

Four Key Defence Capability Challenges

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The most pressing defence capability challenges that will confront the new Australian Government will not concern the acquisition of new equipments or technologies. They will rather be those of sustaining greatly increased defence expenditure, recruiting and retaining sufficient high quality personnel, expanding the deployable security 'tool kit' by developing ways of involving many non-military organisations in effective nation-building operations alongside the ADF overseas and strengthening public willpower to sustain demanding defence operations abroad.

The Australian Government elected towards the end of 2007 will face serious defence capability challenges. The most important demands will not, however, be those that have pre-occupied most defence analysts in the past; i.e. deciding which defence equipments need to be bought, in what numbers and when. These issues will certainly remain relevant. However, this article argues that Australia's most serious current defence capability challenges relate to broader dimensions of maintaining adequate funding, recruiting and attracting sufficient personnel, sharpening ADF capacities to team with a broad range of non-defence organisations and, finally, in sustaining public support for the demanding defence contingencies that lie ahead. Without resolving these key challenges, even the very best defence hardware will be of limited value.

In consequence, this article focuses in turn on the following four key defence capability challenges:

- The challenge of funding the Defence Capability Plan in a sustainable manner.
- The challenge of attracting and retaining sufficient quality personnel, not only to meet current defence needs but also to operate the new defence systems scheduled for introduction during the coming decade.
- The challenge of flexibly tailoring combined defence, police, transport, construction, health, education, financial service and other skilled teams that need to operate together almost seamlessly in most current and foreseeable operating theatres—from the Solomon Islands to Afghanistan.

- The challenge of sustaining public support for the commitment of Australian forces abroad.

Sustaining the Defence Capability Plan

The Coalition government has funded the Defence Capability Plan generously since it won government in 1996. It has kept its promise to increase defence expenditure in real terms by 3% annually and, indeed, in 2006 it announced an extension of this commitment through to 2015-16.¹

This spending trajectory has permitted the Department of Defence to proceed in a timely and reasonably orderly manner to acquire most of the defence systems that have been brought forward in the Defence Capability Plan. Recent initiatives have included expenditure of \$1.5 billion over ten years for the second phase of the Hardened and Networked Army initiative, the acquisition of new utility helicopters for the Army, the purchase of new aerial refuelling aircraft, significant upgrades to the Air Force's F/A-18 *Hornet* fighters and the decision to buy three sophisticated air warfare destroyers for the Navy.

Moreover, when needs have arisen to purchase defence systems not foreshadowed in the long-term Defence Capability Plan, the government has been prepared to reach into consolidated revenue and make one-off purchases of some rather expensive additional items. The four C-17 strategic transport aircraft that will boost the RAAF's air transport capabilities are being bought for \$2.2 billion, of which \$1.9 billion is being provided in special supplementary funding.²

Similarly, the Coalition government's decision to hedge against the possibility of delays in the F-35 Joint Strike Fighter program by purchasing 24 F-18E fighter-bombers is also being funded largely via supplementary allocations. This additional \$6 billion contribution to the Defence vote further underlines the impression that defence funding is in excellent shape.

However, as the newly-elected government will soon realise, the currently planned defence force will not be sustainable unless very substantial additional funds are allocated over those currently projected. Moreover, it will be essential for this higher level of spending to be maintained for an indefinite period. There are two main reasons for this.

First, the costs of operating and maintaining all of the new equipments scheduled to enter service during the coming 3-5 years will be much higher than budget estimates assume.

¹ For details see: *Portfolio Budget Statement 2007-08*, Canberra, Australian Government, 2007, Chapter 2, p. 27.

² For details of spending on these and other major defence projects, see: *Portfolio Budget Statement 2007-08*, Chapter 2, p. 22.

Second, while the additional new defence systems are welcome, their optimal operation will require larger numbers of highly skilled personnel – a commodity whose cost is rising steeply.

In short, the newly elected Australian Government will almost immediately face some invidious defence funding options:

- Commit to even higher levels of sustained defence spending.
- Cancel or defer some defence system acquisitions.
- Phase out or mothball some operational defence systems.
- Provide only skeleton staffing for some new defence systems and operate them at low operational rates.
- Or implement some combination of the above.

One conclusion is clear. The new government will not have the option of leaving the primary features of the defence budget and the Defence Capability Plan untouched. Tough budgetary decisions will be unavoidable.

Attracting and Retaining Sufficient Quality Personnel

If the new Australian Government wishes to introduce all currently planned defence systems into service and then operate them in a way that is in any sense optimal, the Defence Force will need to increase the number of its permanent personnel. The Hardened and Networked Army initiative alone requires at least 1,485 additional personnel. The Air Force's new airborne early warning aircraft and C-17 air transports and the Navy's new air warfare destroyers and amphibious ships will all require additional personnel, most of whom will need high levels of education and skill. Indeed, the government's *2007 Strategic Update* makes clear that ADF permanent force numbers will need to rise from about 52,000 to 57,000.³ Moreover, a higher percentage of these people than in the past will need to be very highly educated and trained engineers, technical specialists of various sorts, doctors, lawyers, etc.

In order to recruit and retain these additional personnel, the new government will struggle against the headwinds of an unfavourable demographic outlook and a vibrant and highly competitive civilian labour market.

A notable consequence of the ageing of the Australian population is that the number of personnel entering the 18-35 age bracket each year will barely grow at all during the coming quarter of a century. Moreover, with the

³ For details of these and related defence personnel initiatives, please see: *Portfolio Budget Statement 2007-08*, Chapter 4, p. 99.

Australian economy continuing its buoyant growth and a rising number of young skilled personnel deciding to work overseas, competition to employ and retain quality people in this age bracket is intensifying. It is into this over-heated labour market that the Defence Force is planning not only to hold its own but to increase its share.⁴

The forces of supply and demand will mean that there are unlikely to be enough quality people for the number of available jobs, some positions will remain unfilled and salaries will rise steeply. Moreover, there will be very limited scope to alleviate this squeeze on the Defence Force by increasing rates of immigration. Most categories of new migrants are not attracted to military service and, in consequence, they are seriously under-represented in the uniformed services.

In recent years Defence has spent several hundred million dollars in efforts to boost rates of both recruitment and retention. It has also raised to 60 the age of compulsory retirement from the Defence Force. However, despite these and related initiatives, Defence Force numbers actually went backwards during 2003-2006.⁵ The worst personnel recruitment and retention performances were in the Navy and the Army with the Air Force faring somewhat better.

For the new Australian Government, Defence Force personnel numbers will be a continuing headache. In these circumstances, some combination of the following measures would appear inevitable:

- Spending significantly more to recruit and retain key personnel, incurring costs well above those of the recruitment and retention incentives already in place.
- Further improving the quality of Defence Force recruiting strategies and markedly expanding advertising and promotional activities.
- Reviewing staffing in some areas of Defence, particularly in some non-combat and civilian areas. In many fields, a few very good people can be far more effective and efficient than larger numbers of people of moderate capacity. Senior managers need to be encouraged to implement improved staffing structures where appropriate.
- Making more extensive and flexible use of high readiness reserve personnel to fill out some defence capacities in emergencies.

⁴ For a more detailed discussion of these and related personnel trends, please see: Bernard Salt, *The Implications of the Great Australian Man-Drought for Australian Security*, Canberra, Kokoda Foundation, (forthcoming).

⁵ Mark Thompson, *The Cost of Defence: ASPI Defence Budget Brief*, Canberra, Australian Strategic Policy Institute, 24 May 2007, p. 7.

- Reducing pressure on Defence Force families by further reviewing Defence Force posting patterns to permit larger numbers of service personnel to remain settled in specific locations for much longer periods.
- Further relaxing age and other restrictions to permit highly experienced personnel to serve for longer periods.
- Considering more extensive recruitment of foreign personnel who either already possess defence force experience or who are prepared to commit to an extended period of service in the Australian Defence Force.

Joint Military-Civilian Expeditionary Commitments

The new Australian Government will face another serious challenge in developing appropriate instruments to apply to the increasingly frequent and difficult security problems caused by weak, damaged and failing states.

The new government will need to come to terms with the fact that very few future defence contingencies will be resolved by the commitment of Defence Force units in isolation. The majority of current and anticipated contingencies require commitments into weak states to conduct counterinsurgency or low intensity operations to restore a semblance of civil society so that other agencies can take on the primary task of rebuilding societies, economies and cohesive and productive communities, usually over extended periods.

The core of this challenge is that the demands of weak state security contingencies are not resolved simply by sending Defence Force units, no matter how professional they may be. Many more deployable instruments are required in the Australian Government's 'toolkit' to deal with these contingencies and they need to be prepared, trained and practised in advance for very tightly coordinated combined operations.

The Coalition government has recognized parts of this challenge. Great strides have, for instance, been made in recruiting, training and deploying a special Federal Police field force, the International Deployment Group, that can be committed overseas at short notice to reinforce local police in restoring civil authority and protecting community and commercial activities. Frequently these police deployments are made in close partnership with Australian Defence Force elements, which generally provide security back-up and also supplementary intelligence, transport, logistic and other services. This has been the pattern in the Solomon Islands, East Timor and elsewhere.

Significant progress has been made in this field in recent years but much more remains to be done. While Defence Force and police commitments can help to constrain violence and restore a sense of partial normality to troubled communities, the primary load of rebuilding or resuscitating a civil society must be carried by doctors and other health workers, teachers, bankers, administrators, construction companies, journalists, business people and many others. These people and the skills that they possess are generally not held in quantity by the Australian Government and, even when they are, these people are not generally available for commitment into foreign theatres for extended periods.

This poses a serious challenge for the new Australian Government. Nearly all of the instruments in the Australian national security 'toolkit' are of high quality but many tools vital to success in current and anticipated theatres are simply not held. If the new government wishes Australia and its allies to be able to succeed in the messy circumstances of East Timor, the Solomon Islands, Afghanistan and other similar theatres, new 'tools' need to be acquired, prepared, trained and exercised to operate in close coordination with Defence and police force units.

What might these new national security tools look like and how might they be constructed?

The skills and other resources that weak and failing states need most to resuscitate themselves are diverse and are only held in quantity by the civilian community. Moreover, the requirements of weak state security contingencies differ and change over time. In consequence, Australia needs to devise a strategy for being able to access a very wide range of people who are prepared, in principle, to deploy to troubled societies overseas to work within 'whole-of-nation' teams alongside local people to put all key elements of a damaged or broken society on the road to recovery.

The concept might look something like an Australian 'Peace Corps' in which mainly young people and retired people offer to deploy overseas for varying periods as part of a strategic nation-building effort. These people might be registered by a relevant government agency (maybe AusAID) and given some introductory training for a few days. Then every year or two they might be called out for a few days refresher training and exercising. Part of this might include working through a hypothetical offshore state reconstruction challenge. Key themes would include operating at the highest professional standards, working in partnership with local personnel and transferring skills, and 'whole of nation' elements working in close partnership to achieve a desired development goal.

When a real crisis arises in a weak, failing or damaged state, this Australian 'Peace Corps' would provide the government with options not only to restore basic security but also to move rapidly to resuscitate most elements of the

regional government and the local community. The managing government agency would have a comprehensive database from which it could invite tailored teams of skilled personnel to deploy to the theatre. On-site managers would review progress, draw additional resources into the theatre if required and tune the overall make-up of the Australian effort.

Participants in this Australian 'Peace Corps' would be eligible for a modest retainer for their membership and paid at broadly commercial rates when actually deployed to operational theatres. They would all be clearly identifiable as Australian 'Peace Corps' personnel, largely through their sharing a basic uniform (maybe an appropriately styled shirt and hat) and they would also carry government insurance cover and other legal indemnities when operating in active theatres.

Over time the 'Peace Corps' teams deployed into particular theatres would be rotated in order to provide recovery and retraining periods at home. Moreover, as indigenous institutions are able to carry more of the load, the active Australian presence would reduce and change character. In the longer term, the aim would be for residual Australians to withdraw from most tactical operational roles and serve largely as advisors, trouble-shooters and reinforcements of last resort.

For the new Australian Government, the challenge will be to grasp the need for a new, highly flexible 'Peace Corps' to be added to the Australian national security 'toolkit'. In a sense, this new initiative might be seen as adding a highly adaptable 'Swiss Army knife' to the government's national security options. The logic and value of such a force would need to be explained clearly to the Australian public. The vision and the organisational flare required to establish such a force would be considerable. The benefits of being able to employ such capacities would, however, promise real and lasting progress in weak, damaged and failing states. The humanitarian and strategic benefits could be invaluable.

Strengthening the 'Glass Jaw' of Domestic Support

The Australian Government elected towards the end of 2007 will face a major challenge in sustaining public support for the commitment of Australian forces abroad.

For a number of reasons the publics and the mass media in Australia and most Western democracies have not readily appreciated the nature and the seriousness of the security challenges posed by international terrorism and violent Jihadists. Many have been deeply sceptical about the threat posed by such groups. A key consequence is that the public's tolerance of casualties and public support for the expenditure of funds to prosecute the counter-campaign has been shallow.

In one sense, this is not a new challenge for Western democracies. The core logic might be expressed as a strategic nostrum in the following terms:

Western democracies are generally not able to sustain extended military operations taking casualties unless the issue at stake is seen as vital by the mass of the population.

In other words, democracies are generally prepared and able to take extreme measures and absorb high casualties if the country's survival is seen to be at stake. However, generally Western publics are sceptical about the desirability of committing forces to distant theatres, especially if significant casualties result, the deployment seems of indefinite duration, the outcome appears uncertain and the issue at stake is not viewed as being vital. This was a core Australian and American strategic conclusion from the Vietnam War.

However, while this serious constraint on Western strategic operations has been understood for decades, recent events suggest that the new Australian Government will be confronted by a 'turbo-charged' version of the nostrum. A key challenge for the new government will be to confront this development squarely in its defence and broader strategic planning.

The marked weakening of domestic support for foreign operations is evident when one compares the response of the Australian and United States publics to current operations in Iraq and Afghanistan to their response to operations in Vietnam four decades ago. In Vietnam, United States forces were committed for eleven years and Australian forces for nine years before domestic political pressure forced a withdrawal. In Iraq, United States and Australian forces are under strong pressure to withdraw after only four years.

In Vietnam, the United States armed forces suffered some 58,219 deaths and in Iraq only 3,500, so far. In Vietnam, Australia suffered 520 casualties but so far Australia has not yet suffered a single combat casualty in Iraq. Nevertheless, the pressure from the domestic publics in both the United States and Australia to withdraw rapidly is exceptionally strong and may become overwhelming within two years.

This increased public sensitivity to offshore military operations is a consequence of many factors, some of which are probably mutually reinforcing. Key drivers would seem to include:

- The Vietnam War took place in the context of the Cold War when failure was seen to carry very serious consequences for the strategic balance between the United States and the Soviet Union. Many see the outcome of the Iraq conflict, by contrast, as having very few lasting strategic consequences.

- The Vietnam War was generally seen to be a struggle against the Vietnamese communists whereas the Iraq conflict is widely seen to be an unnecessary involvement in a remote civil war.
- The trigger for the allied commitment to Vietnam was the very controversial 'Gulf of Tonkin' incident but the Iraq War is widely viewed to have been triggered by even more controversial circumstances. Amongst many members of the public, the Iraq conflict was founded not only on false intelligence but by what they consider to be wilfully dishonest distortions of known facts. Nevertheless, it is notable that in the early phases of both conflicts the bulk of the United States and Australian publics supported the decisions to go to war.
- Many public opinion leaders at the start of the Vietnam War lived through the appeasement policies of the 1930s and the horrors of World War II, whereas most opinion leaders at the start of the Iraq War developed their careers in the shadow of the Vietnam failure.
- At the time of Vietnam, it might be argued that the societies of both the United States and Australia were characterised by relatively strong traditional values and a greater sense of deference to governments and authority. These strong traditional values and approaches appear to have been diluted, in part by far more pervasive mass media, large parts of which are fixated by dramatic visuals and deep anti-American prejudice.
- Finally, despite what may be seen as a very mediocre performance overall, the media in Vietnam was able to convey the basic nature of the struggle between allied forces on the one hand and the Vietcong and North Vietnamese communists on the other. However, following the fall of Saddam Hussein's regime in Iraq, the Western media, with few exceptions, have not only failed to explain to Western publics the true nature of the conflict, the nature of the diverse participants and their modes of operation and the identities and positions of the key players, but also the essentially political nature of the struggle and the criteria for campaign success. This struggle has simply been too complex for most media players to grasp, let alone to explain to their audiences. Moreover, video footage of the latest vehicle or suicide bombing released by one insurgent group or another has provided cheap and dramatic effects to capture the attention of prime-time audiences. A core consequence has been to mislead Western publics on the nature of the conflict, its progress and its prospects.

What might these developments mean for the new Australian Government, especially as it faces up to the next phases of the struggle with global

terrorism and violent Jihadists? In the light of recent experiences, it would appear that the nostrum concerning the constraints on deploying forces abroad needs to be tightened considerably to something like:

Western democracies cannot readily sustain combat operations overseas for extended periods when the issue at stake is domestically contentious.

The new Australian Government will need to face up to the challenge of finding a way to fight international terrorism and violent *Jihadism* when its electorate has developed a glass jaw.

Precisely how brittle is the Australian electorate's glass jaw? What would constitute an 'extended period' that would become unsustainable? It would seem that any military/police commitment overseas that suffered casualties for more than three years would be problematic unless the issue at stake was seen as being vital by the electorate.

How contentious would an offshore campaign need to be before it became unsustainable? The long-term trends in Australian public opinion polling show that, with few exceptions, foreign commitments of Australian forces to limited conflicts have attracted only 25-35% support after twelve months.⁶ This suggests that any foreign campaign attracting less than 25% public support will be difficult to sustain for long.

What options will the newly-elected Australian Government have to manage this situation as it ponders its options for prosecuting the struggle against international terrorism, violent *Jihadism* and security collapses in weak states? If the new government is prepared to acknowledge the growing constraint of domestic political thinking, a series of steps could be taken both to protect the electorate's glass jaw and maybe even to upgrade it to toughened glass or even armoured glass. Options could include:

- Taking great care in distinguishing between Australia's vital, as against its important, interests. An honest assessment of this is an essential starting point in deciding whether a particular force commitment is essential. Careful assessments are also required about where forces should be deployed, what is deployed, the physical and other risks to the force, for how long the force should be deployed and the prospects that such forces might reasonably have for success, etc.

⁶ For more detailed discussion on public support for overseas defence operations, please refer to: Ross Babbage, *Rethinking Australia's Defence*, St. Lucia, University of Queensland Press, 1980, pp. 112-118; and Ross Babbage, *A Coast Too Long*, Sydney, Allen & Unwin, 1990, pp. 50,93,223.

- When a force commitment is seen to be essential but also domestically contentious, it is best for the force deployment to be of short duration, with a clear exit strategy defined from the outset.
- There is scope for the new government to strengthen domestic resilience by applying more thought and resources to explaining to the public the true nature of Australia's security challenges. Part of the solution here is to describe more frequently, fully and creatively the impressive developments underway in Australia's national security forces. Another remedial element would be to explain the strong logic of taking the fight against Australia's enemies to its key sources. Public information campaigns on most national security issues in recent years have left a great deal to be desired.
- It would also be appropriate for the new government to consider a more robust strategy for countering the shoddy approaches of many Australian media organisations on national security affairs. Media proprietors might be encouraged to appoint quality national security correspondents. A set of prestigious prizes might also be established for the highest quality reporting each year on national security issues on television, in the print media, on radio, on the web, etc
- Perhaps the most potent instrument in the struggle against violent Jihadists and other terrorists is information operations. Australian Governments have not been well equipped for such operations since the early 1960s and resuscitation of such capabilities in partnership with close allies requires early attention.
- Some elements of a successful national strategy for defeating violent Jihadists and terrorists will require long term investments. One key step would be to strengthen markedly the study of foreign countries, their societies and languages in schools and universities, with particular focus on countries in Asia, the Middle East and key parts of the South Pacific. Equipping new generations of Australians with a detailed appreciation of the dynamics of other societies will prepare them far more effectively for positive interactions and cooperative endeavours in decades to come.

Conclusion

It may be tempting for the incoming Australian Government to assume that given the strong growth of defence and broader national security spending during the last decade, few problems remain and that little needs to be done. That would be a serious misreading of reality.

This article suggests that there are four key areas of defence capability that will require particular and early attention. They are:

- Sustaining the Defence Capability Plan with adequate resources.
- Attracting and retaining sufficient quality personnel.
- Mastering joint military-civil expeditionary operations into weak, damaged or failing states.
- Strengthening the 'glass jaw' of domestic support for offshore security operations.

A failure to address these challenges could not only seriously compromise Australia's future security but also render the new government politically vulnerable.

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