
The 2016 Defence White Paper— The Land Perspective

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There are a number of positive aspects for Army in the 2016 Defence White Paper. The acknowledgement of a broader set of national interests beyond Australia's immediate region that will shape force structure priorities coupled with the need for a balanced force structure is most significant. The commitment to continuing to strengthen Army's combat capabilities is also positive. However, the inconsistency between the policy rhetoric and the investment program is of concern. The lack of depth in the examination of the force structure drivers which may be derived from supporting a 'rules-based global order' and 'contributions to coalition operations' leaves one pondering what Army's role is beyond special forces. This point was reinforced when a high-end close combat role is explicitly called out for special forces yet it is less clear in the level of combat or close combat capabilities expected of the rest of the Army. The White Paper also makes explicit that Army has benefitted from significant investment over the last decade or so and while silent on the consequences one is left in no doubt that Army is not a high investment priority. The investment program for Army appears to be a number of disjointed projects rather than a coherent program designed and argued around a land combat system. The policy challenges for Army is that its role is still ambiguous and the schedule in the investment program leaves Army vulnerable to slippage or cancellation due to budget pressure which will severely undermine Australia's land capability and the aspiration of a balanced joint combat capability.

In launching the 2016 Defence White Paper the Prime Minister characterised it as a:

plan to deliver a more potent, agile and engaged Australian Defence Force that is ready to respond whenever our interests are threatened or our help is needed. It is a plan to become more powerful on land and in the skies and more commanding both on the seas and beneath them.¹

This is a simple yet powerful statement, which points to two important changes in this White Paper. The first is the acknowledgement that Australia's national interests are now far broader in nature and secondly that the government is willing to invest in the Australian Defence Force's (ADF) force structure to ensure future governments have the policy options open to them to act to protect those broader interests. However, rhetoric and reality in the theatre of Australian politics and, in particular, Australian defence policy are rarely aligned.

¹ Prime Minister of Australia, The Hon Malcolm Turnbull MP, 'Launch of the Defence White Paper', Media Release, 26 February 2016, <www.pm.gov.au/media/2016-02-25/launch-defence-white-paper> [Accessed 29 March 2016].

As I wrote recently² in the white paper process the government needed to make clear its rationale for the Army's force structure priorities both internally within the land and amphibious warfare stream and when compared to the other defence force structure decisions it must make. While there are many positive elements in this White Paper, in this regard it unfortunately fails the test.

The Prime Minister launched the White Paper at the Australian Defence Force Academy amongst the current and future leadership of Defence. As is normal at these events, particularly when they are held outside of Parliament,³ there was more theatre in and around the event than substance. This was no more evident than at the post-launch media conference where both the minister and Prime Minister gave the clear impression of still coming to terms with rationale or financial dynamic that underpinned the White Paper.⁴

Notwithstanding the theatre, the White Paper supported by a new Defence Industry Policy and the Integrated Investment Program was very much about shipbuilding and the South China Sea. In another departure from more recent defence policy it also focused on the national economic benefits of defence expenditure over the coming decade. It was claimed that industry and northern Australia will benefit, there will be opportunities to harness innovation and technological expertise, and thousands of jobs will be created across the country.⁵

While the modernisation of the fleet and the continued upgrade of the air force are central to the government's defence strategy the land combat and amphibious warfare capability stream did not, in theory, miss out in the allocation of largesse; albeit the language and the apparent priorities within the Policy make it clear where the Army sits in the force structure pecking order. I could rightly be accused of playing semantics, but as I will argue 2 per cent of GDP means that the assumptions that underpin the *fully costed*

² Michael Clifford, 'Back to the Future for the Army's force Structure Debate?' *The Strategist*, Australian Strategic Policy Institute, 13 November 2015, <www.aspistrategist.org.au/back-to-the-future-for-the-armys-force-structure-debate/> [Accessed 29 March 2016].

³ Graeme Dobell, 'The 2016 Defence White Paper: Lousy Symbolism, Poor Understanding', *The Strategist*, Australian Strategic Policy Institute, 29 February 2016, <www.aspistrategist.org.au/the-2016-defence-white-paper-lousy-symbolism-poor-understanding/> [Accessed 29 March 2016].

⁴ 'Joint Press Conference with Senator the Hon Marise Payne, Minister for Defence, and Air Chief Marshal Mark Binskin, Chief of Defence Force', Media Release, 25 February 2016, <www.pm.gov.au/media/2016-02-25/joint-press-conference-minister-defence-and-chief-defence-force> [Accessed 29 March 2016].

⁵ Prime Minister of Australia, 'Launch of the Defence White Paper'.

and externally cost-assured plan⁶ have not yet placed the government in the position that it is forced to make hard budget-driven capability choices.

Sadly, no Defence White Paper has delivered on the promised funding and a realist cannot assume this policy will, miraculously, be different. For the land combat and amphibious capability stream this will be important when the budget tightens and the real capability priorities need to be applied. The danger is that the Army will be left behind and over the life of the White Paper the ADF's force structure will not be the balanced, potent or agile force that has been promised. Thus the choices available to future governments will look more like the 1990s than the 2030s.

Strategic Settings

The challenge for defence white papers is to demonstrate continuity while acknowledging today's risks. One does not have to open any of the policy documents to see how the government seeks to adapt to the challenges. The front cover graphic depicts a mosaic of four interlocking squares which is clearly intended to demonstrate the continuity in Australia's overall strategic approach⁷ by linking a traditional narrow focus of Australia's interest close to home with a globalised world where Australia's interests are more broadly cast. This approach is described as:

- A secure, resilient Australia, with secure northern approaches and proximate sea lines of communications (our contemporary patch).
- A secure region, encompassing maritime Southeast Asia and the South Pacific (the linking concept between near and far).
- A stable Indo-Pacific region and a rules-based global order (the globalised world comes knocking).

The central question is: do the force structure priorities in the investment program reinforce the three-tiered approach? The answer is No. The force structure priorities that remain at its heart are the traditional sea-air gap model made up of ships and aircraft.

This is one of the potential contradictions in the government's approach. While the budget remains on the 2 per cent of GDP trajectory the government will not be forced to make hard investment choices in the short term and the outer years of the investment plan remain a wish list. If the

⁶ Department of Defence, *2016 Integrated Investment Program* (Canberra: Commonwealth of Australia), p. 112, <www.defence.gov.au/WhitePaper/Docs/2016-Defence-Integrated-Investment-Program.pdf> [Accessed 29 March 2016].

⁷ Paul Dibb, 'DWP 2016: The Return of Geography', *The Strategist*, Australian Strategic Policy Institute, 1 March 2016, <www.aspistrategist.org.au/dwp-2016-the-return-of-geography/> [Accessed 29 March 2016].

economy or government priorities change, which is most likely, choices will need to be made and we will no doubt be on ‘*a back to the future*’ path and the force structure priorities will need to be better and more tightly defined and the government’s policy aspirations trimmed to meet our means.

While the front cover mosaic attempts to reinforce the ‘new’ strategic shift it does, inadvertently, highlight another fundamental element of our geography and that is the almost unique demands of the land and littoral space across this expanse of the world. It ranges from the vast savannah of Sahel Africa in the west to the deserts of the Middle East; from the tropical jungles and large urban areas of the Indo-Pacific, Southeast Asia, Northeast Asia, and Indonesia, to the amphibious challenges of the Pacific Islands; and of course the harsh terrain of Antarctica. This is an extraordinarily diverse area and while vast in terms of the maritime space it is equally demanding in the land and littoral space. That it is not better described and placed in the context of the logic used for the government’s force structure decisions is disappointing. One gets the impression that while the government is naturally drawn to a more global role, the region and the growth of China presented them with both a political and presentational balancing act.

The government does, however, set the White Paper in its broader political narrative. The minister characterised the future ADF as a “more capable, agile and potent force that has greater capacity to respond to strategic risk where Australia’s defence interests are engaged”;⁸ this on its face is a positive aspiration. The investment priority given to the force enablers is a very good aspect of the investment program. Bases, airfields and training areas are fundamental to both force preparedness and as a base from which to launch persistent operations throughout Australia’s immediate environment. It is an irony in the White Paper that the promotion of air and maritime capabilities as a priority is at odds with the reality of both our geography and the most recent experience of protecting Australia’s broader national interests.

Policy Shift

The renewed acknowledgement of the critical connection between Defence’s investment and defence industry is also welcomed. The linkage to economic growth and innovation is also critical but will need ministerial attention to ensure it is more than just rhetoric. This is a significant shift in thinking from Defence and government; in recent years the approach from Defence and ministers has been ‘it is not Defence’s job to support Industry’—a clearly ridiculous assertion on capability grounds and one that one would hope will be consigned to the dustbin of history.

⁸ Minister for Defence, ‘Launch of the 2016 Defence White Paper’, Media Release, 26 Feb 2016, < www.minister.defence.gov.au/2016/02/25/minister-for-defence-launch-of-the-2016-defence-white-paper/> [Accessed 29 March 2016].

The aspect of the industry policy which will need real attention, or it will be forgotten, is the recognition early in the Defence Industry Policy Statement that

in addition to the major warfighting capabilities the ADF needs, Australian industry also provides our national Defence support base. This includes delivering the full spectrum of goods and services critical to enabling Defence capability, including logistics services, information and communications technology, health support, fuel, energy and other support.⁹

From an Army perspective this is important; poorly managed and the support base will be weakened which will have a direct and negative impact on preparedness. It will also have a direct impact on the budget. Managed well it can both improve capability and be a source of significant short-term efficiencies and thus act as a potential financial risk mitigation strategy for the Army as it argues against slippage in the investment program.

Strategy and Force Structure

Returning to the macro-strategic settings, there is recognition of the reality in today's world that global risks or instabilities traditionally beyond Australia's immediate region can now very quickly impact closer to home. Paragraphs 1.15, 1.16 and 1.17¹⁰ add the rationale to the White Paper's three Strategic Defence Interests; secure northern approaches, a secure nearer region, and a stable Indo-Pacific region and a rules-based order.

While the first two interests seem straightforward and the potential force structure implications clear there is little if any analysis around the third that would enable one to derive a force structure from it. Particularly as the government pledged to

ensure Australia maintains a regionally superior ADF with the highest levels of military capability and scientific and technological sophistication. The future force will be more capable, agile and potent. The future force will be more capable of conducting independent combat operations to defend Australia and protect our interests in our immediate region. This force will also enhance Australia's ability to contribute to global coalition operations. More emphasis will be placed on the joint force ...¹¹

A force-structuring objective of 'maintaining a regionally superior ADF' is certainly a sensible aspirational benchmark and when discussing platform decisions such as aircraft, ships and submarines is a clear, straightforward proposition. Sadly the White Paper falls far short of satisfactorily providing a similar model against which land capabilities could be measured. As an example, while the soldier's personal combat system is world class and

⁹ Department of Defence, *2016 Defence Industry Policy Statement* (Canberra: Commonwealth of Australia), p. 6; <www.defence.gov.au/WhitePaper/Docs/2016-Defence-Industry-Policy-Statement.pdf> [Accessed 29 March 2016].

¹⁰ Department of Defence, *2016 Defence White Paper*, p. 33.

¹¹ *Ibid.*, p. 18.

clearly overmatches anything in the region, does it match the task and the threat levels? Equally, individual pieces of equipment are described in the White Paper as “soldiers in the future Army will be supported by new vehicles and manned and unmanned aircraft with increased firepower, protection, mobility, situational awareness and logistics support” (para 4.52).

It is difficult to establish a comparative benchmark; yes, each piece of equipment could be compared with like equipment available to regional forces but when drawn together into a system the conclusion could be quite different. Independent combat operations for land forces will immediately draw one to the conclusion that several brigade-sized formations would be required and while the brigade is acknowledged in the Integrated Investment Program¹² as the organisational building block, nowhere else does the government make clear what it expects of the Army.

Managing Risk

The government has importantly called out the risks associated with global instability but as a force structure determinate it seems to be less clear. More broadly, government identified the need to encourage and invest in the development of rules-based order. In force structure terms little can be deduced from the conclusion that “Australia cannot expect others to bear, on our behalf, the burden of ensuring that the world is a safe and secure place” (para 1.24). The scope of independent operations needs to better identify in force structure terms as does the government’s thinking around what it broadly would see its contribution to global issues. Additionally there is a need for a complimentary land narrative; which describes clearly how the government might employ land forces.

State Fragility

The government has judged that the potential for state fragility will increase over the coming decades. While Defence has developed a body of knowledge over the last decade or so, there is a need to better understand and research war, conflict and society and their interdependencies. This is not solely a role for government; it is very much a role for academia as the solution involves cooperation between government, NGO’s and the private sector. The University of New South Wales, Canberra’s¹³ Centre for the Study of Armed Conflict and Society is an example of the multidisciplinary approach required. As far as the Army is concerned the continued development of skills to engage in partner building roles, as seen in the Middle East, will be of equal importance in other regions of the world.

¹² Department of Defence, *2016 Integrated Investment Program*, p. 106.

¹³ ‘Australian Centre for the Study of Armed Conflict and Society’, University of New South Wales, Canberra, <www.unsw.adfa.edu.au/australian-centre-for-the-study-of-armed-conflict-and-society/>

Equally, calling out that “Defence will continue to work with the United Nations to build its capability to lead international efforts to respond to global security challenges” (para 3.31) is on its face a positive aspiration. However, this requires more attention and leadership. The UN while heavily used over the decades has suffered since the end of the world’s unipolar moment. A rules-based world requires a capability for structured peacekeeping and peace enforcement. In broader roles, the White Paper declares that “the ADF has deployed and will continue to deploy outside of our immediate region in concert with [others]” (para 3.33); one is left to wonder what this all means in Army force structure terms.

The conclusion drawn is that Defence will “need to be more agile and adaptable with a broader set of capabilities” (para 3.34). How these are prioritised is important; while 2 per cent of GDP may, over the budget cycle, offer the opportunity to identify a range of capability improvements it should also set out how the priorities are made and what facts will effect the selection in a tighter economic time. Equally, the question of what to deploy and to what level needs far greater attention. What might the indicative size be? One assumes there is more clarity in the classified preparedness guidance held within Defence. Nonetheless we should expect more fidelity in the publicly available document.

This is also the case when the government makes the point that what will be required is “a balanced joint force structure and increased international cooperation and engagement.” (para 3.35) I for one have argued that a balanced force structure should be a ruler against which any force structure and policy decision can be tested. This is difficult to achieve if nowhere in the document is there a description of what the government would see as a balanced force. What are the characteristics that would define a balanced force?

In the absence of any guidance the obvious example is the ‘air package’ that the government has deployed to the Middle East. It is self-reliant, balanced and capable—and importantly of a scale that meets Australia’s means. Self-reliant because it can see, sustain itself, and shoot. Balanced because it has the force elements necessary to prosecute the tasks given to it by government—and not be limited to either seeing, or sustaining or shooting. It is capable because as a package it is not a liability to others in the coalition but gives government a range of policy options over time based on policy grounds not capability deficiencies. This description of ‘balance’ would at least provide a clearer logic framework against which future government decisions could be judged.

The Future Defence Force and Army's Place at the Table

The government states quite clearly very early in Chapter Four, 'The Future Australian Defence Force', of the White Paper what the future ADF will look like.

The future ADF will be more capable of operations to deter and defeat threats to Australia, operate over long distances to conduct independent combat operations in our region, and make more effective contributions to international coalitions that support our interests in a rules-based global order. The increased capabilities of the ADF will also enhance our ability to operate with the United States. (para 4.3)

It then goes on to describe the Army in the following way: "Our Army will have more firepower, mobility and amphibious capabilities, while soldiers will receive more lethal weapons and improved protection." (para 4.4) As with all policy statements, on the face of this description of the future Army one could be satisfied. The White Paper then goes on to state clearly "[t]he soldier is at the heart of land capability" (para 4.51). Again an important capability and emotional point, indeed presentational point, that the authors no doubt hoped would satisfy the punters. It does, however, indicate what would appear to be an underlying design assumption in the White Paper. That the Army has had its time and investment over the last decade; and notwithstanding the rhetoric—Army as a priority can shift right.

Simon Benson of the *Daily Telegraph* in the days leading up to the White Paper release quoted a source in the following way: "There will be a lot of focus on rebuilding the navy ... the Army is in good condition, the Air Force is in good condition but there is a big gap in the naval fleet".¹⁴ The White Paper itself reinforces the perception when it says, "[t]he last decade or operations has seen substantial investment in equipping soldiers with leading-edge equipment" (para 4.51). While the government should be applauded for continuing to invest to ensure the continuous improvement of the soldier's personal equipment ensemble it is no more than maintenance of the status quo.

They do say that soldiers will, in future, be '*supported*' by new vehicles, and manned and unmanned aircraft with increased firepower, protection, mobility, situational awareness and logistics support. But one is left feeling that there is little in a deliberate design sense that draws Army's individual capabilities together as a whole or system. While some could argue that this is the role of doctrine, the government has missed the opportunity to set out its expectations of Army.

¹⁴ Simon Benson, 'Defence's \$25b Bullet to Win the Cyber War', *Daily Telegraph* (Sydney), 24 Feb 2016, p. 1.

As a consequence the White Paper is a restatement of the status quo dating back to the 2000 White Paper.¹⁵ In 2000 the then government announced a laundry list of then new capabilities including improved amphibious capabilities off the back of the East Timor experience; the list is remarkably similar including identified funding for sustainment, capital investment and personnel costs. Given the difference between the Army then and today's, and the vastly different strategic circumstances facing the government, one would have expected—consistent with the government's mantra of an "Australian Defence Force that will be more capable, more agile, [and] more potent"¹⁶—a statement of the government's vision of the Army that captures the future, not a rehash of the past.

In this regard the special operations forces section of the investment program does go some way to make clear what the government expects or aspires toward:

[t]he special operations capability provides rapidly deployable options to respond to high-risk threats in unpredictable and uncertain environments. Special operations can be broadly grouped into the categories of special reconnaissance, special recovery and direct action ... [government] will enhance Australia's special operations capabilities, including through: acquiring high-end close combat capabilities ...¹⁷

It then goes on to identify the capabilities that will support this overall approach. One can see quite clearly the linkage between the policy settings, the experience of the last ten years and the type of choices the government intends to adopt.

In contrast, the Army is not as clear and while this can be explained given the size and the far wider range of tasks the broader Army would expect to undertake, a similar unifying vision would be helpful. The difference is also striking in that special operations forces are explicitly tasked with close combat tasks as opposed to the Army where the term combat is used. The terms are different and in force structure terms the difference can be substantial based on the perceived risk. This will show itself most clearly in the later phases of Land 400 when the infantry fighting vehicles are argued through the acquisition process.

Again for presentational reasons the White Paper breaks the Land combat and amphibious warfare capability stream into:

- infantry—soldier system
- armoured vehicles

¹⁵ Department of Defence, *Defence 2000: Our Future Defence Force* (Canberra: Commonwealth of Australia, 2000), p. 82.

¹⁶ Defence Minister, 'Launch of the 2016 Defence White Paper'.

¹⁷ Department of Defence, *2016 Integrated Investment Program*, p. 112.

- Canberra class amphibious ships
- special operations forces
- artillery
- general purpose and protected vehicles
- combat, construction and support engineers
- armed reconnaissance helicopter
- armed intelligence, surveillance, reconnaissance unmanned aircraft
- land tactical intelligence, surveillance and reconnaissance
- land intelligence and electronic warfare
- deployable land networks
- battlefield logistics support
- riverine patrol.

The force design task is made more difficult when one reflects on the force structure characteristics the government has identified. The key elements of which are:

- To retain a qualitative edge regionally through the maintenance of a regionally superior Defence Force.
- To maintain the capability to independently and decisively respond to military threats including incursions into Australia's air, sea and northern approaches.
- To be able to conduct independent combat operations within Australia's region and contribute forces more broadly to support the maintenance of a rules-based global order.

As far as the latter is concerned, without any other guidance, one could assume that the capability approach adopted by the government to the current deployment of aircraft to Iraq would provide an appropriate pointer. As I said earlier in this article, a balanced package that is self-reliant in terms of its combat capability and logistics. In other words it can see, fight and sustain itself.

When this design ruler is set against the government's investment priorities for the Army a number of weaknesses become evident. While the land combat and amphibious warfare capability stream will have around 18 per cent of the overall investment program a number of deficiencies start to emerge and certainly place an unstated upper limit on both the definition of combat and superiority.

What Can Army Deliver?

Notwithstanding the White Paper's rhetoric, the integrated investment program's indicative acquisition windows¹⁸ suggest that the Army will remain substantively unchanged in 'combat' capability terms until the introduction into service of the infantry fighting vehicle program and the replacement of the armed reconnaissance helicopter, both well into the next decade. The unmanned armed aircraft is indicatively earmarked for slightly earlier but given the normal acquisition timelines this will not be significant. In other words, the Army will have protected mobility vehicles in the form of the Bushmaster and Hawkei, and a tank capability, which would appear to remain aligned with the US upgrade programs as was anticipated when the decision was taken to purchase the tanks in 2003. Other capabilities are retained and remain broadly in the schedule that the Army was working to prior to the White Paper.

The new capabilities are the replacement program for the armed reconnaissance helicopters, the unmanned armed aircraft, additional Chinook, light helicopters for Special Forces, anti-ship missile systems, a medium-range surface-to-air missile system and long-range rockets late in the next decade. The retention of longstanding projects to provide battlefield communications, battle management systems and deployed Electronic Warfare are welcomed but they too were set in play in 2000 and have suffered from a lack of priority. They are also good examples of where rapid acquisitions for operations can give the illusion of an Army that is in far better condition than is the reality. The challenge Army currently faces with regard to modernising its command, control and communications systems is indicative of the contradiction. As a recent report into Army's modernisation identified:

While [modernisation] has brought great benefits, it has also created management and operational challenges. This is because many decisions, given the timeline and the disjointed nature of the overall acquisition process, have been taken in isolation.¹⁹

¹⁸ Department of Defence, *2016 Defence White Paper*, p. 105.

¹⁹ Michael Clifford, Michael Ryan and Zoe Hawkins, *Mission Command and C3 Modernisation in the Australian Army*, ASPI Special Report (Canberra: Australian Strategic Policy Institute, December 2015), p. 5, <www.aspi.org.au/publications/mission-command-and-c3-modernisation-in-the-australian-army> [Accessed 29 March 2016].

This will remain the case if the Army's capability stream is allowed, due to budget constraints, to become a series of projects rather than a program.

The significant investment in the enabling capabilities such as training areas and bases will make a material improvement to the Army's comparative capability. But against the government's benchmark of being regionally superior and capable of independent combat operations the Army will remain well below what would be assumed for a first world defence organisation the government seeks to achieve.

Yes the Army can protect its personnel and yes it can currently deploy well-equipped soldiers and powerful tactical organisation at the unit level and below. Without infantry fighting vehicles and explicitly prioritised combat capability packages at formation (brigade) level the Army's ability to conduct combat operations as sought by the government will be limited. Equally, the need for close combat capabilities²⁰ for the broader Army will remain a policy debating point as it has since the 1980s. Simply put, the Army will be a 'protected' Army with a very limited combat capability.

In this regard special operations forces, given the explicit high-end close combat capability guidance, will be an exception within the Army's force structure. While the investment program identifies that; "land capability is fundamentally organised around combat and enabling brigades that are combined to achieve desired effects" it does not in the public documents set out what an indicative capability package for these brigades might be. The government needs to clarify close combat and combat as force structure drivers. The difference can be significant.

This is where it would be particularly helpful to articulate a vision of the future Army in terms of a land combat system. It would certainly aid in force structure design because it would be clear where the deficiencies are and are likely to be, given the force structure option adopted. In this regard a description of the land combat system might be: a well-equipped soldier is at the centre of a regionally superior, scalable and integrated land combat system which is capable of close combat and is made up of protected and fighting vehicles, manned and unmanned aircraft, ISR and logistics. This is the common combat system, which is employed by special operations forces and conventional combat forces.

This is an internally balanced force that can conduct independent combat operations as part of a joint force and, like the Middle East air package, can

²⁰ For the purposes of this paper 'protected' assumes that soldiers must dismount their vehicles well short of a close combat threat and then fight dismounted. 'Fighting' vehicles enable soldiers to fight onto an object and engage in close combat while mounted in the vehicle. The Bushmaster and Hawkei are protected vehicles. The current APCs because of their age and armour are no more than protected vehicles. The Army currently has no capability that would support the soldier in close combat beyond the tank.

be self-reliant as part of a coalition in a global role, because it can see, fight and sustain itself. The government can determine its tasks on policy grounds not because of capability deficiencies. This is also an explicit definition of what the land combat sub-system of the balanced future defence force will be; a regionally superior force; capable of independent combat operations in our region and which can make more effective contributions to international coalitions that support our interests in a rules based global role.

Resources and Reform

The starkest warning by commentators with regard to the budget projections in the White Paper was put in the following way; “One cannot escape the conclusion that the Coalition has tried to put the most positive economic spin on a policy approach that does not resonate with its economic policy ambitions”.²¹ While the 2 per cent of GDP target is effectively a bipartisan position there should be very little confidence that it will be either achieved or indeed retained as a policy by either party. This is simply because the economic assumptions that underpin the target and the international pressures on the Australian economy suggest that it will be very difficult to maintain.

This places the land combat capability stream at significant risk; thus the Army must become the leader in defence reform to ensure any efficiencies are identified and savings banked. This must become a leading skill for the Army’s leadership team. There must also be a clear linkage between the land combat system and the investment program rather than allowing a project by project approach to be adopted. Equally, while the investment program appears to be a very tightly integrated plan; cost, schedule and delivery will be fundamental to ensure no unintended knock-on effects to the budget, which will inevitably push the later program unacceptably right.

Conclusion

The 2016 Defence White Paper importantly establishes Australia’s role in a global dynamic where our national interests can and will be more directly impacted. This is a welcomed departure from a more narrowly cast regional focus as the primary driver of the ADF’s force structure. It is however a work in progress. The White Paper is thin on the force structure consequences of the shift and this has the greatest impact on the Army and its force structure priorities. One gets the impression given the repeated reference to the last ten years that policy makers see the Army through the frame of special operations forces with high-end close combat capabilities and ‘protected’ conventional forces with a very constrained combat role. Thus a solution to

²¹ Nick Bisley, ‘How Will We Pay for this Big-Spending Defence White Paper’, *The Interpreter*, 5 March 2016.

the traditional tension that has existed between an Army force structure, which would give governments a real choice to engage in the full spectrum of operations and other lesser capability options, sadly remains elusive.

The indicative acquisition windows in the investment program are a clear indication that policy makers and government see high-end close combat capabilities for the broader Army as a low priority. This highlights three issues, which should focus the Army's attention in the coming months.

Firstly, Army needs to define what the land combat system is and in doing so identify its fundamental interdependencies and its part in the broader ADF. This should enable a programmatic argument to be developed around Army's capability priorities.

Secondly, given the change in ministerial appointments and the coming election the continued education of ministers and, when the opportunity arises, the broader community will be critical to reinforcing peoples understanding of what the Army is capable of—particularly its close combat role and the impact of underinvestment in the integrated investment plan to achieving the capabilities necessary to fulfil this role.

Thirdly, Army should place a high priority on institutionalising within Army the continued focus on defence reform, to ensure every efficiency found can be used as a budget mitigation strategy to, at the very least, assist in maintain the current IIP schedule.

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