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- Goodbye geographic determinism,  
hello protecting all our interests

## this issue

- Brendan Nelson's first nine months
- Fixing the ADF's people problems
- Lebanon evacuation lessons
- NZDF preparedness levels under scrutiny



- Does groupthink power the JSF?
- New task force to come to grips with IED threat

# Reflections and the path forward for Defence

**Brendan Nelson**

As the debate on Australian values and identity sears across our country, no one should forget which of our national institutions and its people have made the greatest contribution. Although not our nation's first overseas deployment, the Gallipoli campaign, followed by stoic heroism on the Western Front and imaginative manoeuvre warfare in Palestine and Syria, forged Australia's place in the modern world.

Twenty years ago, when I began my postgraduate medical life, I spent more than a decade visiting thousands of Australian homes. In most and certainly in every home of anyone then over the age of 70, I found black and white photographs of young (usually) men in smart Navy, Army and Air Force uniforms. The fading photos adorned mantelpieces and hung on walls. The young faces stared frequently into musty, empty rooms and lives that were never lived.

Australia's identity, our values, beliefs, the way we relate to one another and see our place in the world – has been shaped by the service and sacrifices of those who proudly wear the Australian uniform.

The Australian Defence Force projects force with a kind heart. And so it is that, more than anything else, which is the real privilege bestowed upon me by appointment as Minister for Defence. In the period since my appointment I have sought to immerse myself in an understanding of the complex cultural, financial, foreign policy, management, intelligence and operational issues facing Defence.

In this regard, no community organisation has been more helpful than the Australia Defence Association. Too often it is a voice of reason in the din of what passes for public debate.

## Planning ahead

The great challenge in defence planning is to be prepared for the unknown, for it is that which most shape and influence our future.

The first priority of any government is of course to protect Australia, its people, interests and values. The average Australian battling to feed their kids, car loan and mortgage would see that as ensuring we can repel attack by another country and protect our borders. In that regard they are right, but it is not on our borders that defence begins and ends. The arc of instability extending from East Timor to the countries of the southwest Pacific demands we are prepared and able to

intervene and help when asked. Failing States in our region are potential havens for transnational crime and terrorism. They also risk evolving humanitarian crises. Whatever the cultural, political and military differences between countries throughout the Asian region, we face a common enemy – terrorism.

Co-operation has always been a priority for us in the broader region, but now it is essential. Some, for example, have expressed concern that our Special Forces have trained with Indonesia's Kopassus TNI-81 unit earlier in the year. Notwithstanding some historical reservations, it is the best Indonesian unit to deal with counter terrorism and hostage rescue. It is essential that we build robust co-operative defence ties with countries throughout the region in support of maritime security, proliferation security initiatives and counter terrorism, but also disaster relief.

But defending Australia in the modern world also requires a global outlook and capability. What happens in other parts of the world has everything to do with us. Terrorism, subversion and armed conflict are being used to erode belief in properly constituted governments. A disparate group of Islamist extremists is seeking to remake Islam's role in world order. As such, no responsible Australian government can turn its back on the recognition that theatres such as Afghanistan and Iraq are critical to long-term security in the Middle East, central, and south Asia.

Consideration always must also be given to nurturing our key alliances, particularly with the United States and Britain. Australia's alliance with the US is not just about friendship. It is also capability. No one should ever forget that. Our key alliances are to be nurtured, but not in any uncritical sense.

## Recent key capability decisions

Since my coming to the portfolio, a number of major decisions and events have shaped the ADF and its future. This year's budget delivered the three per cent real compounding increase in defence expenditure out to 2016. In a nation facing collapsing age dependency ratios, this was a difficult decision but one essential to Australia's future. It also represents a minimum commitment.

An early decision was one I am surprised was not made sooner – the purchase of four C-17 Globemasters. At a cost of \$A2.1 billion, these aircraft will be critical to us getting our people and equipment where we need them and when.

Queuing up for aging Antonovs or American C-17s is unacceptable. Our first aircraft will touch down on Australian soil in early December this year.

Early in my tenure I was briefed by the Department of Defence on the big ticket items – Air Warfare Destroyers, the Joint Strike Fighter, Abrams Tanks and so on. But as a civilian coming to the post I remarked in my first week: ‘What about the soldier’s equipment? I saw a recent story about guys buying their own gear’. Within three weeks I felt satisfied of two things. The first is that notwithstanding tastes, styles, personal choice and direct marketing by companies unsuccessful in getting a clothing or small equipment contract, the gear is as good as it has ever been. The second conclusion I reached was that the clothing section of the Defence Materiel Organisation (DMO) that delivers the equipment was in need of major reform.

My instincts on both counts have been confirmed by everything that has happened since. The three-man independent team I appointed to look at it, headed by Mike Harding, identified major problems in the procurement culture and management and recommended 29 changes. I am implementing them all to see that the discipline of the Kinnaird reforms extends to this essential part of the DMO. Contract discipline, elevating the status of the clothing section to that of a System Programme Office, appointing textile engineers, a formal framework for industry engagement, and the formation of a Clothing Governance Executive including the Deputy Chief of Army, will result in improved, timelier decision making.

## Operational developments

A number of key operational deployment decisions have been faced in what is a very busy time for the ADF. There are currently ten deployments running, of which four are particularly significant.

We have merged the two operations involving border protection into Operation Resolute. It seemed illogical to me that two different operations sought to deal with illegal fishing and unauthorised arrivals by people. These are now one, overseen by Border Protection Command (formerly Joint Offshore Protection Command).

Having spent a day and night on the patrol boat HMAS Bathurst to get a feel for the day-to-day efforts of those protecting our borders, I have ordered a review of their Rules-of-Engagement and Orders-for-Opening-Fire. I expect them to have the authority to use escalating and appropriate force. Having seen first hand the risks to our defence personnel, it is clear they need more support from us. In one incident, the boarding party from HMAS Geelong chased a large vessel at high speed with various missiles being thrown at them and long sharp poles protruding. One sailor was left hanging to the stern at serious risk of attack.

Overseas, the most recent unrest and breakdown of law and order in East Timor saw the ADF at its best. We pre-positioned the necessary elements in well-founded anticipation of violent unrest. When it came the ADF moved quickly in response to the request from the East Timorese government. What emerged in the days following the securing of Dili, however, was the clear need for policing.

I do not want to see Australian soldiers undertaking riot policing. Since then, the Government has announced a significant boost to numbers in the AFP’s international deployment group.

Similarly, the deployment to the Solomon Islands was as efficient as it was professional. Both these situations remind us that geography makes demands on our country that cannot be ignored.

In June, as attacks on and by the Taliban and other Anti-Coalition militias in Afghanistan increased, it seemed the partnership with the Dutch to which we had committed might need further troops. During the last few months our Special Forces expressed their admiration for Dutch capabilities. But from my perspective a further boost to the size of ground protection element of the Australian Reconstruction Taskforce (RTF) was a matter of common sense. A further 30 specialists were added to the RTF and an additional infantry company to protect the engineers while they are employed on their reconstruction tasks.

Having always been the gateway to South Asia, Afghanistan is now, in many ways the gateway to the modern world. We are engaged in a battle with people who are not only fanatically anti-American, but also anti-Western. They have hijacked the name of Islam for evil and have attitudes to women and equality issues generally that are incompatible with a peaceful world. Hambali, Muklas, and Samudra amongst others, trained in Afghanistan. They also planned and carried out the murder of innocent Australians in Bali. They chose terrorism long before we joined the coalition of the willing in Iraq.

In Iraq, after handing over overall responsibility for security in Al Muthanna province we have taken on responsibility to support the Iraqi forces now primarily responsible for security there and in Dhi Qar province. We have continued to train Iraqis in the essential skills involved, conduct situational patrols and liaise with provincial and tribal authorities. In a model somewhat like the role the defence force adopts when called out in the event of a state of emergency in Australia, the Iraqi Prime Minister may call the ADF on to re-intervene if an emergency is declared. The final decision will, of course, come to me through the chain of command. Our early experience however, is that the Iraqi army is stepping up to the plate.

## Future reforms

Looking to the future, it is clear that Australia needs a bigger army. This is a position to which the Prime Minister needed no convincing – he has held that view for some time. Hence a further \$10 billion will be invested over 11 years raising two more battalions taking us from six to eight. The two new ones come from splitting and boosting the 5/7<sup>th</sup> battalion (as a second mechanised infantry battalion) and standing up the 8/9<sup>th</sup> battalion again, which will be motorised (with Bushmasters) and up and running well within the decade. Our army’s authorised strength will then approach 30,400. Embedded in the decision will also be the capacity for growth in the SASR that has been very busy in recent years.

Although record sums have now been committed to capability with long-term certainty and major acquisitions on the planning horizon, a number of issues remain to be addressed. These include further rationalisation of ADF logistics support, net personnel and operating costs, a rationalisation of force dispositions around the country (on both operational and recruiting and retention grounds), and the financial premium that will be required to build the two new amphibious ships in Australia rather than overseas. I expect to have these before cabinet progressively over the coming two years.

At the heart of supporting the front end of defence is the organisation of the Department of Defence itself. Early in my tenure the Secretary, Ric Smith, proposed a board to overlay the department and constantly drive organisational productivity. To be chaired by Barry Cussack (Oxiana) it is tasked with focusing on transactional efficiency, the training of people for the tasks we expect of them and the use of technology.

In addition to that, I have appointed a time-limited review of non-operational management practices and decision-making processes in the department. I have asked Elizabeth Proust who is heading this to look at the use of uniformed personnel in what might be civilian tasks and vice versa. If there are areas for further outsourcing, what are they and where might we redeploy staff in an organisation that is growing?

## Fixing the people problems

Perhaps the biggest challenge is people. Recruiting and retention are the major priorities. I took on ministerial responsibility for recruiting as I think it warrants the senior minister's attention. Having received the Henry report into recruiting and looked at it very closely, I am convinced we can do better. Much better. The advertising budget for recruiting is inadequate. Five years ago Defence spent \$42 million on advertising and attracted 148,000 enquiries. Last year we spent \$28 million for 95,000 enquiries. Further to that we seemed to have moved from promoting the individual Services to promoting the 'ADF'. I have yet to meet a person enthusiastic about joining the 'ADF', but I've met plenty proud of a career in the Army, Navy or Air Force. The advertising itself has also lost its hard edge. This will change – radically.

The recruiting process itself needs major reform. Why does it take an average of 30 weeks in a tight labour market? Young Australians are not going to sit around on the couch for months waiting for the Navy, Army or Air Force to call back. The entire process needs re-engineering. More of the right kind of uniformed people should be in recruiting centres and career-management in the ADF needs to be more in tune with the requirements of a 21<sup>st</sup> century employer. We must have a greater focus on cadets, Service trades, flexible posting cycles, superannuation that rewards longer service, and we must give the Service Chiefs much greater flexibility in managing their people.

## Fixing the finances

Another key priority for me is to see that the Department of Defence discharges its statutory financial obligations. With

an asset base of \$53.8 billion and \$3.7 billion in liabilities, no one should take lightly the qualified financial accounts since 2001/02, nor the no-opinion disclaimers from the Secretary and Chief Financial Officer in the past two years. International accounting standards applied by the Government to Defence are the highest in the world. But we can do better. Cash management is excellent, as are estimates of the cost of operations. But with more than \$5 billion in qualified asset accounting, there is still a way to go.

I expect a much better outcome this year, especially in relation to inventory (explosive ordinance in particular), infrastructure, plant and equipment and employee leave provisions. The uncertainty in recent years stemming from the income and cash flow statements is also likely to be substantially addressed.

## Buckling down

There is no higher responsibility placed on any Government than defence. As such it is an honour to be our nation's responsible minister. The honour is conferred by not only working with exemplary Service Chiefs, but with senior officials and a civilian workforce no less committed to serving the men and women who wear our country's Service uniforms.

Whether it is border protection, regional security, stabilisation operations, counter-terrorism or humanitarian and disaster relief, nothing makes me prouder to be an Australian than to see our ADF personnel doing their job. My visits to sailors, troops and airmen and women has been nothing short of inspiring to me, and to those Australians who have seen media glimpses of the ADF's efforts.

Since 11 September 2001, our world has changed. It will take more than a generation to change it back. If we were to take the view that terrorism, which is but one part of a global insurgency, is something we address only when it turns up on our borders, we in government would be failing in our primary responsibilities.

If we were to accept that Australia is in a relatively remote part of the world and should leave it to others – principally the US and Britain – to do the heavy lifting, we would demean the values given us by earlier generations. Neglectful indifference to what is happening in Iraq, Afghanistan and the Middle East will render the next generation hostage to a force it may never control.

The bombing of the Shi'a Golden Shrine in Samara, a 'cartoon-led' jihad, the nuclear ambitions of Iran, Al Qaeda's fomenting of violence in Iraq, recent reaction to the Pope's remarks about Islam – wherever we turn, there is evidence of much to be done on a diplomatic, educational and military fronts.

None of this is easy. But we have the defence force to do it. ♦

*Brendan Nelson has been Australia's Minister for Defence since 27 January 2006. Prior to this he was Minister for Education, Science and Training from November 2001 and before that Parliamentary Secretary to the Minister for Defence from December 2000. Before entering parliament in 1996 he was a medical practitioner and federal president of the Australian Medical Association 1993-1995.*