# **Submission No 5**

## Inquiry into Australia's Relationship with the Republic of Korea; and Developments on the Korean Peninsula

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Australian Government Department of Defence

## JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

## FOREIGN AFFAIRS SUB-COMMITTEE

## PARLIAMENT OF AUSTRALIA

## INQUIRY INTO AUSTRALIA'S RELATIONS WITH THE REPUBLIC OF KOREA; AND DEVELOPMENTS ON THE KOREAN PENINSULA



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#### INQUIRY INTO AUSTRALIA'S RELATIONS WITH THE REPUBLIC OF KOREA; AND DEVELOPMENTS ON THE KOREAN PENINSULA

#### Executive summary

- Australia has a strong interest in the stability and security of the Korean Peninsula, countering the proliferation of weapons of mass destruction and promoting the retention of the United States as a stabilising regional presence.
- It is likely that the Republic of Korea will become a more important and influential element of the North East Asian security community as Seoul gradually moves towards a more self-reliant defence posture. Defence will continue to explore opportunities to enhance its strategic dialogue with the Republic of Korea, both to improve our understanding of events on the Peninsula and to benefit from South Korean perspectives on wider security issues.
- The current Australia Republic of Korea bilateral defence relationship is supported by a modest level of cooperative activities appropriate to our interests, including strategic dialogue on security issues and defence policies, senior-level visits to and from Australia, and professional and educational exchanges.
- The short to medium-term development of the Australia South Korea defence relationship will focus on strategic dialogue to identify areas for future practical cooperation, including professional exchanges on peacekeeping and counter-terrorism.



#### INQUIRY INTO AUSTRALIA'S RELATIONS WITH THE REPUBLIC OF KOREA; AND DEVELOPMENTS ON THE KOREAN PENINSULA

#### Introduction

1. This submission focuses on those aspects of the Inquiry's Terms of Reference that are relevant to the Department of Defence, specifically the defence relationship between Australia and the Republic of Korea. It reviews the policy basis for Australia's defence relationship with the Republic of Korea (hereafter referred to as South Korea), the relationship's development, and its current status.

#### Review of developments on the Korean Peninsula

2. South Korea's strategic outlook is focused on threats from North Korea. While Seoul is also conscious of broader strategic threats such as terrorism and weapons of mass destruction proliferation, there is a tendency to view these issues through a prism of how they impact on the North Korean situation or the South Korea – United States (US) alliance.

#### North Korea

3. Seoul views the six-party talks as a fundamental stabilising influence to keep the US – North Korea standoff under control. But increasingly, younger South Koreans see the North less as a security threat than as part of an artificial division of the Korean nation. President Roh Moo-hyun administration's North Korea policy is essentially a continuation of the 'Sunshine Policy' of his predecessor, President Kim Dae-jung, which emphasised peaceful coexistence and inter-Korean cooperation. Roh's policy also seeks to develop South Korea as a North East Asian economic hub by coupling the process of solving the North Korean nuclear issue with promotion of North-South co-prosperity and cooperation in the region.

#### South Korea's changing security posture

4. South Korea is pursuing a dual defence strategy of self-reliance while maintaining strong US alliance ties. Under President Roh, increasing emphasis is being given to developing South Korea's ability to deter North Korean aggression and, in the long-term, to have the capability to be able to defend the entire peninsula post reunification. Seoul is increasingly emphasising the development of power projection capabilities to enable the South to become a regional power.

5. On 13 January 2005 the South Korean Ministry of National Defence publicised its intentions to downsize and restructure the South Korean Armed Forces by 2008. The Ministry intends to reduce the armed forces by 40,000 personnel to a total of 650,000. Under this program 9,000 personnel have already been cut since late 2004. These moves have increased public concern in some quarters over the security threat posed by Pyongyang, but the Roh administration's commitment to armed forces reform – a key objective of improving overall military capability – is likely to see the restructure completely implemented.

#### US global force posture review

6. While the dynamics of the security environment have changed and Seoul's security posture continues to mature, the foundation of the South Korea – US alliance deterring and defending against the North Korean threat and mutual commitment to regional security and stability remains strong. As part of its global force posture review, the US plans to realign its forces in South Korea and reduce them by approximately 12,000 over the next three years. Despite some anxiety in Seoul that this realignment may send the wrong message to the North, the US maintains that change in deployments will improve capabilities, enhance readiness and deterrence, and support a long-term US military presence in South Korea.

7. The combined military capabilities of US and South Korean forces will be enhanced through force modernisation and interoperability improvements. Certain missions will be transferred from US forces to South Korean forces over the next three years to take full advantage of the growing capability of South Korean forces. The US will also consolidate its forces based in South Korea into two hubs south of the Han River, which should help ease some of the social tensions over the US presence. The headquarters of the United Nations Command, the Combined Forces Command, and US Forces Korea will be relocated from Seoul by 31 December 2006. Only a small residual US military presence will remain in the capital to coordinate with the South Korean Ministry of National Defense.

## Defence's strategic interests in the Korean Peninsula

8. The policy underpinning of the Australia - South Korea bilateral defence relationship is contained in the Government's White Paper on Defence, *Defence 2000: Our Future Defence Force*. When referring to the Australia – South Korea defence relationship, the White Paper states:

5.29 Australia is seeking to strengthen our strategic relationship with South Korea. It seems likely that South Korea will continue to become a more important and influential element of the North East Asian security community. We are therefore keen to develop our strategic dialogue with South Korea, both to improve our understanding of events on the Peninsula itself, and to benefit from South Korean perspectives on wider security issues.<sup>1</sup>

## Defence engagement between Australia and the Republic of Korea

9. The Australia – South Korea bilateral defence relationship reflects the importance of South Korea as a medium-sized regional power. The relationship is supported by a modest level of cooperative activities appropriate to our interests, including strategic dialogue on security issues and defence policies, senior-level visits to and from Australia, and professional and educational exchanges.

10. The South Korean Minister for National Defence, Mr Yoon Kwang-ung, will visit Australia from 31 May to 2 June 2005. This will be the first visit to Australia by a South Korean Defence Minister. Other senior official engagement has included the visit to South Korea by the Chief of Navy in 2003 for the 50<sup>th</sup> Anniversary celebrations of the signing of the Korean War armistice agreement. The 2004 annual

<sup>&</sup>lt;sup>1</sup> Department of Defence, *Defence 2000: Our Future Defence Force*, Defence publishing service, 2000, p 38.

Australia – South Korea strategic dialogue was held on 1 April in Canberra and we expect the next round of talks to be held in Seoul later this year. These visits allow Australia and South Korea to exchange views on issues of mutual strategic importance and build personal contacts at the senior level.

11. Educational exchanges foster mutual understanding between Australia and South Korea. Until 2005, Defence sponsored a South Korean Ministry of Defence officer to attend the defence strategic studies course at the Australian Defence College (ADC). We continue to welcome South Korean attendance at the course, but on a full fee paying basis. Australian ADC students and ADFA cadets visited South Korea in September 2003. There have been a number of professional exchanges between Australia and South Korea, including South Korean Air Force officer attendance at the Royal Australian Air Force's foreign observer program for Exercise Pitch Black in July 2004. South Korean Ministry of Defence officers have also attended the International Peace Operations Seminar held in Australia on a regular basis. We expect this attendance will continue from 2005.

12. Defence industry cooperation between Australia and South Korea has progressed satisfactorily since a Memorandum of Understanding on industry cooperation was signed on 8 August 2001. The Australian Defence Force is currently considering purchasing the South Korean K9 Howitzer and South Korean manufactured 155mm high explosive artillery ammunition under plans to enhance its howitzer capability. In addition, Boeing Australia has submitted a tender for South Korea's Airborne Early Warning and Control aircraft upgrade project. Australia and South Korea hold defence industry meetings to address issues of mutual materiel benefit and identify opportunities to promote defence industry cooperation. The next meeting is scheduled for 5-8 December 2005 in Seoul.

13. While not directly related to the bilateral defence relationship, Australia remains a member of the United Nations Command in South Korea, which manages the 1953 armistice arrangements. The Australian Defence Attache and Assistant Defence Attache in Seoul are accredited as liaison officers to the United Nations Command. Defence has also sent observers to US led evacuation exercises for non-combatant consular personnel in the event of conflict on the peninsula.

#### Outlook for the Australia – Republic of Korea defence relationship

14. The Australia – South Korea bilateral defence relationship has developed at a modest pace over recent years. The Department of Defence is comfortable that the current level of engagement supports our interests but will continue to explore opportunities to enhance the defence relationship consistent with our strategic goals.

15. The short to medium-term development of the Australia – South Korea defence relationship will focus on strategic dialogue to identify areas for future practical cooperation, including professional exchanges on peacekeeping and counter-terrorism.