

Who goes where? Positioning the ADF for the Asia-Pacific century

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Introduction

In June 2011, the government announced a review of the geographical disposition of the Australian Defence Force (ADF). The ADF Posture Review will recommend basing options for Force 2030, the future defence force announced in the 2009 Defence White Paper. Due to report to government in the first quarter of 2012, the review is being conducted by Defence under the guidance of an expert panel. This *Policy Analysis* canvasses the factors influencing the disposition of the ADF and explores some specific issues that are likely to emerge from the review.

Factors influencing force posture

The ADF maintains forty-three major establishments spread across every state and territory in Australia.¹ The location of each has been influenced by a range of factors, some historical but some of contemporary relevance. Any decision to relocate ADF elements that comes from the current review will also depend on multiple factors. The seven most important considerations are discussed below.

Proximity to likely areas of operation

All other things being equal, elements close to an area of operations will be able to respond more quickly than those further away. Similarly, forward basing can make the sustainment of operations easier, as well as ensuring that personnel are physically acclimatised to the local environment. It might also be possible for units to familiarise themselves with prospective operating areas through exercising and training in realistic environments. These considerations underpinned the relocation of ADF units to the north of Australia in the 1980s and 1990s.

The flip side of locating elements close to likely areas of operation is that it will usually make them more exposed to attack. Indeed, there are advantages to basing some assets—such as submarine support facilities—well back from likely areas of conflict. And even for elements held at a high state of readiness, it can make sense to keep some away from likely conflict zones to retain flexibility of manoeuvre.

So while proximity to likely areas of operation is an important factor in ADF basing, it is not a hard and fast rule. Instead, it demands judgments about the operational advantages and disadvantages of competing force postures in various contingencies.

Asserting sovereignty

Regardless of the practicalities of mounting military operations, it is sometimes argued that the ADF should be geographically dispersed around the continent to assert our sovereignty—a military equivalent of the ‘populate or perish’ dictum. This echoes the historical anxiety that led to government-assisted migration surges in the early twentieth century and following WWII. As a large continent with a small population, it was feared that sprawling tracts of uninhabited territory would serve as an invitation to foreign interests. Even if this was a legitimate concern today—which is doubtful—sprinkling our relatively scarce military assets across remote areas would undermine rather than bolster our ability to defend ourselves.

Local economic impact

Although Defence spending has at best a neutral impact on the economy as a whole, regional impacts can be substantial. That’s why several Australian states promote themselves as destinations for Defence basing and industry. South Australia—the self-titled ‘Defence State’—is particularly active in seeking Defence activity, even going so far as to fund Defence infrastructure from the state’s coffers. And for good reason; hosting a Defence base will usually lead to additional employment in the area as well as to federal government contracts for local businesses. For a small community, a Defence base can be a significant component of the local economy. As a result, political lobbying to attract and retain Defence activity can be fierce.

Heritage

Despite being a young country, Australia has a number of Defence facilities that are considered part of our heritage as a nation—Victoria Barracks in Sydney and Melbourne being examples. This is sometimes taken as sufficient reason for their continued use by the military in perpetuity but the option of preserving such sites under alternative arrangements shouldn’t be discounted.

Geography and environment

Geography plays a role in determining the suitability of locations for military basing. For example, large ships require deep water access and port facilities that are available at all times. For berthing purposes the local tidal range is an important factor. The two current major fleet bases are—not coincidentally—located in ports with small tidal ranges; Fremantle (under 1m) and Sydney (about 2m). In comparison, the northwest coastline experiences some of the largest tidal ranges in the world. At Broome the range is 8.5m and Derby has a mean spring range of over 10m.² Darwin also has a large tidal range and suffers from difficult acoustic conditions in the waters of its extended approaches—a factor that makes it unappealing as a potential submarine base.

Weather patterns also impact on the ADF, not least of which through the comfort of families who move with members. The resources industry tends to fly people in and out of their operations in the northwest as the local climate is unappealing for extended habitation. While there’s uncertainty in the predicted impact of climate change in the area, all of the projections show increases in the already hot temperatures.

Opportunity costs

Not everyone welcomes a Defence presence in their backyard. For example, the noise emanating from Defence airfields is rarely welcomed by local residents and the relentless march of urban encroachment only serves to exacerbate the problem. In other cases, Defence bases impose opportunity costs in terms of foregone alternative use. Perhaps the best example is Fleet Base East at Garden Island in Sydney. Not only is a prime position on the harbour occupied by grey ships and aging industrial infrastructure, but the wharf facilities are actively sought by other users, especially operators of cruise ships (for which a joint use solution might be possible).

Quite apart from airfields and wharfs, the mere presence of a military base can alter the demographic character of a small community by bringing in a large number of predominately young male personnel with relatively high incomes—a change that may not be universally perceived as positive by all pre-existing residents.

Efficiency

As with any area of public policy, strategic or other benefits must be weighed against costs when making decisions about the location of ADF units. The Commonwealth already owns land near Australia's largest cities, and cost considerations tend to drive ADF basing towards larger bases and to locations close to major population centres. Larger bases eliminate the duplication of fixed costs and deliver economies of scale while proximity to major population centres gives access to less costly goods and services than in regional locations. As well, larger bases near population centres arguably enhance retention and recruitment by reducing the frequency of geographical moves and by allowing personnel to live closer to existing family support networks.

The 2008 Defence Budget Audit estimated savings of up to \$1 billion per annum could be achieved by consolidating the Defence estate. Nevertheless, the business case for doing so is far from compelling. Because of the very high costs of relocation, it would usually take several decades to recover the initial investment. For example, the recent move of 7RAR from Darwin to Adelaide involved \$620 million of new construction.

ADF posture

If nothing else, the factors listed above demonstrate the challenge faced by the Force Posture Review. In order to make sound decisions about the location of ADF units consideration must be given to a range of strategic, political, economic and sentimental factors—which often pull in different directions. Consequently, any changes to the disposition of the ADF arising from the review will represent compromises.

All of the above factors notwithstanding, ultimately there has to be a strong business case for altering the current force posture in terms of the core business of the armed forces—the protection of Australia's interests. That can of course take various forms, including:

- surveillance and information gathering to provide awareness of activities in or around Australian territories and maritime interests
- regional constabulary and humanitarian activities
- domestic counter-terrorism operations
- warfighting.

The question then boils down to which ADF activities would be more effectively carried out by force elements operating from locations different to their present basing.

In every case, the aim is balancing the often competing imperatives of force generation and sustainment and force mounting. The former is most easily achieved near major population centres; recruiting and retaining personnel is facilitated by the general amenity of the area and sustainment benefits from the ability to leverage activity in the wider economy. However, military operations that are mounted from geographically proximate locations allow for shorter response times to rapidly changing events, a greater in-area presence and, of course, the participation of platforms that lack the range to operate from further afield.

Developments in the 1980s and 1990s illustrate some historical approaches to managing that tension. In the 1980s, based on the judgment that any credible maritime or air threat to Australia must necessarily stage through the continent's northern approaches, changes were made to the disposition of the RAAF's air combat capability. But rather than move the entire force to the north, a compromise solution was adopted which saw a single strike-fighter squadron positioned at the Northern Territory's Tindal base near Katherine as a standing presence, supplemented by the construction of three 'bare bases' across the north coast. The concept was for those bases to be rapidly occupied and provisioned as required so that aircraft and their support units could deploy and begin operations at short notice, but did not require a constant—and expensive—ongoing presence. The construction costs alone were nevertheless substantial; refurbishment work at Tindal cost around \$500 million (2011 prices) and the bare bases another \$300 million.

Changes to the disposition of the Army involved a permanent move for a large proportion of the force after the government decided in 1987 to increase the Army's presence in the north of Australia. The rationale was to relocate land forces to northern Australia so as to be able to conduct 'protracted and dispersed operations in response to credible low-level contingencies in northern Australia', which had been identified in the 1987 Defence White Paper. As a result, one of the Army's two regular brigades was moved permanently to Darwin in the late 1990s. In total, the move relocated over 2,200 personnel, 200 armoured vehicles and 500 support vehicles, along with their supporting elements. These force elements were formerly based in New South Wales and Victoria. The transition cost was substantial—facilities and housing alone cost over \$1.1 billion (2011 prices). As well, there are additional ongoing expenses of almost \$30 million per year (or more than \$13,000 per soldier per year) due to the higher cost of operating in northern Australia.³

This example illustrates the general principles described earlier—transition costs of the movement of sizeable force elements are high and economies of scale near large population centres reduce ongoing running costs. Any decision to move further ADF elements will have to balance those costs against operational benefits. To see how the calculus works, it's interesting to apply that test to the moves described above.

Given the enduring nature of Australia's strategic geography and the role of air power in denying the air-sea gap to any adversary, a long-term investment in the ability to mount combat air operations from the north makes good sense. (Although, as American naval analyst Norman Friedman points out, those bases also make attractive lodgement points for hostile forces.) However, it's harder to make a case for the cost-effectiveness of the Army move. The strategic guidance at the time was that the likely threat would come from small lightly armed groups operating in the

north of Australia. The move of almost a third of the Army's deployable forces was arguably disproportionate to the threat. Given that there were already substantial numbers of troops acclimatised to the tropics based in Townsville, it's possible that the costs outweighed the benefits.

What's changed?

To evaluate the prospective benefits of further moves, it's worth asking what's changed about the likely operational environment since the last major force posture review. At the strategic level, there's a mixed report card for changes in Australia's immediate neighbourhood. The islands of the South Pacific continue to experience various levels of instability, and there is an enduring likelihood of the ADF being called on for stabilisation operations of the type we have seen in recent years. Southeast Asia has experienced rapid economic growth over the past couple of decades and, for the most part, internal stability has improved across the region—especially in Indonesia. Neither of those observations requires any change to the current ADF posture.

The strategic landscape in the wider Asia-Pacific theatre has changed markedly in the past twenty years with the rise of China and India. And it's not just Australia that is contemplating its force disposition in response to these changes. The United States is also developing a new force posture, and is likely to involve Australia in its future plans. The likely consequences are explored in a recent ASPI publication.⁴ For the purpose of this short paper, the relevant conclusions are that we are likely to see a greater use of Australian facilities by US air and naval platforms, but no permanent basing. Visiting US force elements will probably rely on existing ADF facilities, with the possible exception of additional infrastructure that might be required for air operations from Australia's offshore territories at Cocos and Christmas islands—which could provide better access for endurance-limited airborne platforms operating over the strategically important shipping lanes of Southeast Asia.

As far as the ADF is concerned, any greater call for naval operations in the Indian or Pacific oceans as the military significance of those areas grows could be met from existing facilities, as could any operational requirements in the Southern Ocean. The major naval bases at Sydney and Fremantle already provide natural staging points for deployments of major surface vessels. Any advantages from establishing another naval base—for example in the north or northwest—would be marginal. At some future time the impetus for a move could come from a combination of a larger fleet of larger vessels and the lack of expansion possibilities due to urban encroachment—but it won't be cheap. When the move of Fleet Base East from Sydney to Jervis Bay was contemplated in the mid-1980s, the estimated cost was over \$2 billion (2011 prices). With the endurance of naval platforms measured in weeks or months, saving a day or two of steaming time is not worth a substantial investment and higher ongoing costs. Simply put, a two-ocean navy doesn't need three bases.

But there might be an argument for a modest expansion of offshore aviation facilities. The argument that applies to US forces for increased use of the offshore territories as a staging point of air operations also applies to the ADF. The 2009 White Paper identified a 'primary operational environment' for the ADF that extends north to the equator and as far west as the Maldives. Maritime patrol operations that far afield need to be staged from forward airfields. Whether the existing facilities are adequate will need to be explored.

The ADF's primary operational environment



Source: Defence White Paper 2009, p 51, paragraph 6.38. The map provides an indicative portrayal of the area described in the paragraph.

The energy and resource sectors

One other significant change over the past twenty years has been an expansion in the level of activity in the mining and energy sector in the northwest of Australia and adjoining waters. Like any other business, resources companies require a secure environment to operate effectively. It's beyond the scope of this paper to explore arguments about the efficient balance of industry and government bearing the cost of additional security, but the terms of reference of the force disposition study strongly suggest that the government sees a role for the ADF, to the point of considering the relocation of ADF force elements. The study is required to consider 'the need for energy security, including security issues associated with expanding offshore resource exploitation in our North West and Northern approaches.'⁵

Given the improved Southeast Asian security situation and the remoteness of our northwestern and northern resource assets, it's not clear where the threat would come from, or what sort of ADF activity might be required to deter or respond to it. But some general principles apply. If the ADF is directed to secure Australia's remote resource assets, it could be positioned to respond to adverse events, to provide an enduring presence, or both.

The operational considerations of those two requirements are quite different. A response to an adverse event must be timely and agile. For example, depending on what has transpired, the ADF might have to bring firepower to bear quickly, conduct a sweep of an area, provide emergency medical or evacuation assistance, or some combination of those. Unless intelligence can be relied upon to warn of an attack, response forces are best located close to the area of operations. But if an enduring presence is required for the purpose of deterrence, it can usually be mounted from further away; for example, frigates based in Fremantle could maintain continuous counter-piracy or counter-terrorism operations out among offshore oil and gas platforms. Depending on the nature of response needed, these same assets might also be able to provide an adequate response capability, thereby removing the need to base any ADF elements close to the area, but this would depend on a detailed assessment of the threats envisaged.

Conclusion

The ADF's current force posture is the result of a series of decisions made when the world was quite different from today. It's therefore appropriate to have another look at the match of resources to strategic need.

There are no obvious strategic drivers for drastic changes in Australia's force disposition. The Royal Australian Navy operates long range platforms that can provide a presence across the ADF's likely area of operations from the existing fleet bases. A sizeable proportion of the Army was moved north in the 1990s and there is no requirement to move any more. The air bases built across the north from the late 1980s continue to provide a staging point for air operations in the air-sea gap if required. There's a possible requirement for the facilities on Australia's offshore territories at Cocos and Christmas islands to be expanded, although that would require a detailed study of the capacity of the current facilities and the likely future rate of effort.

Given the increased economic activity in the north and northwest, an increased ADF presence to provide security seems a reasonable proposition. But any changes need to be proportionate to the likely threat. A possible outcome of a review based on threat analysis and operations analysis principles would be the establishment of a modest rapid response capability in the northwest—perhaps a small number of patrol boats and aircraft—with the bulk of the ADF's contribution to security in the region coming from established facilities further away. That approach could be modified in the future if a clearer threat emerged that required a more robust local ADF presence.

The cost of moving major ADF force elements is high, and proximity to major population centres continues to provide an economy of scale for sustainment of the ADF. So caution is needed; previous Australian governments spent billions of dollars (in today's money) to move a substantial fraction of the Army north for questionable net benefit.

Any future decision to move sizeable ADF force elements—especially to remote locations—would have to be based on a strong business case for improved operational effectiveness in credible scenarios. It's not obvious that that condition is met by today's circumstances.

Endnotes

- 1 This is a count of the major establishments listed in the Review's fact sheet available at <http://www.defence.gov.au/oscdf/adf-posture-review/docs/bases.pdf>
- 2 Year Book of Australia 1938 figures, available at <http://www.abs.gov.au/ausstats/abs@.nsf/94713ad445ff1425ca25682000192af2/47edb7b37eb8dd76ca256a09001647aa!OpenDocument>
- 3 Army Presence in the North, Department of Defence Performance Audit, Tabled 5 March 1997, available at <http://www.anao.gov.au/Publications/Audit-Reports/1996-1997/Army-Presence-in-the-North>
- 4 Andrew Davies and Benjamin Schreer, *Whither US forces? US military presence in the Asia-Pacific and the implications for Australia*, ASPI Policy Analysis, September 2011, available at http://www.aspi.org.au/publications/publication_details.aspx?ContentID=307&pubtype=-1
- 5 Australian Defence Force Posture Review Terms of Reference, June 2011, available at <http://www.defence.gov.au/oscdf/adf-posture-review/terms.htm>

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