to 2030’.⁴⁵⁴ To support capability development funding, Defence would be subject to significant efficiencies and savings under the Strategic Reform Program (SRP) as well as other funding measures.⁴⁵⁵

447. Malcolm Kinnaird headed the Howard Government’s review into Defence procurement. Kinnaird presented the final report to Government in August 2003 making ten recommendations that emphasised the need for reform, including the DMO becoming ‘more business like’. M Kinnaird, [Defence: procurement review 2003](#), Department of Defence, 15 August 2003, accessed 13 January 2015; G Combet (Parliamentary Secretary for Defence Procurement), [Defence procurement and sustainment review](#), media release, 7 May 2008, accessed 13 January 2015.

448. Defence Procurement and Sustainment Review, [Going to the next level: the report of the defence procurement and sustainment review](#), (Mortimer Review), Department of Defence, 18 September 2008, accessed 13 January 2015.

449. Australian Government, [The response to the report of the defence procurement and sustainment review](#) (Mortimer Review), Department of Defence, 2008, accessed 13 January 2015.

450. 2009 Defence White Paper, op. cit., pp. 125–126.

451. A Houston (Chief of the Defence Force) and N Warner (Secretary of Defence), [Round table discussion for the Federal Government’s defence white paper](#), Department of Defence, Canberra, transcript, 7 May 2009, accessed 13 January 2015.

452. Department of Defence, [Defence annual report 2007–2008](#), DoD, Canberra, 2008, p. 2, accessed 13 January 2015; N Warner (Secretary of the Department of Defence), [256,800 paper hand towels: mending defence’s broken backbone](#), Lowy Institute for International Policy, speech, 10 June 2008, accessed 13 January 2015.

453. Australian Labor Party, *Labor’s plan for defence*, op. cit., pp. 2 and 7.

454. J Fitzgibbon (Minister for Defence), [Budget 2009–10: defence budget overview](#), media release, 12 May 2009, accessed 13 January 2015.

455. Ibid.

While the time horizon was two decades, the Government promised the next defence white paper would be delivered 'at intervals no greater than five years' as part of the Government's 'new strategic risk-based approach to defence planning'.⁴⁵⁶

The 2009 Defence White Paper was released into a strategic environment that had changed significantly since the 2000 Defence White Paper, with developments such as:⁴⁵⁷

- the global financial crisis
- international terrorism, as highlighted in the defence updates of 2003, 2005 and 2007
- cyber security, maritime piracy and the use of space for strategic purposes and
- China's economic development and military modernisation, as mentioned in the 2007 Defence Update.⁴⁵⁸

In 2009, the ADF personnel strength stood at around 55,000, which was above the target figure set out in the 2000 Defence White Paper of about 54,000 by 2010.⁴⁵⁹ ADF operational deployments had increased from some 1,600 personnel in mid-2000 to 3,500 by 2008–09.⁴⁶⁰

Procurement decisions received greater scrutiny in the wake of project cancellations such as the Super Seasprite helicopter program at a cost of more than \$1.4 billion and the Boeing contract to deliver a tactical Unmanned Aerial Vehicle (UAV) capability to the ADF. Additionally, the 40-month delay in the Wedgetail AEW&C aircraft delivery resulted in a modified program being undertaken to allow completion of the project.⁴⁶¹

Strategic objectives

In the context of Australia's military strategy, both the 2000 and the 2009 Defence White Papers identified minimising ADF casualties as a defence objective.⁴⁶² The 2009 Defence White Paper went further by expressing unusually frank references to the inevitable outcome of combat operations—casualties:

The Government has decided that it is not a principal task for the ADF to be generally prepared to deploy to the Middle East, or regions such as Central and South Asia or Africa, in circumstances where it has to engage in ground operations against heavily armed adversaries located in crowded urban environments. This entails a requirement to engage in high-intensity close combat which brings with it the risk of an unsustainable level of casualties for an army the size of Australia's.⁴⁶³

China's economic rise and military expansion gained prominence in the 2009 Defence White Paper:

... the pace, scope and structure of China's military modernisation ha[s] the potential to give its neighbours cause for concern if not carefully explained, and if China does not reach out to others to build confidence regarding its military plans. China has begun to do this in recent years, but needs to do more. If it does not, there is likely to be a question in the minds of regional states about the long-term strategic purpose of its force development plans, particularly as the modernisation appears potentially to be beyond the scope of what would be required for a conflict over Taiwan.⁴⁶⁴

Strategic stability in the Asia-Pacific hinges, to a large degree, on the relationship between China and the United States.⁴⁶⁵ As Mark Thomson (ASPI) put it, 'the rise of China is front and centre in the strategic vista' [of the 2009 Defence White Paper].⁴⁶⁶ Just prior to the white paper's release, Opposition Leader Malcolm Turnbull thought

456. Department of Defence, 2009 Defence White Paper, op. cit., pp. 11–12.

457. Ibid., p. 16; T Thomas, '2009/10 defence budget analysis', *Australian Defence Business Review*, 13 May 2009, accessed 13 January 2015.

458. Department of Defence, 2009 Defence White Paper, *ibid.*, pp. 9 and 34; 2007 Defence Update, op. cit., p. 19.

459. Department of Defence, *Defence annual report 2008–2009*, DoD, vol. 1, Canberra, 2009, p. 27; 2000 Defence White Paper, op. cit., p. xii, accessed 13 January 2015.

460. Department of Defence, *Defence annual report 1999–2000*, op. cit., pp. 81–85; Department of Defence, *Defence annual report 2008–09*, *ibid.*, p. 2.

461. ANAO, *The Super Seasprite*, op. cit., p. 14; Department of Defence, *Defence annual report 2008–09*, *ibid.*, p. 42; ANAO, *2008–2009 major projects report: Defence Materiel Organisation: Department of Defence*, Audit report, 13, 2008–09, ANAO, Barton, ACT, 2009, pp. 71–74, accessed 13 January 2015.

462. 2000 Defence White Paper, op. cit., p. 48; 2009 Defence White Paper, op. cit., p. 53.

463. 2009 Defence White Paper, *ibid.*, p. 56.

464. Ibid., p. 34.

465. Ibid., p. 34.

466. M Thomson, *The cost of defence 2009–2010*, op. cit., p. 1.

the suggestion that Australia would inevitably collide with a highly militarised China in the future was a 'highly contentious proposition'.⁴⁶⁷ Turnbull recommended that Australia take a more proactive approach to work with allies and encourage China to be constructively engaged in the region and globally 'across the whole gamut of economic, environmental and security challenges facing the world'.⁴⁶⁸

Australia's key strategic partners were cited as 'Japan, and increasingly India', but the 'alliance with the United States is our most important defence relationship ... an integral element of our strategic posture'.⁴⁶⁹ However:

Australia would only expect the United States to come to our aid in circumstances where we were under threat from a major power whose military capabilities were simply beyond our capacity to resist. Short of that situation, the United States would reasonably expect us to attend to our own direct security needs and, in any event, we should not expect anything less of ourselves.⁴⁷⁰

This statement summed up the continuing theme for Australia to be militarily self-reliant and was reiterated throughout the paper. However, Rod Lyon and Andrew Davies from ASPI argued that the wording of this statement 'seems to mistake a policy of self-reliance on our part with an implicit reinterpretation of the obligations contained within ANZUS'. Lyon and Davies contended that, under ANZUS, the United States should come to our aid 'regardless of the size of the attacker'.⁴⁷¹ The 2009 Defence White Paper recognised the importance of the ANZUS Treaty for the parties to the agreement to 'act to meet the common danger'.⁴⁷² Nonetheless, the paper interprets the ANZUS Treaty as not committing 'Australia or the United States to specific types of actions, but it does provide a clear expectation of support'; the type of support provided by Australia after the 11 September 2001 attacks in the United States.⁴⁷³

The 2009 Defence White Paper did not address whether Australia's alliance with the United States, to the point of being an 'integral element of our strategic posture', might adversely affect Australia's regional relations over the next two decades.⁴⁷⁴ Rather, it concluded that Australia needs to 'engage China as a responsible stakeholder in support of our common desire to see stable, prosperous and well-governed nations in our immediate region'.⁴⁷⁵

In Australia's immediate region, the most important defence relationship remained Indonesia closely followed by the Five Power Defence Arrangements, thereby suggesting a boost in defence relations with Singapore and Malaysia (along with the United Kingdom and New Zealand).⁴⁷⁶

In the South Pacific, Australia was concerned 'to promote economic security, good governance and internal stability'.⁴⁷⁷ In Timor Leste the focus would be on capacity-building for that country's armed forces.⁴⁷⁸

The need to contribute to contingencies elsewhere in the world focused predominantly on the ADF's commitment to the war in Afghanistan:

We cannot insulate ourselves from the consequences that would flow if Afghanistan were again to be abandoned to a brutal Taliban regime providing haven and support to terrorist groups... We therefore have a direct interest in denying terrorists unfettered access to training camps and operating bases in Afghanistan... we also demonstrate that we are committed to doing our fair share to tackle global security challenges.⁴⁷⁹

467. M Turnbull (Leader of the Opposition), [Power balance in Asia: the Coalition perspective](#), Lowy institute of International Policy, speech, 1 May 2009, accessed 13 January 2015.

468. Ibid.

469. 2009 Defence White Paper, op. cit., pp. 93 and 96.

470. Ibid., p. 50.

471. R Lyon and A Davies, '[Assessing the defence white paper 2009](#)', *Policy Analysis*, Australian Strategic Policy Institute, 7 May 2009, p. 2, accessed 13 January 2015.

472. 2009 Defence White Paper, op. cit., p. 94.

473. Ibid., p. 94.

474. 2009 Defence White Paper, op. cit., p. 93.

475. Ibid., p. 95.

476. Ibid., p. 97.

477. Ibid., p. 98.

478. Ibid., p. 98.

479. Ibid., p. 44.

Overall, the regional outlook was not markedly different for the ‘concentric circle’ of strategic objectives outlined in the 2000 Defence White Paper.⁴⁸⁰ Lyon and Davies concluded in relation to this that ‘the thrust of reasoning underpinning much of the document, looks very much like the old Defence of Australia strategic construct that underpinned the White Papers of 1987, 1994 and 2000’.⁴⁸¹

The emerging threat of cyber attacks against Australia received greater attention in the 2009 Defence White Paper and was elevated to a priority national security issue.⁴⁸² The white paper emphasised the potential impact of the emerging ‘serious threat’ of ‘cyber warfare’ against Australia’s critical infrastructure.⁴⁸³ It also stated that cyber attacks on Australia’s ‘defence, security, Government and civilian information infrastructure’ could seriously threaten Australia’s national security.⁴⁸⁴ As a counter measure, the Government established the Cyber Security Operations Centre (CSOC), which was officially launched on 15 January 2010, to operate within the Australian Signals Directorate (ASD—formerly the Defence Signals Directorate) with a mandate to provide greater situational awareness and respond to cyber threats.⁴⁸⁵ CSOC has reported that the trends in the cyber attack threat level against Australia increases significantly each year. In 2011, 1,259 incidents were identified; in 2012, the number of incidents increased to 1,790; and in 2013, the figure jumped to 2,148 incidents.⁴⁸⁶

Identified capability choices

The 2009 Defence White Paper dismissed as a false dichotomy earlier interpretations that Australia’s defence requirements meant choosing between “‘continental” or “defence of Australia” approach, and a “global” or “expeditionary” approach’.⁴⁸⁷ Furthermore, a ‘defence policy founded on an implicit bargain that others would come to our aid with combat forces if we were threatened or attacked is simply too uncertain a basis for providing for our security and an irresponsible abrogation of Australia’s strategic sovereignty’.⁴⁸⁸ By the same measure, the Government took the view that basing Australia’s defence policy on a narrow ‘defence of Australia’ approach would also be an irresponsible abdication of our responsibility as a capable middle power, able to contribute to global and regional security, including through military force. The resulting formal statement of defence policy therefore envisaged an ADF that was self-reliant.⁴⁸⁹

The 2009 Defence White Paper detailed the practical implications of these policies. The ADF now required the capabilities to:

- act independently where we have unique strategic interests at stake, and in relation to which we would not wish to be reliant on the combat forces of any foreign power
- lead military coalitions where we have shared strategic interests at stake with others, and in relation to which we would be willing to accept a leadership role, in part to compensate for the limited capacity or engagement of others and
- make tailored contributions to military coalitions where we share wider strategic interests with others and are willing to accept a share of the burden in securing those interests.⁴⁹⁰

The white paper stipulated that posturing the ADF to effectively contribute to regional and global military contingencies while sustaining the ability to conduct humanitarian assistance and disaster relief activities did not ‘create a requirement for maintaining an extensive range of specialised capabilities within the ADF’. The force structure required to undertake the tasks outlined in the 2009 Defence White Paper was expected to ‘generate a wide range of capabilities which can be deployed for such tasks with very little warning’.⁴⁹¹ As such, an

480. Strategic objectives in 2000 were to ensure the defence of Australia and its direct approaches; foster the security of our immediate neighbourhood; work with others to promote stability and cooperation in South East Asia; contribute in appropriate ways to maintaining strategic stability in the wider Asia-Pacific region; and contribute to the efforts of the international community, especially the United Nations, to uphold global security. Cited in 2000 Defence White Paper, op. cit., p. x.

481. R Lyon and A Davies, ‘[Assessing the defence white paper 2009](#)’, op. cit., p. 2.

482. 2009 Defence White Paper, op. cit., pp. 9 and 83.

483. Ibid., p. 9.

484. Ibid., p. 85.

485. Ibid., p. 83; Australian Government, ‘[Cyber Security Operations Centre](#)’, Department of Defence, website, accessed 13 January 2015.

486. J Franzi, [Managing cyber security in an increasingly interconnected world](#), Department of Defence, speech, 5 May 2014, accessed 13 January 2015.

487. 2009 Defence White Paper, op. cit., p. 46.

488. Ibid., p. 47.

489. Ibid., p. 48.

490. Ibid., p. 13.

491. Ibid., p. 60.

ambitious number of new capabilities and enhancements were advanced with maritime forces receiving the most attention.

Maritime forces

The Government considered that there was a need to substantially expand the ADF's ability to project force to maintain freedom of navigation, protect shipping and to transport and support land forces.⁴⁹² An expanded submarine fleet would need to be large enough to maintain an effective operational presence, at long range, as well as protect other key ADF assets. Moreover, the expanded submarine force would be used as a strategic deterrent.⁴⁹³

Anti-submarine warfare capabilities, offshore maritime warfare, mine countermeasures and border protection capabilities would also be enhanced.⁴⁹⁴ Specifically, the maritime component of what the 2009 Defence White Paper called 'Force 2030' would include:

- eight new, larger, frigates optimised for anti-submarine warfare, to replace the eight Anzac frigates
- 12 new, non-nuclear and long-range submarines to be 'assembled' in South Australia, replacing the existing six Collins Class submarines
- 24 new naval combat helicopters 'as a matter of urgency' in place of the cancelled Super Seasprite acquisition (the decision to acquire 24 MH-60R Seahawk helicopters was made in June 2011 and they began to enter service in early 2014)⁴⁹⁵
- around 20 new multi-role Offshore Combatant Vessels to replace existing patrol boat, mine countermeasure, hydrographic and oceanographic ships
- a 10,000–15,000 tonne strategic sealift ship and
- six new heavy landing craft to assist amphibious operations.⁴⁹⁶

A number of capability decisions announced in the 2000 Defence White paper were reinforced in the 2009 version, including:

- three Air Warfare Destroyers, with the possibility of a fourth
- two Landing Helicopter Dock amphibious trooping ships
- a replacement for supply ship HMAS *Success*
- 46 MRH-90 Multi-Role Helicopters to replace the ageing Sea King helicopters and expected to enter service with the RAN in 2010 (these helicopters are to be shared with the Army in replacing the Black Hawk helicopters: the RAN will get six, a further seven will be used for joint training, with the remainder assigned to the Army)
- continued upgrades to the Collins Class submarines and
- weapons upgrades for the Anzac Class frigates.⁴⁹⁷

There were timetables for only four of the seven new capabilities. The Multi-Role Helicopters would enter service in 2010. The remaining three timeframes were vague. Design and construction of the new submarines would span 'three decades'—that is, until at least 2039. The Landing Helicopter Docks would be delivered 'in the coming decade' and a supply ship at 'the end of the next decade'.⁴⁹⁸

492. Ibid., pp. 60 and 64.

493. Ibid., p. 64.

494. Ibid., pp. 64 and 72.

495. S Smith (Minister for Defence) and J Clare (Minister for Defence Materiel), [New naval combat helicopters](#), media release, 16 June 2011, accessed 13 January 2015; Department of Defence, [MH-60R in-service ceremony](#), media release, 25 January 2014, accessed 13 January 2015.

496. 2009 Defence White Paper, op. cit., p.73.

497. Ibid., pp. 63 and 71.

498. Ibid., p. 72.

Land forces

The 2009 Defence White paper stated that capability improvements were required for land forces, but that the size and structure of the Army would not need any major changes.⁴⁹⁹ Some of the key capabilities included:

- acquiring up to 1,100 deployable protected vehicles to ‘replace existing armoured personnel carriers, mobility vehicles and other combat vehicles which, in the past, have had limited or no protection’. Delivery of this capability was expected to be completed by 2012
- continued upgrade of the existing M113 Armoured Personnel Carriers (a project in the 2000 Defence White Paper) to provide 430 enhanced vehicles by the end of 2011
- continued acquisition of 7,000 deployable support vehicles to replace existing wheeled transport and logistic vehicles
- acquisition of seven CH-47F Chinook battlefield lift helicopters to replace the Army’s six CH-47D helicopters
- continued acquisition of the MRH-90 Multi-Role Helicopters to replace the Army’s Black Hawk helicopters. The MRH-90 was expected to enter service with the Army in 2011. The ADF had already begun to accept the MRH-90s into service from December 2007 but stopped in 2010 when significant problems emerged.⁵⁰⁰ The ADF resumed aircraft acceptance from May 2012, with the 29th helicopter accepted in June 2014.⁵⁰¹
- new 155mm howitzer artillery, both self-propelled (two batteries) and towed (four batteries) with the latter being moveable by helicopter or strategic airlift. In May 2012, the Government decided to cancel the acquisition of self-propelled howitzers and instead announced the acquisition of two additional towed howitzer batteries in October 2012.⁵⁰²

As in the 2000 Defence White Paper, the Government undertook to enhance capabilities for individual soldiers, including non-lethal weapons, due to the ADF’s operations ‘in proximity to civilian populations’.⁵⁰³

Air power

The Air Combat Capability Review (mentioned above) confirmed the utility of bridging the air combat capability gap through the purchase of 24 F/A-18 Super Hornets, which was reflected in the 2009 Defence White Paper.⁵⁰⁴ The white paper announced that the second batch of 12 F/A-18 Super Hornets would be equipped with ‘the electronic warfare “Growler” variant—the EA-18G’.⁵⁰⁵

Many of the other air power capability proposals had already been foreshadowed in the 2000 Defence White Paper or existing programs, including the ongoing development of the acquisition of:

- 72 to 100 Joint Strike Fighters (JSFs) to be managed in conjunction with the withdrawal of the F/A-18 Super Hornet to avoid a gap in Australia’s air combat capability
- eight new maritime patrol aircraft to replace the AP-3C Orion surveillance aircraft fleet
- up to ten fixed wing aircraft to replace the DHC-4 Caribou, which would be withdrawn from service in 2009⁵⁰⁶
- six new E-7A Wedgetail aircraft (AEW&C), which were contracted in 2000 (this project incurred a number of problems, only achieving Final Operational Capability (FOC) in May 2015)⁵⁰⁷ and
- five KC-30A multi-role air-to-air refuelling and transport aircraft, first approved in 2003 and entering service from 2010.⁵⁰⁸

499. Ibid., p. 75.

500. ANAO, [Multi-role helicopter program](#), Audit report, 52, 2013–14, ANAO, Barton, 2014, accessed 13 January 2015.

501. RAN, ‘[MRH90 Taipan: multi role helicopter](#)’, RAN website, accessed 13 January 2015; The Auditor-General, *2013–14 major projects report: Defence Materiel Organisation*, op. cit., p. 218.

502. S Smith (Minister for Defence) and J Clare (Minister for Defence Materiel), [19 new Howitzer guns for the Army](#), media release, 16 October 2012, accessed 13 January 2015.

503. 2009 Defence White Paper, op. cit., pp. 76–77.

504. Ibid., p. 78.

505. Ibid., p. 79.

506. Ibid., pp. 78–80.

507. Auditor-General, *2013–14 major projects report: Defence Materiel Organisation*, op. cit., p. 206; K Andrews (Minister for Defence), [Wedgetail aircraft achieves final operational capability](#), media release, 26 May 2015, accessed 13 January 2015.

508. Ibid., pp. 79–80.

New air power capabilities announced in the 2009 Defence White Paper comprised:

- unspecified maritime strike weapons for the JSF
- seven large Unmanned Aerial Vehicles (UAVs) capable of performing at high-altitude and for long distances in support of manned maritime surveillance aircraft and
- two C-130J Hercules aircraft in addition to the existing fleet of 12, with the older C-130H being retired.⁵⁰⁹

As with many of the future capabilities already mentioned, no timetable was given for the introduction of the new air power capabilities beyond the expectation that they would be available by 2030.

Defence industry

The 2009 Defence White Paper dedicated six pages to procurement, sustainment and industry support.⁵¹⁰ Similar to previous defence white papers, the 2009 Defence White Paper reassured industry that its support is 'critical to defence capability and operational effectiveness'.⁵¹¹ Through the Government's defence industry policy, the 2009 Defence White Paper promised to 'grow local industry capacity and competitiveness' by:

- increasing industry capacity and competitiveness through targeted productivity and workforce growth initiatives
- building greater flexibility into Defence Capability Plan reprogramming to mitigate the adverse capacity and capability impacts associated with large expenditure peaks and troughs and
- if necessary, increasing the amount of offshore expenditure, to a level that allows for a more managed, sustainable and achievable local industry growth rate.⁵¹²

The 2009 Defence White Paper recognised that 'total self-sufficiency in defence industry capabilities would be impractical for a nation of Australia's size' and is not necessary under the Government's defence policy.⁵¹³

Nonetheless, similar to previous white paper statements, the Government was committed to maintaining specific industry capabilities in Australia that aligned with strategic interests. As such, the Priority Industry Capabilities (PICs) were announced to define 'those industry capabilities which would confer an essential strategic capability advantage by being resident within Australia, and which, if not available, would significantly undermine defence self-reliance and ADF operational capability'.⁵¹⁴ The Government asserted that it was 'prepared to intervene in the market to ensure that PICs remain healthy and available'.⁵¹⁵ Specifically, the Government would only provide support 'where market failures would be so detrimental to our strategic interest as to justify such intervention'. These factors, which would prompt support from the Government, included:

- the criticality of the industry capability to our posture of defence self-reliance
- the value-for-money represented by such intervention
- the 'health' of the industry sector, in terms of workforce size and skill levels, and capacity constraints, individual firm viability (in cases where this would be justified) and
- market structure.⁵¹⁶

While the 2009 Defence White Paper did not identify the specific capabilities that would attract PIC level support, the Government sought to monitor capabilities such as:

- 'high-end' system and 'systems of systems' integration capabilities, including for electronic warfare development, the protection of networks and computers, including in the field of cyber defence, communications security testing services and through-life support of cryptographic equipment, and system life cycle management capabilities to maintain and extend the service life of ADF systems

509. Ibid., p. 79.

510. 2009 Defence White Paper, op. cit., pp. 125–130.

511. Ibid., p. 125.

512. Ibid., pp. 127–128.

513. Ibid., p. 128.

514. Ibid., p. 128

515. Ibid.

516. Ibid.

- naval shipbuilding, including specialist design and engineering services; warship repair, maintenance and upgrade capabilities, and essential facilities; submarine design and construction, repair, maintenance, upgrade and overhaul capabilities; selected development, production, upgrade and through-life support of underwater acoustic technologies and systems
- development, repair and precision machining of composite and exotic materials, signature management capabilities and coatings, and anti-tampering capabilities
- the ability to produce selected ballistic munitions and explosives; repair, maintain, test and evaluate guided weapons; repair, maintain and upgrade capabilities in relation to infantry weapons, small arms and remote weapons stations on combat vehicles
- through-life and real-time support of mission and safety critical software; system assurance capabilities for both ICT hardware and software; the repair and maintenance of specialist AEW&C systems; the development and through-life support of JORN and phased-array radars; secure test facilities and test ranges; the development and support of targeting and precision navigation capabilities
- development of capabilities in the field in terms of combat clothing and personal load carriage equipment
- repair and maintenance of armoured vehicles and
- the repair, maintenance and upgrade of rotary and fixed-wing aircraft.⁵¹⁷

The Government provided industry with broad information about PIC support in a brochure released shortly after the white paper was handed down.⁵¹⁸ In addition to the PIC program, the 2009 Defence White Paper promised that local industry would be promoted in global supply chains; the Skilling Australia's Defence Industry (SADI) program would be enhanced by expanding the number of skilled workers and developing career pathways; Australia's skill base would be improved in the fields of engineering and system integration; and where required 'rebalance offshore and local procurement activities'.⁵¹⁹

Defence Capability Plan 2009

The 2009 DCP contained around 110 project proposals and phases worth approximately \$60 billion. Despite the DCP reflecting the ambitions of the 2009 Defence White Paper, which had an outlook to 2030, the DCP's outlook was significantly reduced to 2013, in contrast to the ten-year outlook of previous DCPs. However, the Government believed that industry preferred more up-to-date information and therefore promised to update the DCP electronically every six months; a promise they almost fulfilled with five revised DCPs and one Defence Capability Guide being published from 2009 to 2012.⁵²⁰

The format of the 2009 DCP was very similar to previous DCPs except that the planned schedule highlights now distinguished date ranges for First Pass and Second Pass approvals.⁵²¹

Cost of capability

Funding for the 2009 Defence White Paper contained the following components:

- '3 per cent real growth in the defence budget to 2017–18'
- '2.2 per cent real growth in the defence budget from 2018–19 to 2030'
- '2.5 per cent fixed indexation to the defence budget from 2009–10 to 2030'
- reinvestment by Defence of the savings from its 'Strategic Reform Program back into priority defence capabilities as agreed by the Government' and
- 'shortfalls against the white paper funding plan to be offset by Defence'.⁵²²

517. Ibid., p. 129.

518. Department of Defence, [Priority industry capabilities: fact sheet](#), July 2009, accessed 13 January 2015.

519. Ibid., pp. 129–130.

520. Department of Defence, [Defence capability plan 2009](#), Canberra, 2009, pp. iii–iv; J Faulkner (Minister for Defence) and G Combet (Parliamentary Secretary for Defence Procurement), [Defence capability plan 2009: supporting Australian defence industry](#), media release, 1 July 2009, accessed 13 January 2015. Parliamentary Library Catalogue, ['Defence capability plan: project update summary'](#), [Library catalogue].

521. First Pass approval allocates funds from the Capital Investment Program to enable the options endorsed by Government to be investigated in further detail while Second Pass is the point at which the Government will endorse a specific capability solution and approve acquisition funding. Department of Defence, [Defence capability development handbook 2014](#), 24 June 2014, p. 10, accessed 13 January 2015; *ibid.*

Alignment of cost, capability and strategic objectives

The Strategic Reform Program (SRP) was based on recommendations from the Pappas Review (see discussion above) and formed a central part of the Government's financial plan for defence in the 2009 Defence White Paper. The SRP aimed to generate \$20 billion over ten years through the application of efficiencies and savings.⁵²³ The \$20 billion of extra revenue created by the SRP was to be reinvested in defence, and therefore help fund the major capital equipment proposals contained in the 2009 Defence White Paper.⁵²⁴

At the time of the 2009 Budget release, the Defence Minister claimed the 'new funding model' detailed in the 2009 Defence White Paper 'fully covers off the capability and other funding requirements set out in the Defence White Paper'.⁵²⁵ As with other white papers, the fulfilment of plans beyond the three-year election cycle might depend on a new government's attitude. In any event, even a re-elected government might face new challenges, requiring a reassessment of key capability programs. Yet the 2009 Defence White Paper declared 'for the first time, an Australian Government has committed to funding a Defence White Paper for the life of the White Paper'.⁵²⁶ In practice, the 2009 Defence White Paper funding model began to unravel in less than two weeks. The 2009–10 Budget, released on 12 May 2009 (just ten days after the 2009 Defence White Paper), indicated that the 2.5 per cent fixed indexation would be postponed—it would be 'calculated from 2009–10 but applied from 2013–14'.⁵²⁷ In effect, the 2009–10 Budget removed an estimated \$8.8 billion from the first six years of the life of the 2009 Defence White Paper.⁵²⁸

According to ASPI analysts, because the 2009 Defence White Paper:

... fails to provide any concrete milestones for when things will be delivered over the next decade, the available funds can be spent at a leisurely pace and we will be none the wiser. With no tangible targets to be met prior to 2030, the question of having enough money is hypothetical.⁵²⁹

Opposition Leader Malcolm Turnbull dismissed the funding arrangements as 'back of the envelope calculations'.⁵³⁰

Mark Thomson (ASPI) assessed that maintaining the Australian defence inventory had required an 'average annual growth above inflation of around 2.6%'.⁵³¹ On that basis, the reduction to 2.2 per cent real growth in the defence budget from 2018–19 to 2030, promised in the 2009 Defence White Paper, would be inadequate.

Independent of the budget allocations, there was the question of whether the Department of Defence had the capacity to make the level of savings envisaged in the SRP. As Paul Barratt, a former Secretary of the Department of Defence, concluded—'Defence savings: the impossible dream'.⁵³²

By the time the 2012–13 Budget was handed down:

\$10.6 billion worth of promised funding from the first five years of [the] White Paper ha[d] been deferred to parts unknown in the future, \$10 billion in savings (above and beyond those promised by the SRP) have been cut from funding promised between 2011 and 2021, and another \$2.5 billion of new initiatives over the decade have been imposed upon Defence without funding or offsets.⁵³³

522. The non-farm GDP implicit price deflator had been abandoned because it was subject to 'substantial fluctuations'. Instead, the white paper allocated fixed indexation set at 2.5 per cent, the target consumer price inflation of the Government and Reserve Bank. Cited in 2009 Defence White Paper, op. cit., pp. 137–138.

523. J Fitzgibbon (Minister for Defence), *Budget 2009–10: defence budget overview*, op. cit.

524. Ibid.

525. Ibid.

526. 2009 Defence White Paper, op. cit., p. 137.

527. [Budget review 2009–10](#), Research paper, 33, 2008–09, Parliamentary Library, Canberra, 2009, accessed 13 January 2015.

528. M Thomson, *The cost of defence: ASPI defence budget brief 2009–2010*, op. cit., p. vi.

529. Ibid., p. 104.

530. M Turnbull, cited in J Gordon, '[Defence plan holds financial "time bombs", Rudd warned](#)', *Sunday Age*, 3 May 2009, accessed 13 January 2015.

531. M Thomson, *The cost of defence: ASPI defence budget brief 2009–2010*, op. cit., p. 103.

532. P Barratt, '[Defence savings: the impossible dream](#)', Australian Observer blog, 16 September 2009, accessed 13 January 2015; H White, cited in L Mayoh, '[Forces project rapped](#)', *Sunday Telegraph*, 3 May 2009, accessed 13 January 2015.

533. M Thomson, [The cost of defence: ASPI defence budget brief 2012–2013](#), Australian Strategic Policy Institute, Canberra, 2012, p. 112, accessed 13 January 2015.

Thomson had predicted back in 2009 that the budget allocation did not match the ambitions of the 2009 Defence White Paper.⁵³⁴ ASPI tried to estimate the overall costs:

- the new funding model adds in excess of \$10.5 billion over the decade, including \$5.3 billion in the first four years
- \$8.8 billion has been deferred within the decade, including \$6.8 billion in indexation from the first six years and \$2 billion in savings from the first four years and
- the eighth, ninth and tenth years receive some deferred funds, with the remainder pushed beyond the decade.⁵³⁵

The Senate Foreign Affairs, Defence and Trade Committee inquiry into procurement procedures for defence capital projects commented in its final report that detailed funding figures for the 2009 Defence White Paper were lacking and that when ‘questioned at Senate Estimates in June 2009, the then CDF, Air Chief Marshal Angus Houston, stated that it would cost somewhere between \$245 and \$275 billion (in 2009–10 budget dollars) to realise *Force 2030*’.⁵³⁶

One conclusion that might be drawn about the 2009 Defence White Paper is that its lack of funding detail, barring the vision for 2030, was a logical implication of the promise of five-yearly white papers. Possibly, the 2009 Defence White Paper was seen by the Rudd Government as setting a broad framework, with the details of how this was to be fulfilled, to be refined every five years. However, if that was the intention, it was not specifically stated.

As it turned out, the financial underpinning of the program, immediately weakened by revisions in the subsequent federal budget, could not survive the competing pressures originating in the repercussions of the global financial crisis.

The 2009 Defence White Paper was in many ways an ambitious document. It attempted to establish, to some degree, the Government’s expectations of what the ADF should look like in 2030 while acknowledging how much, in broad terms, such a force would cost. However, within a few years it would become clear that the Government was unable to meet the necessary funding commitments and by 2012, Thomson declared the ‘2009 defence white paper is dead’.⁵³⁷

Another area about which the 2009 Defence White Paper was perhaps more ambitious than its predecessor concerned the SRP. The 2000 Defence White Paper noted that Defence had been subject to efficiency savings leading up to the white paper’s release; producing around \$1.2 billion in 2000–01. A further \$200 million of efficiency savings per year to 2003–04 was expected.⁵³⁸ On the other hand, the 2009 Defence White Paper efficiency measures—\$20 billion in savings over ten years to be reinvested in defence—had not been met. ASPI claimed that by May 2012, the original targets for the SRP had ‘been abandoned’ and in 2011–12, Defence had been compelled to return some of its SRP related savings to the Government, rather than have them reinvested in defence as originally intended.⁵³⁹

534. M Thomson, *The cost of defence: ASPI defence budget brief 2009–2010*, op. cit., pp. 101–103.

535. Ibid., pp. 101–102.

536. Senate Foreign Affairs, Defence and Trade References Committee, [Procurement procedures for defence capital projects: final report](#), The Senate, Canberra, August 2012, accessed 13 January 2015.

537. B Nicholson, ‘[Budget 2012: military suffers the biggest blow](#)’, *The Australian*, 9 May 2012, p. 8, accessed 13 January 2015.

538. 2000 Defence White Paper, op. cit., p. 121.

539. S Smith (Minister for Defence) and J Clare (Minister for Defence Materiel), [Budget and strategic reform program; ADFA and ADF reviews; PNG processing centre; Pakistan and death of Osama bin Laden](#), press conference, transcript, 6 May 2011, accessed 13 January 2015; M Thomson, *The cost of defence: ASPI defence budget brief 2012–2013*, op. cit., p. 131.

Defence White Paper 2013 (2013 Defence White Paper)



MH60R Romeo Seahawk helicopter and Landing Helicopter Dock (Source: [Australian Defence Image Library](#))

Synopsis:

- The 2013 Defence White Paper was released in the wake of the Asian Century White Paper and the National Security Strategy, both of which heavily influenced the strategic objectives of the 2013 Defence White Paper.
- The 2011–12 Force Posture Review informed the 2013 Defence White Paper, both of which recognised the need for Australia to be self-reliant. The ADF's primary role is to defend Australia and Australia's interests close to home, and these need to be reflected in the ADF's capability requirements.
- The 2013 Defence White Paper was widely regarded as a continuation of the 2009 Defence White Paper. However, the former placed greater emphasis on the need to balance capabilities with economic realities.
- The language of this white paper was softer towards China but still raised concerns about its military development and territorial claims in the region. It also placed greater emphasis on the relationship between the United States and China in the region.
- The gravity of the cyber threat was elevated and the white paper reinforced an earlier agreement between Australia and the United States that the ANZUS Treaty could be invoked in response to a significant cyber attack.
- Defence's role within the newly established Australian Cyber Security Centre, announced in the National Security Strategy, was articulated in the 2013 Defence White Paper.
- While the 2013 Defence White Paper acknowledged the fiscal constraints imposed in response to the economic downturn, large capability items that were announced in the previous white paper, such as 12 conventional submarines and three squadrons of Joint Strike Fighter aircraft, were still a capability feature of this paper.
- The Government's 2010 Defence Industry Policy was reinforced in this white paper and similar Priority Industry Capabilities to those previously identified, remained.
- No new Defence Capability Plan accompanied the 2013 Defence White paper.
- The release of this white paper was brought forward one year due to the effects of the global financial crisis on the economy. The 2013 Defence White Paper aimed to change the 2009 defence funding model but the forecast spending for Defence was still unlikely to afford the specified capabilities—especially the Government's intention to increase defence spending to two per cent of GDP.

Introduction

In the lead-up to the 2012–13 budget release, Prime Minister Julia Gillard announced that a defence white paper would be delivered ‘in the first half of 2013’, rather than in 2014 as had been projected in the 2009 Defence White Paper.⁵⁴⁰ The Gillard Government stated that the need for another white paper at this time was based on the drawdown of ADF operational commitments overseas; recommendations from the Force Posture Review; Australia’s economic realities following the global financial crisis; ‘strategic change’ in the region; and major reforms within Defence.⁵⁴¹

On 3 May 2013, the *Defence White Paper 2013* (2013 Defence White Paper) was released with no defined timeframe. Like the 2009 Defence White Paper, it was not tabled in Parliament and it lacked bipartisan support.⁵⁴²

As with its predecessors, associated reviews contributed to the 2013 Defence White Paper, with the ADF Posture Review being key to the process. However, a community consultation process was not undertaken.

Australian Defence Force Posture Review

On 22 June 2011, Defence Minister Stephen Smith commissioned a review of the ADF’s posture to assess whether the ADF was ‘correctly geographically positioned to meet Australia’s modern and future strategic and security challenges’.⁵⁴³ The Force Posture Review was headed by two former Defence secretaries, Allan Hawke and Ric Smith, who delivered the final report to Government in March 2012 (an interim report had been presented in January).⁵⁴⁴ This Review was the ‘first strategic review of force posture since the Cooksey Review of Australia’s Defence Facilities in 1988, which followed the 1986 Dibb Review’.⁵⁴⁵

The executive summary and recommendations contained in the final report of the Force Posture Review were released by the Government in May 2012. There were 39 recommendations.⁵⁴⁶ At that time, the Government stated that no decisions had been made in terms of those recommendations, but that its formal response would be contained in the 2013 Defence White Paper.⁵⁴⁷

In essence, the Force Posture Review posited that while the location of ADF bases does not require significant change, the ‘ADF posture needs to be adjusted to meet current and future needs’.⁵⁴⁸ The Review noted that the ADF’s needs continue to be based on ‘the principle of self-reliance in the direct defence of Australia, and in relation to our unique strategic interests in our neighbourhood’.⁵⁴⁹ This meant a greater focus on northern Australia, but the more controversial recommendation was for Defence to ‘upgrade the Cocos (Keeling) Islands airfield facilities to support unrestricted P-8 [maritime patrol aircraft] and UAV operations and KC-30 operations with some restrictions’.⁵⁵⁰ The Review team argued that for these reasons, the islands have ‘significant military strategic value’.⁵⁵¹

The Government’s response and implementation of the *Force Posture Review*’s recommendations are discussed below in the section on ‘strategic objectives’.

2013 Defence White Paper

The 2013 Defence White Paper was regarded by many as a continuation of the 2009 version, as the strategic objectives and capability priorities espoused in both documents remain largely extant. However, three key themes in the 2013 Defence White Paper particularly stand out as points of difference: the elevated

540. Australian Government, [Defence white paper 2013](#) (2013 Defence White Paper), White paper, Canberra, 2013, accessed 13 January 2015; J Gillard (Prime Minister) and S Smith (Minister for Defence), *New defence white paper 2013*, op. cit.

541. Ibid.

542. J Gillard (Prime Minister) and S Smith (Minister for Defence), [Release of the 2013 defence white paper](#), media release, 3 May 2013, accessed 13 January 2015; D Johnston (Shadow Minister for Defence), [2013 defence white paper: no plan, no schedule, no money](#), media release, 3 May 2013, accessed 13 January 2015.

543. S Smith (Minister for Defence), [Australian Defence Force posture review](#), media release, 22 June 2011, accessed 13 January 2015.

544. Ibid.

545. A Hawke and R Smith, [Australian Defence Force posture review](#), Department of Defence, 30 March 2012, p. 1, accessed 13 January 2015.

546. J Gillard (Prime Minister), [Release of final Defence Force posture review report](#), media release, 3 May 2012, accessed 13 January 2015.

547. Ibid.

548. A Hawke and R Smith, *Australian Defence Force posture review*, op. cit., p. i.

549. Ibid., p. 6.

550. Ibid., p. 26.

551. Ibid.

circumstances of strategic uncertainty, increased emphasis on international engagement through defence diplomacy, and the crucial need to balance capabilities with economic realities.⁵⁵² While all three elements were present in the 2009 version, their increased emphasis in 2013 was significant.

As previously stated, the 2013 Defence White Paper failed to receive bipartisan support within the Parliament, with the key issue of defence funding being particularly contentious. For example, Shadow Defence Minister David Johnston was highly critical of the white paper's lack of firm financial details and scheduling commitments.⁵⁵³ However, Defence Minister Stephen Smith defended it by claiming there was limited budgetary scope contained in previous defence white papers and asserted that defence white papers are not inherently budget documents.⁵⁵⁴

Strategic objectives

Prior to the release of the 2013 Defence White Paper, two key documents were released: the Asian Century White Paper (October 2012) and the National Security Strategy (January 2013). Both documents revealed much of the regional strategic analysis upon which the 2013 Defence White Paper was built. Both documents discussed potential strategic concerns, while optimistically emphasising the importance of the United States-China relationship on regional security.⁵⁵⁵ In fact the National Security Strategy and the 2013 Defence White Paper share identical language on this point, in expecting 'that both the United States and China will work hard to maximise cooperative aspects and minimise the competitive elements in the relationship'.⁵⁵⁶

Although the language of the 2013 Defence White Paper is non-adversarial towards China, it raised the issue of tensions arising from China's military modernisation and territorial claims in the region.⁵⁵⁷ The National Security Strategy was more direct in acknowledging that China's territorial disputes were exacerbating regional concerns and sought to encourage further openness and transparency from China.⁵⁵⁸ The Asian Century White Paper was similarly direct, calling for China to explain 'the pace and scope of their military modernisation, to build confidence and trust'.⁵⁵⁹ While these sentiments were somewhat mirrored in the 2009 Defence White Paper, it is noteworthy that the 2013 Defence White Paper was not as cautious about China's military intentions.⁵⁶⁰

However, departing from the strategic assessment of the 2009 Defence White Paper, the Asian Century White Paper acknowledged the serious challenges faced in the region but adopted a 'largely optimistic view of the region's geo-political future'.⁵⁶¹ The Asian Century White Paper foresaw regional security and stability involving the continuous presence of the United States, 'engagement with a rising China, the benefits of trade and investment, and evolving regional multilateral institutions' while cooperating with major powers in the region and multilateral organisations.⁵⁶² This optimism could be viewed as 'appropriate for a policy blueprint that is attempting to motivate government, business, education and community sectors to embrace further domestic reforms and strengthen their understanding of and links with Asia'.⁵⁶³ On the other hand, the Asian Century White Paper downplayed the reality of security tensions in the region. A more detailed assessment was expected to be addressed in the 2013 Defence White Paper.⁵⁶⁴

The 2013 Defence White Paper's position on China generated a large amount of public commentary, in comparison to the language delivered in the 2009 Defence White Paper, due mainly to the 2013 version's

552. 2013 Defence White Paper, op. cit., pp. 1–4.

553. D Johnston (Shadow Minister for Defence), [2013 defence white paper—no plan, no schedule, no money](#), op. cit., accessed 13 January 2015.

554. S Smith (Minister for Defence), [Interview Peter van Onselen: 2013 defence white paper; federal elections](#), Sky News, Australian Agenda, transcript, 5 May 2013, accessed 13 January 2015.

555. Department of Prime Minister and Cabinet (PM&C), [Strong and secure: a strategy for Australia's national security](#) (National Security Strategy), PM&C, Canberra, 2013, p. 27, accessed 22 July 2013; Australian Government, [Australia in the Asian century: white paper](#), White paper, October 2012, p. 73, accessed 13 January 2015.

556. National Security Strategy, *ibid.*, p. 27; 2013 Defence White Paper, op. cit.

557. 2013 Defence White Paper, *ibid.*, p. 11.

558. 2009 Defence White Paper, op. cit.; National Security Strategy, op. cit., p. 29.

559. Australia in the Asian century white paper, op. cit., p. 228.

560. 2013 Defence White Paper, op. cit., pp. 10–11.

561. C Hill, [Australia in the Asian century: regional security and foreign policy dimensions](#), FlagPost, Parliamentary Library blog, 12 November 2012, accessed 13 January 2015.

562. *Ibid.*

563. *Ibid.*

564. *Ibid.*

statement that ‘the Government does not approach China as an adversary’.⁵⁶⁵ The Defence Minister asserted that the Government’s consistent approach to Australia’s relationship with China, as stated in both the 2009 and 2013 Defence White Papers, highlights the crucial nature of the United States-China relationship for security in the Asia-Pacific region.⁵⁶⁶ However, it cannot be ignored that the tone regarding China shifted from diplomatic suspicion to a more nuanced perspective, where Australia sees ‘an enduring bilateral US-China relationship at every level—economic, political, strategic and military-to-military’.⁵⁶⁷

The importance of the United States–China relationship rests largely on the premise that many other regional variables are impacted by either the United States or Chinese politics. This includes the potential flashpoints of the Korean peninsula and East and South China Seas, as well as the growing importance of cyber defence.⁵⁶⁸ However, the 2013 Defence White Paper also noted the potential for other contributors to Australia’s strategic uncertainty, such as regional instability closer to our shores, terrorism and increased military modernisation across the globe.⁵⁶⁹

In broad terms, apart from China, Australia’s stated strategic interests are almost identical in both the 2009 and 2013 Defence White Papers. As the core elements of this, the need for ‘a secure Australia’, ‘a secure South Pacific and Timor-Leste’, ‘a stable Indo-Pacific’ and ‘a stable, rules-based global order’ have remained an intrinsic imperative throughout this period.⁵⁷⁰ There was also strong analytical continuity across the two documents, as the 2013 Defence White Paper acknowledged that ‘some defining characteristics of the order foreshadowed in the 2009 Defence White Paper are now becoming clearer’.⁵⁷¹ This is especially the case regarding Defence’s understanding of the rising significance of many Asian nations.⁵⁷²

While the concept of self-reliance remained in the 2013 Defence White Paper, it cautioned:

... commitment to self-reliance does not reflect any lack of confidence in our Alliance [with the United States] or partners. We would seek and expect help from our friends if Australia came under direct attack. But we should not rely on the combat forces of others to defend Australia.⁵⁷³

The 2013 Defence White Paper went on to acknowledge that there are limits to self-reliance and as such, Australia would need to rely on the ‘United States and other partners’ for specific capabilities like intelligence, communications and logistics.⁵⁷⁴

Cyber security featured prominently in the 2013 Defence White Paper.⁵⁷⁵ The seriousness of the threat to national security was emphasised in the reinforcement of an agreement with the United States that the ANZUS Treaty would apply to cyber attacks.⁵⁷⁶ This meant Australia needed to enhance its cyber capabilities and as part of the National Security Strategy the establishment of the new Australian Cyber Security Centre (ACSC) was announced.⁵⁷⁷ The ACSC would build on the existing CSOC structure with ASD continuing to play a primary role in

565. A O’Neil, ‘[Defence white paper pulls its punches on China](#)’, Lowy Institute for International Policy, blog, 6 May 2013, accessed 13 January 2015; B Schreer, ‘[Introducing nuance: the white paper and great power competition](#)’, Australian Strategic Policy Institute, blog, 3 May 2013, accessed 13 January 2015; R Medcalf, ‘[Sweet and sour in defence take on China](#)’, *Australian Financial Review*, 6 May 2013, p. 47, accessed 13 January 2015; 2013 Defence White Paper, op. cit., p. 11.

566. S Smith (Minister for Defence), ‘Interview Peter van Onselen’, op. cit.; 2009 Defence White Paper, op. cit., p. 34; 2013 Defence White Paper, op. cit., p. 9.

567. 2009 Defence White Paper, ibid., p. 34; 2013 Defence White Paper, ibid., p. 10.

568. 2009 Defence White Paper, ibid., p. 95; T Feakin, ‘[Squaring up for round one—cyber intrusion knock out](#)’, Australian Strategic Policy Institute, blog, 6 June 2013, accessed 13 January 2015.

569. 2013 Defence White Paper, op. cit., pp. 14–16 and 18.

570. Ibid., pp. 24–27.

571. Ibid., p. 7.

572. 2009 Defence White Paper, op. cit., p. 95.

573. 2013 Defence White Paper, op. cit., p. 28.

574. Ibid., p. 29.

575. Ibid., pp. 20–21 and 78–79.

576. At the September 2011 AUSMIN talks in the United States, both parties ‘endorsed a Joint Statement on cyber declaring that cyber attacks could be invoked under the ANZUS Treaty...’ Cited in S Smith (Minister for Defence), [Australia-United States ministerial consultations \(AUSMIN\)](#), media release, 16 September 2011, accessed 13 January 2015. This position was reinforced in the 2013 Defence White Paper, op. cit., p. 20.

577. National Security Strategy, op. cit.

its operation. The new ACSC would comprise cyber security capabilities from ASD, ASIO, the Attorney-General's Department, the Australian Federal Police and the Australian Crime Commission.⁵⁷⁸

Identified capability choices

There were comparatively few additional capability decisions outlined in the 2013 Defence White Paper, especially when compared with its 2009 predecessor. This was largely due to a lack of available funding and compounded by the economic downturn in the wake of the global financial crisis. In acknowledging these circumstances, the 2013 Defence White Paper asserted that 'the Government remains committed to fiscal discipline and improving the sustainability of the budget', despite the 'challenging' fiscal environment.⁵⁷⁹ However, while there was minimal new spending in the 2013 Defence White Paper, many previously announced acquisitions, such as the 12 Future Submarines and three operational squadrons of F-35 Joint Strike Fighters, remained.⁵⁸⁰

Maritime forces

Given the 2009 Defence White Paper's ambitions for expanding and modernising RAN capabilities, the 2013 Defence White Paper confirmed the Government's continued commitment to previous capability announcements. This included the decision to focus resources on either a new or 'evolved Collins' design for the Future Submarine program, instead of existing 'military-off-the-shelf' designs.⁵⁸¹ Additionally, the 2013 Defence White Paper indicated that the RAN will seek to acquire a proven replacement for the Armidale Class patrol boats and bring forward the replacement of its replenishment ships HMA Ships *Success* and *Sirius*.⁵⁸²

Land forces

The 2013 Defence White Paper confirmed the Government's commitment to support the Army with protected and armoured vehicles, including wholesale replacement of ageing medium and heavy trucks. Additionally, Special Forces would continue to be provided with appropriate resources 'to maintain an edge over emerging threats'.⁵⁸³

Air power

The 2013 Defence White Paper reiterated the previous decision to acquire an additional 12 EA-18G Growler electronic attack (EA) aircraft for the RAAF.⁵⁸⁴ This would allow the retention of its current operational squadron of 24 F/A 18F Super Hornets instead of reconfiguring some of these to generate an EA capability.⁵⁸⁵ The 2013 Defence White Paper also indicated the Government's intention to transition its maritime surveillance capabilities from the current fleet of AP-3C Orions to P-8A Poseidons, with the potential to incorporate UAVs into this fleet sometime in the future.⁵⁸⁶

Defence policy for industry

The 2013 Defence White Paper dedicated ten pages to defence policy for industry and reinforced the Government's 2010 Defence Industry Policy document.⁵⁸⁷ The policy would mainly focus on:

- global defence and broader industry trends
- relations between Defence and industry
- PICs
- innovation policy priorities
- enhancing innovation in this sector and providing support programs

578. Ibid.

579. Ibid., p. 71.

580. 2009 Defence White Paper, op. cit., pp. 70 and 78.

581. 2013 Defence White Paper, op. cit., p. 83.

582. Ibid., pp. 84–5.

583. Ibid., pp. 86–7.

584. Ibid., p. 88.

585. Ibid., p. 88.

586. Ibid., p. 88.

587. Ibid., p. 115.

- promoting and developing competitiveness
- facilitating international defence trade cooperation
- developing a skilled workforce, particularly in new fields
- focusing on the skills market in the maritime sector and
- facilitating greater linkages between industry and the education sector.⁵⁸⁸

The 2013 Defence White Paper also claimed that the Government's *Plan for Australian Jobs* helped to establish a defence hub in the Manufacturing Precinct in Adelaide.⁵⁸⁹ The existing PICs model still emphasised self-reliance in support of ADF operational capability.⁵⁹⁰

2012 Defence Capability Plan

The 2009 DCP promised updates 'every six months to reflect government decisions', and this was almost achieved up until 2012 when the format changed to include an additional document—the Defence Capability Guide (DCG).⁵⁹¹ Like its predecessors since 2009, the 2012 DCP still kept its four-year outlook but now the DCG would cover the subsequent six years to provide industry with "general guidance" on defence projects.⁵⁹² This approach was confirmed in the 2013 Defence White Paper, but unlike the 2009 version, there was no specific promise or timeframe for providing updates.⁵⁹³

Alignment of cost, capability and strategic objectives

A key pillar of the 2009 Defence White Paper was its unequivocal funding commitment 'for the life of the White Paper' (out to 2030), where the Department of Defence would receive real annual funding growth of at least 2.2 per cent, in addition to any internal savings generated by the Strategic Reform Program.⁵⁹⁴ This commitment proved inherently unsustainable and as such, the 2013 Defence White Paper was drafted in a very different budgetary climate.

The 2013 Defence White Paper acknowledged that defence funding was susceptible to broader pressures, claiming that the 'continuing adverse effects of the [global financial crisis] have necessitated the bringing forward of this White Paper'.⁵⁹⁵ Accordingly, the 2013 Defence White Paper was highly cautious in articulating a defence spending framework, stating:

... the Government has decided that the Defence funding model will be based on the four-year forward estimates cycle, determined on an annual basis taking into account contemporary strategic economic and fiscal circumstances.⁵⁹⁶

It went on to say that the Department of Defence would receive six-year funding guidance from Government, arguing that such an approach would allow for greater flexibility and create a lower burden of expectation.⁵⁹⁷

The 2013 Defence White Paper also indicated that 'as Australia's financial and economic circumstances allow, the Government will want to grow the defence budget to around two per cent of GDP'.⁵⁹⁸ The broad intention to increase the defence budget to this level was shared by both sides of federal politics.⁵⁹⁹

588. Ibid., pp. 115–124.

589. Ibid., p. 115.

590. Ibid., p. 118.

591. The first update was dated December 2009 but released publicly in February 2010. The second update was released in December 2010. In June 2011, the government issued two supplements that were in table format, which was closely followed by the release of a full update in August 2011. In July 2012, the Government changed the format of the DCP to include a Defence Capability Guide (DCG). The DCP retained its four year outlook and the DCG covered the subsequent six years providing 'general guidance' to industry on potential projects. Cited in Library Catalogue, '[Project update summary](#)'; S Smith (Minister for Defence) and J Clare (Minister for Defence Materiel), '[Public defence capability plan—update 2](#)', media release, 17 December 2010, accessed 13 January 2015; S Smith (Minister for Defence) and J Clare (Minister for Defence Materiel), '[Release of the 2011 on line public defence capability plan](#)', media release, 18 August 2011, accessed 13 January 2015; S Smith (Minister for Defence) and J Clare (Minister for Defence Materiel), '[Defence capability plan](#)', media release, 10 July 2012, accessed 13 January 2015.

592. S Smith (Minister for Defence) and J Clare (Minister for Defence Materiel), plan, media release, Ibid.

593. 2013 Defence White Paper, op. cit., p. 89.

594. 2009 Defence White Paper, op. cit., p. 137.

595. 2013 Defence White Paper, op. cit., p. 3.

596. Ibid., p. 72.

597. Ibid.

Despite these funding targets, ASPI analyst Mark Thomson argued that the Government's forecast spending would still be unlikely to be sufficient to afford the 2013 Defence White Paper's list of proposed capability acquisitions.⁶⁰⁰ Thomson further asserted that aspirations to fund Defence at levels of two per cent of GDP would be difficult to achieve and instead stated that a decade of defence funding below 1.7 per cent is more realistic, given the substantial funding shortfall Defence experienced from 2009–13.⁶⁰¹ The Secretary of the Defence Department, Dennis Richardson, also indicated during Senate Estimates in June 2013 that the Strategic Reform Program was unlikely to deliver its anticipated \$20 billion in efficiency savings and that since 2009 only \$3.3 billion in savings had been generated through the program.⁶⁰²

At the release of the 2013 Budget, the Government also stated that it had provided the Department of Defence with 'funding guidance' of around \$220.0 billion between 2017–18 and 2022–23. However, in the post-global financial crisis world, it is difficult to know what 'funding guidance' will mean in reality as long-term plans are likely to 'remain subject to change as strategic circumstances evolve'.⁶⁰³

As previously stated, the only major new addition to the capital equipment program in the 2013–14 Budget was the decision to purchase 12 EA-18G fighter planes (the Growler variant of the Super Hornet) from the United States. The cost was estimated to be \$2.9 billion, with \$2.0 billion allocated to Defence in 2014–15 for this purpose.⁶⁰⁴

The 2013 Defence White Paper flagged that the Government would seek to replace the current Armidale Class patrol boats and the supply vessels HMA Ships *Sirius* and *Success* 'at the first possible opportunity'.⁶⁰⁵ The Defence budget noted that the replacement of *Sirius* and *Success* was set for first pass approval consideration in 2013–14, but there was no mention of specific funding for this or the patrol boats.⁶⁰⁶ However, it was possible that the Government's intentions were covered by the \$220.0 billion of 'funding guidance'.

The number of DCP projects being prepared for approval had risen modestly since the 2012–13 Budget. There were now 12 projects on the First Pass list (there were six in the 2011–12 budget) and 17 projects on the Second Pass list (there were 19 the previous year). The list of projects set for consideration for Second Pass approval included major acquisitions such as the JSF and the P-8A Poseidon Maritime Patrol Aircraft.⁶⁰⁷

598. Ibid., p. 2.

599. D Johnston (Shadow Defence Minister), [Doorstop interview: 2013 defence white paper: Coalition response](#), Canberra, transcript, 3 May 2013, accessed 13 January 2015.

600. M Thomson, 'Budget 2013: defence: second chance: will they deliver?', *The Australian*, 25 May 2013, p. 1, accessed 13 January 2015.

601. M Thomson, 'We're still not paying enough for the defence force we need', *Canberra Times*, 4 June 2013, p. 6, accessed 13 January 2015.

602. Senate Foreign Affairs, Defence and Trade Legislation Committee, [Official committee Hansard](#), 3 June 2013, p. 50, accessed 13 January 2015.

603. Australian Government, [Portfolio budget statements 2013–14: budget related paper 1.4A Defence Portfolio](#), p. 13, accessed 13 January 2015.

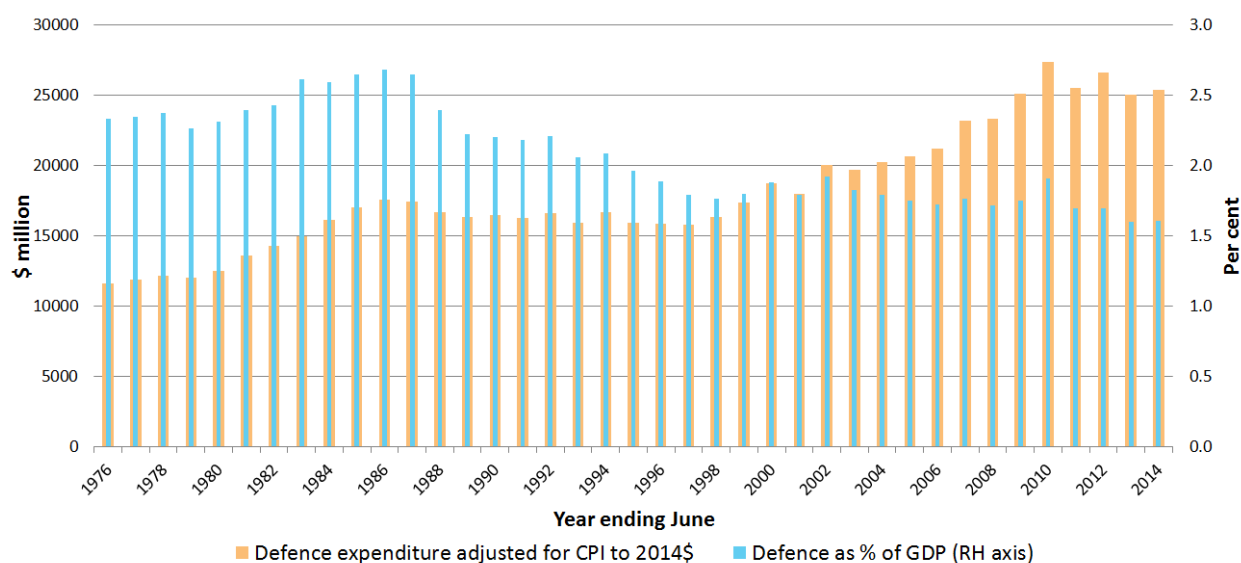
604. J Gillard (Prime Minister) and S Smith (Minister for Defence), [2013 defence white paper: air combat capability](#), media release, 3 May 2013, accessed 13 January 2015.

605. 2013 Defence White Paper, op. cit., pp. 84–85.

606. Defence Portfolio budget statements 2013–14, op. cit., p. 119.

607. Ibid., pp. 118–119.

Graph 1: Defence spending since 1975–76



Source: GDP: ABS, Australian National Accounts: National Income, Expenditure and Product, Cat. No. 5206.0. 12 months ended June (calculated on the quarterly original series using current prices), CPI – ABS, *Consumer price index, June 2015*, Cat. no. 6401.0 Department of Defence Annual Reports, ASPI Cost of Defence.

Conclusion

With the change in government in late 2013 came the promise to release the next defence white paper within 18 months of taking office.⁶⁰⁸ The Abbott Government has stated that the 2015 Defence White Paper will be ‘costed and affordable’.⁶⁰⁹ The Government aimed to achieve this by ensuring there were no further cuts to the defence budget and that they would work towards raising defence spending to two per cent of GDP.⁶¹⁰ Both the 2014–15 and 2015–16 budgets significantly increased spending on defence.⁶¹¹ Whether this trend will, or can, continue for subsequent budgets remains to be seen given the ongoing concerns about the current economic climate and the many pressures that are exerted on Australian Government expenditure.

As part of the 2015 Defence White Paper process, the Government has been conducting a community consultation process. An Issues Paper was released for discussion in July 2014 and the final report on the outcomes of this process was issued on 1 July 2015.⁶¹² This is the third occasion in which the community has been consulted in the lead-up to a defence white paper: previous occurrences were the 2000 and 2009 Defence White Papers (noted earlier). As with previous defence white papers, it will most likely be difficult to determine the extent to which the public consultation process has influenced the content of the 2015 Defence White Paper.

There is much anticipation surrounding the upcoming defence white paper, not least because the Government has been holding off making some key capability announcements until its release. The capability decisions include important decisions about Australia’s future submarine and future frigate fleets. Accompanying the next defence white paper will be a new ten-year Defence Investment Plan (which will contain the DCP), a Defence Industry Policy Statement and the recently released naval shipbuilding plan.⁶¹³ Whether the strategic objectives,

608. T Abbott (Opposition Leader), D Johnston (Shadow Minister for Defence) and S Robert (Shadow Minister for Defence Science, Technology and Personnel), *The Coalition’s policy for stronger defence*, media release, 2 September 2013, accessed 13 January 2015; D Johnston (Minister for Defence), *Speech to ASPI*, Australian Strategic Policy Institute, transcript, 3 December 2013, accessed 13 January 2015.

609. Ibid.

610. Ibid.

611. D Watt, ‘*Defence budget overview*’, *Budget review 2014–15*, Research paper series, 2013–14, Parliamentary Library, Canberra, May 2014, accessed 13 January 2015.

612. D Johnston (Minister for Defence), *Defence Minister releases white paper public consultation*, media release, 28 July 2014, accessed 13 January 2015; Australian Government, *Guarding against uncertainty: Australian attitudes to defence*, Department of Defence, 1 July 2015, accessed 2 July 2015.

613. K Andrews (Minister for Defence), ‘*Budget 2015–16: defending Australia and its national interests*’, Department of Defence, brochure, May 2015, accessed 2 July 2015; N Brangwin, ‘*Defence materiel*’, *Budget review 2014–15*, Research paper series, 2013–14, Parliamentary Library, Canberra, May 2014, accessed 13 January 2015.

identified capability choices, cost of capability, and alignment of these elements can be achieved as part of the overall 2015 Defence White Paper package will be the subject of much debate.

Australia's significantly changing strategic environment has been reflected in each of the defence white papers produced since 1976—from the end of the Vietnam War and the Cold War to the escalation of international terrorism, the proliferation of WMDs, the rise of China, cyber attacks, conflict in the Middle East and fluctuating tensions in the Asia-Pacific. Additionally, each white paper asserted Australia's need to be self-reliant while correspondingly emphasising the importance of the United States alliance. However, the degree to which these factors translated into changes in ADF capability has been marginal. Key capability decisions were often made outside the white paper process and were generally confirmed retrospectively in subsequent white papers due to the longevity of the projects, regardless of which major party was in government at the time.

In recent years, the role of Parliament in scrutinising and debating major policy announcements contained in defence white papers has diminished. The convention of tabling defence white papers in Parliament was not followed in 2009 and 2013; rather, these key policy announcements were made outside of Parliament. In a recent ASPI publication, Anthony Bergin and former Parliamentarian Russell Trood suggested that the responsibilities of the Joint Standing Committee on Foreign Affairs Defence and Trade might include 'investigating the contents of Defence or Foreign Affairs white papers'.⁶¹⁴

There has been a gradual increase in the recognition of the ADF's assistance to the civil community and aid to the civil authority, as well as its broader support in regional humanitarian assistance and disaster relief operations. However, only within the last decade has the strategic logic—demonstration of the ADF's ability to provide a swift response to emergencies—of this capability been fully recognised, resulting in a minimal influence on capability decision-making, such as the importance of maintaining the RAN's amphibious fleet.⁶¹⁵ Regardless, defence planners must consider capability choices on the basis of the ADF's core role which is the defence of Australia and its national interests, and it follows that the procurement of military equipment must be primarily for military purposes.

It has been rare for capability decisions identified in defence white papers to align with the actual funding needed to achieve them. Since 1976 this has occurred only once: the 2000 Defence White Paper, which was followed by years of strong economic growth, managed to fulfil its funding promise (although, even here, it later appeared that many capability costs had been underestimated and were less affordable than initially thought). The 2009 Defence White Paper did not have the luxury of the sustained economic growth of the Howard years and it quickly came to seem that capability choices were overly ambitious, given the prevailing fiscal climate.⁶¹⁶

Recognition that Australia's industry for defence has an important role to play in capability development also gradually gained greater acceptance and was fully acknowledged in the 2001 DCP, in line with the assertions made in the 2000 Defence White Paper.⁶¹⁷ Subsequent white papers, DCPs and Defence industry policies continued this trend. The current debate about the role Australian industry plays in the defence domain has gained significant traction, particularly as a decision about future submarines is pending. State governments are vying for defence-related work, but ultimately defence capability decisions rest with the Federal Government.⁶¹⁸ On 4 August 2015, some clarity was provided on the role of Australian industry when the Abbott Government announced its naval shipbuilding plan.⁶¹⁹ The plan outlines a continuous build program for Australia's future

614. A Bergin and R Trood, '[Creative tension: Parliament and national security](#)', *Strategic Insights*, 94, Australian Strategic Policy Institute, August 2015, p. 14, accessed 11 August 2015.

615. Following Cyclone Yasi in February 2011, the RAN's amphibious fleet was found to be non-operational and was unable to assist the Queensland Government in recovery operations. The RAN began to charter vessels to supplement its amphibious fleet and procured the MSV Skandi Bergen (offshore support vessel), primarily to provide the RAN with a humanitarian and disaster relief capability. HMAS *Choules* (landing ship dock) was also purchased from the UK Government. The RAN's new Landing Helicopter Docks also have the potential to provide a humanitarian assistance role but the platform's main purpose is to provide the ADF with an amphibious assault capability. The RAAF's strategic air lift capabilities, such as the C-17 Globemaster and C-130 Hercules aircraft, already play a significant role in supporting government intent when responding to regional and domestic emergencies. Royal Australian Navy, '[Ocean Shield arrives in Australia](#)', media release, 30 June 2012, accessed 13 January 2015; RAAF, '[C-17A Globemaster III](#)', RAAF website, accessed 13 January 2015; RAAF, '[C-130J Hercules](#)', RAAF website, accessed 13 January 2015.

616. Australian Strategic Policy Institute (ASPI), '[Submission to the National Commission of Audit from the Australian Strategic Policy Institute \(ASPI\)](#)', ASPI, website, p. 6, accessed 13 January 2015.

617. 2000 Defence White Paper, op. cit., pp. 98–106.

618. Parliament of Australia, '[Future of Australia's naval shipbuilding industry](#)', Senate Standing Committee on Economics, website, accessed 2 July 2015; Australian Government, *Guarding against uncertainty: Australian attitudes to defence*, op. cit.

619. T Abbott (Prime Minister) and K Andrews (Minister for Defence), '[The Government's plan for a strong and sustainable naval shipbuilding industry](#)', media release, 4 August 2015, accessed 11 August 2015.

frigates and offshore patrol vessels. The forthcoming 2015 Defence White Paper is expected to prioritise RAN capability investment and the number of new maritime assets required.

While the strategic objectives identified in each defence white paper seek to justify the level of force structure required by the ADF, the size of the military in terms of personnel has been subject to varying degrees of austerity measures. The ADF's preparedness levels have also suffered at times due to broader economic factors. Ultimately, the strength or volatility of Australia's economy is more influential in deciding how much money is spent on defence, regardless of commitments in any defence white paper.

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