

Australia's Defence Relations with the United States

Inquiry Report

House of Representatives
Joint Standing Committee on Foreign Affairs Defence and Trade

Canberra 2006

© Commonwealth of Australia 2006
ISBN 0 642 78756 5 (printed version)

ISBN 0 642 78757 3 (HTML version)

Cover photo captions:

Air Load Team members of the Australian Special Forces Task Group (SFTG) unload equipment off a United States Air Force (USAF) C-130 Hercules at a Forward Operating Base (FOB) in Afghanistan while United States Army CH47 Chinook Helicopters take off in the background.
(Date taken: 01 September 2005)

HMAS SUCCESS conducts a replenishment at sea (refuel) with USS JOHN PAUL JONES during exercise Talisman Sabre 05.

Lance Corporal Anthony Peters (Eden NSW) of the Al Muthanna Task Group provides area security upon insertion from an ASLAV of the 2nd Cavalry Regiment, on commencing patrols on the outskirts of As Samawah, Iraq.



Foreword

The *Security Treaty between Australia, New Zealand and the United States of America* (the ANZUS Treaty) which came into force on 29 April 1952 is a key element supporting Australia's national security. The Treaty has operated for more than 50 years and still remains relevant in a strategic environment increasingly challenged by terrorism and non-state actors. It is a result of this environment that the Treaty was first invoked following the 11 September 2001 terrorist attacks on the United States (US).

Since World War II, Australia and the US have developed strong defence relations. In particular, the last decade has seen a new level of defence relations encompassing Australian involvement in the first Gulf War and Australian involvement in US led coalitions in Afghanistan and Iraq.

The evidence to the committee is overwhelmingly in favour of the alliance and the security that it provides for Australia. There was some discussion about the ongoing relevance of the Treaty and whether there was a need to enhance the Treaty to more broadly reflect contemporary strategic needs. While there was little support for re-negotiating the Treaty, some groups suggested that traditional alliances will need to adjust considerably to defeat the types of asymmetric threats faced by western allies in the 21st Century. Other groups cautioned that Australia should be more careful in how it manages the alliance to ensure Australia's interests are not subsumed by those of its larger alliance partner.

The committee through its inquiry has examined how Australia's alliance with the US impacts on the security of the Asia – Pacific region. Evidence to the inquiry strongly supports US engagement in the Asia – Pacific region and indicates that Australia's relationship with the US is seen by most countries as a positive influence on regional security. The Committee found that Australia and the US can do more to encourage the development of democratic processes in the security forces of Indonesia and has encouraged the US to lift legislative restrictions on US training assistance to the Indonesian Military. The Committee has also considered the impact on the Australia US Defence relationship of the emergence of a more powerful and assertive China. The Committee found that Australia's relationship

with both the US and China are such that Australia has the potential to act to ease any future tensions that might emerge between these powers.

In undertaking its inquiry the Committee has received significant assistance from both the Australian and US Departments of Defence, including support for a delegation to the US to seek their perspective of the alliance. During this interaction even the most senior US military personnel have consistently reported on the excellence of the performance of the ADF in all training and operational activities. This performance bolsters Australia's contribution to the alliance and earns great credit for the Australian Defence Force and for Australia.

Hon Bruce Scott, MP
Chair

Defence Sub-Committee



Contents

Contents	v
Membership of the Committee	ix
Membership of the Defence Sub-Committee.....	xi
Terms of reference	xii
List of abbreviations	xiii
List of recommendations	xv
1 Introduction	1
Background	1
Report Structure.....	2
2 The ANZUS alliance	5
Introduction	5
History.....	6
Mutual assistance	7
Relevance, benefits and costs	8
Alliance entrapment.....	10
Managing the alliance	13
Public knowledge of the value of the US alliance	16
New Zealand and the ANZUS alliance	18
Conclusion	20
3 Australian force structure, interoperability and intelligence	23
Introduction	23
The new security environment?	24

Australian defence doctrine	26
Australian force structure	26
Interoperability	30
Definition and key features	30
Objectives, advantages and other issues	31
Selecting defence equipment	32
Conclusions	34
Intelligence	35
Conclusion	38
4 Combined defence exercises	41
Introduction	41
The nature of Australia - US defence exercises	42
Value	44
Australia - US Joint Combined Training Centre	46
Exercising National Command	48
Impact of High Operational Tempo on Training Activities	49
Conclusion	50
5 Dialogue with US on Missile Defence	53
Introduction	53
The nature of modern Missile Defence	53
Allied involvement	55
Australia's role	56
Advantages for Australia	58
Defence of Australia and Australian forces deployed overseas	58
Greater deterrence	59
Opportunities for scientific and industry participation in research and manufacture	60
Development of policy and strategy	61
Ability to contribute to the direction of the US Missile Defence program	61
Disadvantages and domestic perceptions	61
Regional perceptions	64
Alternatives to Missile Defence	66
Conclusion	66

6	Australia US relations in Asia Pacific	69
	Introduction	69
	US engagement in the Asia Pacific region.....	69
	Regional Perspectives.....	74
	ASEAN.....	74
	China.....	78
	The Koreas	82
	Japan	83
	India	86
	Conclusion	87
	Benefits of US Engagement in Asia Pacific.....	87
	China.....	88
	Indonesia	89
7	Australian defence industry development.....	91
	Introduction	91
	Australian Industry Capability Requirements.....	92
	Access to the US defence market.....	93
	Impediments to access.....	94
	A case study – the JSF program.....	97
	Conclusion	101
	Appendix A – List of Submissions	105
	Appendix B – The ANZUS Treaty.....	107

Membership of the Committee

Chair Senator A B Ferguson

Deputy Chair Hon G J Edwards, MP

Members	Senator A Bartlett (from 9/12/06)	Hon B G Baird, MP
	Senator the Hon N Bolkus (until 30/06/05)	Mr P A Barresi, MP
	Senator G Campbell (until 28/12/05)	Mr M Danby MP
	Senator the Hon P Cook (until 30/06/05)	Mrs T Draper, MP
	Senator P M Crossin (from 9/12/05)	Mr S W Gibbons, MP
	Senator A Eggleston	Mrs J Gash, MP
	Senator Brian Harradine (until 30/06/05)	Mr B W Haase, MP
	Senator S Hutchins	Mr M J Hatton, MP
	Senator D Johnston	Hon D F Jull, MP
	Senator L J Kirk	Hon J E Moylan, MP
	Senator K Lundy (until 23/06/05)	Hon G D Prosser, MP
	Senator J A L Macdonald (until 23/06/05)	Hon B C Scott, MP
	Senator C M Moore	Mr R C Sercombe, MP
	Senator M A Payne	Hon W E Snowdon, MP

Senator N G Scullion

Senator N Stott Despoja

Senator R Webber

Dr A J Southcott, MP (from 8/02/06)

Mr C P Thompson, MP

Mr M B Turnbull, MP (until
8/02/06)

Ms M Vamvakinou, MP

Mr B H Wakelin, MP

Mr K W Wilkie, MP

Secretary Dr Margot Kerley

Defence Lieutenant Colonel Fergus
Advisor McLachlan

Membership of the Defence Sub-Committee

Chair Hon B C Scott, MP

Deputy Chair Mr M J Hatton, MP

Members Senator A Bartlett

Mrs T Draper, MP

Senator P M Crossin

Hon G J Edwards, MP (*ex officio*)

Senator A B Ferguson (*ex officio*)

Mrs J Gash, MP

Senator S Hutchins

Mr S W Gibbons, MP

Senator D Johnston

Mr B W Haase, MP

Senator M A Payne

Hon W E Snowdon, MP

Senator N G Scullion

Mr C P Thompson, MP

Mr B W Wakelin, MP

MR K W Wilkie, MP

Committee Secretariat

Secretary Dr Margot Kerley

Defence Advisor Lieutenant Colonel Fergus
McLachlan

Administrative Officer Mrs Jessica Butler



Terms of reference

Since World War Two, Australia and the United States (US) have developed strong defence relations. In particular, the last decade has seen a new level of defence relations encompassing Australian involvement in the first Gulf War, the invoking of the ANZUS Treaty, and Australian involvement in US led coalitions in Afghanistan and Iraq.

The *Defence Update 2003* commented that Australia's alliance with the US 'remains a national asset' and the 'United States' current political, economic, and military dominance adds further weight to the alliance relationship.'

How should the Australian-US alliance be developed to best meet each nation's security needs both in the Asia Pacific region and globally focusing on but not limited to:

- the applicability of the ANZUS treaty to Australia's defence and security;
- the value of Australian-US intelligence sharing;
- the role and engagement of the US in the Asia Pacific region;
- the adaptability and interoperability of Australia's force structure and capability for coalition operations;
- the implications of Australia's dialogue with the US on missile defence;
- the development of space based systems and the impact this will have for Australia's self-reliance;
- the value of joint Defence exercises between Australia and the US, such as Exercise RIMPAC;
- the level of Australian industry involvement in the US Defence industry; and
- the adequacy of research and development arrangements between the US and Australia.



List of abbreviations

ABM	Anti-Ballistic Missile
ADA	Australia Defence Association
ADF	Australian Defence Force
AIC	Australian Intelligence Community
AMTG	Al Muthanna Task Group
ANZUS Treaty	Security Treaty between Australia, New Zealand and the United States
APMLC	Asia Pacific Military Law Centre
ASEAN	Association of Southeast Asian Nations
ASPI	Australian Strategic Policy Institute
AUSMIN	Australian-US Ministerial Consultations
DITR	Department of Industry, Tourism and Resources
DMO	Defence Materiel Organisation
DPRK	Democratic People's Republic of Korea
DSP	Defence Support Program
DSTO	Defence Science and Technology Organisation
FDI	Future Directions International
GDP	Gross Domestic Product
ICTs	Industry Capability Teams
IMET	US International Military Education and Training
ITAR	International Traffic in Arms Regulations
JCTC	Joint and Combined Training Centre

JSF	Joint Strike Fighter
MAPW	Medical Association for Prevention of War, Australia
MBTs	Main Battle Tanks
MOU	Memorandum of Understanding
NATO	North American Treaty Organisation
PACOMD	US Pacific Command
PRC	People's Republic of China
PSI	Proliferation Security Initiative
RAAF	Royal Australian Air Force
RAMSI	Regional Assistance Mission in the Solomon Islands
RAND	US 'Think Tank' (derived from Research and Development)
R&D	Research and Development
RGS	Relay Ground Station
RIMPAC	Rim of the Pacific Exercise
ROE	Rules of Engagement
ROK	Republic of Korea
RSL	Returned and Services League of Australia Limited
SAS	Special Air Service
SBIRS	Space-Based Infra-Red System
SDI	Strategic Defence Initiative
SMEs	Small and Medium Enterprises
SWBTA	Shoal Water Bay Training Area
TAC	Treaty of Amity and Cooperation
UK	United Kingdom
UNAA	United Nations Association of Australia Incorporated
US	United States of America
WILPF	Women's International League for Peace and Freedom
WMD	Weapons of Mass Destruction



List of recommendations

The ANZUS alliance

Recommendation 1

The Committee recommends that the ANZUS Alliance be maintained in its current form and that the treaty be viewed not just as a specific set of requirements, rather as a statement of shared values capable of being acted upon in the face of evolving contemporary threats.

Australian force structure, interoperability and intelligence

Recommendation 2

The Committee acknowledges that the free passage of information on the internet is likely to ensure that threat techniques faced by western forces in Iraq and Afghanistan are transmitted to disaffected groups in our region, meaning future regional conflicts may become increasingly violent and lethal. The Committee recommends that force structure decisions must therefore be based on the provision of the best possible protection for Australian Defence personnel.

Recommendation 3

The Committee supports the continuing enhancement of cooperation between Australian and US intelligence agencies; however, sufficient investment must be made in Australian analytical capabilities to ensure Australian analysis of US raw intelligence material is always undertaken.

Combined defence exercises

Recommendation 4

The Committee supports the continuation of joint training between the Australian and US Defence Forces and recommends that the Joint Combined Training Centre (JCTC) concept be codified in a Memorandum of Understanding before Exercise Talisman Sabre 2007.

Recommendation 5

The Committee recommends that the Australian Defence Force continue to apply the most appropriate rules of engagement consistent with the Australian assessment of application of force.

Australian defence industry development

Recommendation 6

The Committee recommends that the Australian Government make every effort to obtain exemption from ITAR from the United States Government in respect of defence goods and services purchased from the United States for Australian Defence Force purposes.