

How we STAND

DEFENCE POSTURE REVIEW

Minister for Defence Stephen Smith announced he had received in March the final report of the Australian Defence Force Posture Review, which he commissioned in June last year.

He said the review addressed the range of present and emerging global, regional and national strategic and security factors that require careful consideration for the future.

It was undertaken by the Department of Defence and overseen by Allan Hawke and Ric Smith, both former secretaries of the department.

While the panel looked at a range of strategic issues, including the so-called rise of the Asia Pacific and the Indian Ocean rim as regions of global strategic significance; and examined current ADF geographical positioning and base arrangements, among a wide range of other domestic factors – little actual action is likely to come directly from this report's recommendations. Instead, it will be used to 'feed into' the Defence White Paper, which has now been brought forward to next year.

Strategic and security factors considered

- the rise of the Asia Pacific as a region of global strategic significance;
- the rise of the Indian Ocean rim as a region of global strategic significance;
- the growth of military power projection capabilities of countries in the Asia Pacific;
- the growing need to provide humanitarian assistance and disaster relief following extreme events in the region; and
- energy security and security issues associated with expanding offshore resource exploitation in our north-west and northern approaches.
- More broadly, the review also examined logistics support requirements, training areas for large-scale and joint training exercises, demographic and economic factors, public communications strategies, and engagement with industry, particularly the minerals and petroleum resources industries in Australia's north and west.

Energy Security in the Asia-Pacific

Energy security is a significant concern for major Asian economies. The International Energy Agency estimates that global energy demand will increase by approximately 35-40 per cent by 2035, with half of the projected increase in global energy demand coming from China and India.

China is already the world's largest energy consumer and is projected to consume 70 per cent more energy than the US by 2035. The rate of energy consumption growth will



be even higher in India and Indonesia, albeit from a lower base than China.

Growing demand for critical resources such as energy, water and rare earth elements has heightened international concerns about resource security, but 'resource wars' are not as likely as some commentators suggest. Global markets provide a far more cost-effective means of obtaining resources than military force.

The major powers in the Asia-Pacific are economically interdependent and they have common interests in maintaining the security of trade and energy-supply routes through the Indian Ocean.

Tensions over resources may exacerbate existing security problems such as territorial disputes. A loss of confidence in the reliability of global markets or a major conflict that threatened supplies to Asian and western economies could increase the likelihood of strategic competition for resources.

Australia the supplier

Australia makes an important contribution to regional energy and resource security through our role as a major supplier.

Australia is a leading energy and mineral resource supplier for major Asian economies and the value of our mining exports has more than tripled over the past decade, from \$55.6 billion to more than \$185 billion, now accounting for 12.5 per cent of Australia's annual gross domestic product.

The scale of northern resource development is often underappreciated. The Pilbara region alone accounts for 29 per cent of Australia's total merchandise exports, with Pilbara iron ore accounting for 60 per cent of Australia's exports to China.

The area encompassing LNG projects is moving northwards, closer to Indonesia and East Timor. This has some implications for security and risk levels.

Adjusting our posture

Overall, the review considers there is a case for adjusting ADF posture to meet current and future needs, although Australia's changing strategic environment does not necessitate widespread changes in the location of the ADF's bases. Potentially significant weaknesses and risks have been identified in our force posture that mostly relate to the capacity of ADF bases, facilities and training areas – particularly in Australia's north and west regions – and our ability to sustain high-tempo operations beyond a few months in northern Australia and our approaches, the immediate neighbourhood and the wider Asia-Pacific region.

Navy:

Navy's basing needs pose some of the greatest challenges of growing and sustaining Force 2030.

From 2014-15, the Navy will introduce into service its new Canberra-class LHD amphibious vessels – the largest ships it has ever operated – and the Hobart-class Air Warfare Destroyers.

In the longer term, the Anzac-class frigates, patrol boats, minehunters and heavy landing craft will all be replaced with larger platforms. The submarine force too is planned to be replaced and doubled in numbers.

This growth in the scale of Navy's basing requirements will place significantly greater demands on the capacity of wharves, dockyards and support facilities at Navy's main bases and associated industry facilities.

These demands cannot be met without a more comprehensive, long-term approach to planning and investment.

However, permanent Navy bases in the north-west are not operationally necessary given the availability of bases at Perth and Darwin, but there is a case for Defence to pursue improved access arrangements at commercial ports such as Exmouth, Dampier, Port Hedland and Broome.

Army:

As a result of 30 years of investment and repositioning, Army is well positioned for operations in support of the ADF's principal tasks and the range of peacetime national tasks.

Army's basing disposition has shifted significantly since the 1980s when the 1987 Defence White Paper began moving 1 Brigade units from Sydney to Darwin.

Army is seeking to reform its capability structure further through Plan Beersheba, which involves three manoeuvre brigades organised around a common structure, with a more even distribution of tanks and other armoured vehicles between the three brigades, and a rotational force generation cycle.

Issues have been raised about the future basing requirements of 1 Brigade in Darwin and Adelaide and 7 Brigade in Brisbane regarding their access to all-season training areas and possible urban encroachment issues in Brisbane. However, it is not clear that these issues necessitate relocations from Darwin or Brisbane, given the strategic advantages of these locations and the significant cost of establishing new bases.

Air Force:

Air Force's main bases are well-located to generate and sustain capability, with good access to industry support, training facilities and ranges, while having the ability to deploy forces quickly to its forward bases when necessary.

RAAF bases at Tindal, Darwin and Townsville, and the 'bare bases' at Learmonth, Curtin and Scherger established during the 1970s and 1980s, are well located to deliver critical F-35 Joint Strike Fighter capabilities to Navy and Army, and to conduct strike missions (although some

bases, particularly Scherger and Curtin, have considerable limitations from a logistics perspective).

Air Force also needs southern bases for maritime patrol, search and rescue and potentially airlift operations in support of Australia's interests in the Southern Ocean and Antarctica. RAAF Edinburgh and Pearce are well placed for this role, and RAAF Base Edinburgh remains an effective operational and capability-sustainment base for the maritime-patrol aircraft fleet.

Air Force bases in the north and west, however, need to be upgraded to meet new aircraft requirements and support high-tempo combat operations. At present, almost all Air Force bases are restricted in their ability to support operations by the KC-30 tanker-transport and P-8 maritime patrol aircraft. These large and heavy aircraft require longer, stronger runways and at present only RAAF Darwin can support operations by both aircraft at their maximum weight.

Fuel storage and supply is a critical limitation for air bases. The effectiveness of forward bases depends on their ability to supply sufficient fuel to conduct operations at high tempo over a protracted period and maintain a reliable supply chain to sustain these operations.

The introduction of the F-35 and the need to protect its capabilities brings new demands for security at main and forward operating bases with associated increases in personnel to provide physical security and manage sophisticated, secure information systems.

Training Areas

Despite Defence's large estate holdings, there is a surprising scarcity of training areas capable of supporting large-scale joint and combined exercises, including training for amphibious operations, in all seasons. At present, Shoalwater Bay is the only location suitable for such training.

Defence is seeking to expand Caltana Training Area in South Australia, as it does not suffer from the remoteness or wet-season restrictions of Bradshaw or Yampi Sound, but it has proven difficult to achieve due to indigenous-heritage and land-use issues.

As a result, the Shoalwater Bay Training Area is heavily used by the ADF and foreign forces and has very little capacity for additional activity, although, in the future, some capacity at Shoalwater Bay may be freed up if the ADF is able to use Bradshaw and Caltana more intensively.

Progress on the Caltana expansion is critical to the ADF's needs and ministerial intervention in discussions with the South Australian Government might be warranted to expedite this project.

A specific issue identified by the review is that Army does not currently use Bradshaw for large-scale training because the time required for aero-medical evacuation to the nearest surgical facility exceeds safety guidelines.

To enable greater use of Bradshaw in the future, options for addressing this problem could include:

1. using a surgical facility on board an LHD deployed offshore;
2. using US deployed surgical capability, as part of arrangements for increased US access to training areas in the Northern Territory;
3. increased funding for contracted private surgical support; or
4. expanding deployable surgical capabilities within the ADF (the primary driver for this investment would be ensuring adequate medical enablers for ADF combat and stabilisation operations).

A key finding of the review was that, in its assessment, the likelihood of Australia coming under direct military attack is currently remote.