



Delhi Policy Group

Advancing India's Rise as a Leading Power



POLICY BRIEF

Assessing Australia's Defence Strategic Review

Author

Lalit Kapur

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Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003

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Author

Cmdr Lalit Kapur (Retd), Senior Fellow for Maritime Strategy, Delhi Policy Group

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An RAF F-35A Lightning-II flies past HMAS Sydney during Exercise Tasman Shield on the East Coast of Australia in March 2023. Source: Australian Department of Defence

Australian Prime Minister Anthony Albanese, US President Joe Biden and British Prime Minister Rishi Sunak speak at the AUKUS Meeting in San Diego, California on March 13, 2023. Source: US DoD.

The nuclear attack submarine USS Asheville at the Royal Australian Navy's HMAS Stirling Naval Base on February 27, 2023. Source: US Navy

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Assessing Australia's Defence Strategic Review

by
Lalit Kapur

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Assessing Australia's Defence Strategic Review

by
Lalit Kapur

"The world today is going through profound changes unseen in a century"¹. Nations are responding, and among the changes of consequence is Australia's strategic security outlook. For the last five decades, Australia has based its national security planning on engaging Asia while deterring or responding to low-level threats from a small or middle power in its region. That precept is now deemed no longer "fit for purpose" by the recent Australian Defence Strategic Review². Australia is now preparing for an era of great power confrontation that could spiral into conflict. Unlike in the past, the primary theatre for that confrontation will be the Indo-Pacific.

The Evolution of Australia's National Security Concept

Australia has depended on external powers, first the UK and later the US, for its strategic security from the time of its federation, acting as a component of the regional security scheme of the great power of the time. After World War II and till the mid-1970s, its strategic outlook was based on forward defence to counter the threat from communism. This was in part based on fear of China and suspicion about its "menacing and expansionist intentions"³. Australia sought to defend itself by contributing to containing the threat and ensuring it did not advance southwards.

The British withdrawal from east of Suez and Nixon's Guam Doctrine⁴ of 1969 requiring allies to provide the main forces for their defence forced

¹ The phrase, described as a guiding tenet of Xi Jinping thought on diplomacy, was officially elevated into the Party lexicon in a 2018 Central Foreign Affairs Work Conference. See <https://www.strategictranslation.org/glossary/great-changes-unseen-in-a-century> It has thereafter been used by President Xi Jinping repeatedly, as for example at 2022 World Economic Forum Virtual Session on January 17, 2022, http://us.china-embassy.gov.cn/eng/zgyw/202201/t20220117_10625246.htm, in a signed article in Russia's media during his March 2023 visit to Moscow, <https://english.news.cn/20230320/208baba76dc14ed78d308bfa32b9d4e2/c.html>, and in the official readout of his meeting with Singapore's Prime Minister Lee Hsein Loong on March 31, 2023,

https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202304/t20230402_11053176.html

² National Defence: Defence Strategic Review 2023, <https://www.defence.gov.au/about/reviews-inquiries/defence-strategic-review>

³ Australia's Maritime Strategy in the 21st Century, <https://web.archive.org/web/20080930070253/http://www.aph.gov.au/library/pubs/rb/2004-05/05rb04.htm#era>

⁴ The doctrine broadly envisaged that the US would honour its treaty commitments when dealing with major power and nuclear weapon threats, but expected regional problems would be dealt with at the regional level, without US involvement. See Foreign Relations of



reassessment of the forward defence policy and brought in a semi-independent outlook. Geography and isolation were seen as assets; only the two super-powers could threaten Australia. The focus thus shifted to defence of Australia. The gap between Indonesia and Australia was obviously the most likely route for manifestation of an adversarial great power military threat. The 1976 Defence White Paper thus visualised development of independent strike and interdiction capability in this gap, the first time strategy was crafted based on Australian analysis⁵. The 1986 Dibb Report devised a four-layer scheme based on independent and comprehensive military power to deny usage of the Indonesia-Australia gap to any adversary. The layers comprised comprehensive domain awareness in the gap, a sea and air strike capability to target adversary forces, a coastal defence layer, and a mobile ground force layer to deal with successful landings.

The subsequent unipolar era eliminated the possibility of a great power challenge and saw Australia's focus shift comprehensively to the ability to counter low-level challenges from regional powers, leading to reductions in power projection and enhancement of denial capability. Australia's ageing Oberon class submarines were replaced by the Collins-class, built in cooperation with Kockums of Sweden. HMAS Melbourne, a light aircraft carrier designed for a fleet escort role, was retired without replacement. Subsequent defence white papers maintained the denial focus, albeit with evolutionary change, expanding closer security ties within the region. A ten-year strategic warning period was anticipated, allowing sufficient time to change course if needed.

Experience with China's economic coercion in the post-pandemic period, its unprecedented military expansion and assertion, and a general souring of relations has prompted rethinking. Australia is convinced of China's hegemonic intent and concerned that this could result in its being subjected to military force in the years ahead. The expectation of a ten-year strategic warning period is gone. Australia has returned to dependence on Anglo-Saxon partners for strategic security needs. The Morrison government's AUKUS announcement on September 15, 2021 marked Australia's reintegration into the US forward defence strategic paradigm, albeit with responsibility for its own defence in the event of contingencies not involving great powers. The successor Albanese government has adopted the same strategic path.

the United States, 1969-1076, Volume 1, Foundations of Foreign Policy 1969-1972, <https://history.state.gov/historicaldocuments/frus1969-76v01/d29>

⁵ Ibid.



The Defence Strategic Review

On August 3, 2022, Australia's Albanese Government announced the commissioning of an independent Defence Strategic Review (DSR) led by Professor the Hon Stephen Smith, a former Minister for Foreign Affairs and Defence; and Air Chief Marshal Sir Alan Grant (Angus) Houston, the former Chief of Australia's Defence Force⁶. The terms of reference assigned five tasks to be completed by March 2023⁷: outlining strategic challenges over the next decade that could require an Australian Defence Force (ADF) response, identifying the requisite force posture, force structure and infrastructure investments, and associated funding needs. The Review leads submitted their report in February 2023. A public version became available on April 24, 2023⁸.

The DSR notes that Australia's alliance partner, the US, is no longer the unipolar leader of the Indo-Pacific. Major power strategic competition has returned to the region; its intensity is the defining feature of the current era. China's military build-up is now the largest and most ambitious of any country since the end of WWII; it is occurring without transparency or reassurance regarding China's strategic intent. China's assertion of sovereignty over the South China Sea threatens the global rules-based order in the Indo-Pacific and adversely impacts Australia's national interests. China is also engaged in strategic competition in Australia's near neighbourhood. This forces a review of the approach for managing and avoiding the strategic risk of a major conflict that directly threatens Australia's interests. The 'Defence of Australia' concept that was aimed at deterring and responding to low-level threats from a small or middle power in the region is no longer fit for purpose. It must be replaced by a new 'National Defence' concept, adopting a whole-of-government and whole-of-nation approach, designed to support the maintenance of a regional balance of power in the Indo-Pacific. It will also necessitate deepening diplomatic engagement and acquiring stronger defence capabilities to deter coercion and lower the risk of conflict.

The DSR unequivocally states that the alliance with the US will remain central to Australia's security and strategy. Notwithstanding, Australia should grow its defence cooperation programme, particularly in the Indian Ocean; expand

⁶ Joint Statement – Defence Strategic Review, 3 August 2022, <https://www.minister.defence.gov.au/minister/rmarles/statements/joint-statement-defence-strategic-review>

⁷ Terms of Reference for the Independent Leads of the Review, <https://www.defence.gov.au/sites/default/files/2022-08/defencestrategicreview-termsreference.pdf>

⁸ National Defence: Defence Strategic Review 2023, <https://www.defence.gov.au/about/reviews-inquiries/defence-strategic-review>



practical cooperation with key powers including Japan and India; and invest in regional architecture. The current balanced force model does not adequately address the prevailing strategic environment and must be replaced by a focused force that addresses risks. The ADF must, therefore, evolve into a genuine integrated force that can harness effects in all five domains: maritime, land, air, space and cyber. It must acquire ten critical capabilities: undersea warfare optimised for long-range ISR and strike; an integrated targeting capability; long-range strike capability in all domains; an amphibious-capable combined arms land system; enhanced maritime capabilities for sea denial and localised sea control; networked expeditionary air operations; all-domain integrated air and missile defence; a joint, expeditionary theatre logistics system; a theatre command and control framework; and a developed network of northern bases.

Comprehensive upgrades on these bases must commence immediately and fuel storage and supply issues should be rectified. The ADF and Australian Public Service (APS) work force must be provided improved pay and service conditions, as well as recruitment and retention incentives to make them competitive in the labour market. The current capability acquisition approach is not fit for purpose and must abandon its pursuit of the perfect solution or process to focus on delivering timely and relevant capability. More defence funding will be required to reflect the strategic circumstances faced by the nation. Defence policy development based on intermittent white papers must be replaced by a biennial National Defence Strategy. A Defence Strategic Review Management Board, led by the Defence Secretary and Chief of Defence Force, must provide direct oversight and leadership of the recommendations of the Review, as adopted and prioritised by the Government. External oversight of implementation must be done by the Cabinet.

The DSR has made a total of 62 recommendations to the government. 50 have been accepted without reservations, the balance have been accepted in principle. A summary of the recommendations and the Australian Government's response can be seen at Appendix A.

Contradictions and Inconsistencies

For all its positives, the DSR does contain some contradictions and obfuscation. The first is that the defined primary area of military interest does not explain the endorsement of AUKUS submarines. This area must logically be where Australia's deterrent and denial capability should focus. Australia's north coast, where additional bases are to be developed, lies less than 3000 Km from the Indonesian straits, well within easy reach of conventional submarines



including the existing Collins class. The SSN-AUKUS is evidently intended for use well beyond these straits. The imperative of being able to plug into the US regional security scheme against the China threat has trumped the imperative for denying the Indonesia-Australia gap. Usage of the AUKUS-SSN, when it is delivered, will be decided primarily by the US. The DSR's endorsement of the AUKUS-SSN and the huge additional expenditure it will entail is intended primarily for domestic political purposes, to justify and sell this decision as well as increased defence spending to the Australian public.

Linked is the question of deterring a limited conflict. Kinetic use of submarines in such a conflict is limited to either sinking surface vessels while remaining hidden or land attack using missiles. Both have significant political costs in regional contingencies: the former would invite opprobrium, while the latter would position Australia as the aggressor, rather than the defender. Submarines obviously cannot send out boarding parties to investigate whether a particular merchant vessel is carrying contraband or indulging in false-flag operations before acting against it, nor can they spare the personnel to capture merchant vessels and take them into a friendly port. These tasks are best left to surface forces. Submarines (including nuclear attack boats) have greater utility in unrestricted warfare, as in WW II. It is difficult to avoid the impression that AUKUS submarines are being acquired for US purposes, not Australian.

A third contradiction lies in timelines. It will take roughly a decade for Australia's new strategic approach to become effective. Notably, the first Virginia-class US SSNs (second hand ones) will become available to Australia only in the mid-2030s. Australia's contributions to a deterrent balance of power till then will perforce be limited. This implies that Australia (and its ally, the US) do not really anticipate conflict with China before then, notwithstanding public pronouncements.

A fourth question is capability required for defence of Australia's critical sea lanes. This must rest on visible surface forces – an invisible escorting submarine is about as useful as the proverbial Emperor's new clothes. The DSR does seek optimisation of the RAN to include a more lethal surface fleet. It does speak of augmenting the navy's capability for long-range strike through the induction of an optimal mix of Tier-1 and Tier-2 surface combatants. There is no recommendation, however, on the numbers or shape of this fleet: the DSR stops at recommending that the structure be assessed by the third quarter of 2023. Reports indicate that a separate team comprising a former USN Vice Admiral and a former Australian Finance Secretary has been constituted to



determine the shape of the future navy⁹. What this will cost has not been factored in, and given that Australia's surface force is by any measure too small for the vast sea area it is responsible for, the cost will be considerable.

Yet another question relates to Australia's partnerships with Japan and South Korea. Both lie well outside the defined primary area of military interest; relations with them are intended to deter great power conflict. But the DSR recommends cancelling the second regiment of Army Howitzers and reduction of the acquisition of infantry fighting vehicles (South Korea has a deep interest in both). Managing the inevitable angst in South Korea has been left for diplomats to work out, just as it was when Australia cancelled the Attack-submarine project in collaboration with France.

Geostrategic Impact of Australia's Revised Strategic Path

The DSR essentially endorses Australia's return to contributing towards a US-led regional balance of power, while strengthening independent ability to defend Australia and its regional interests in parallel. The underlying assumption is that the US will not turn isolationist and will continue to invest in Indo-Pacific regional security; Australia in investing heavily on this assumption. A bipartisan consensus will ensure Australia remains on this path for the foreseeable future. What is the geostrategic impact of Australia's changed strategic outlook on the Indo-Pacific?

The US position in the region has indubitably been strengthened. US bases in Japan and South Korea are vulnerable to China's numerous cruise and intermediate range ballistic missiles. Australia's decision to support the US-led balance of power enables dispersion of forward deployed US forces outside the strike range of most Chinese systems, but still close enough to become effective in days. It also strengthens the defensive perimeter in the seas around China. Requisite infrastructure remains to be constructed in Australia's northern territories, but that will happen over time.

On the other hand, China's wolf-warrior diplomacy has backfired. Australia has successfully weathered China's economic coercion, just as India weathered China's military coercion in Ladakh and Arunachal Pradesh. China is already negotiating with Australia to lift the duties it had imposed on Australian barley exports in a time-bound manner, and this process will be extended to other products. The backing down will dent China's carefully cultivated all-powerful

⁹ Retired US admiral who has previously advised Australia on shipbuilding to lead fresh review of navy's warship fleet, April 25, 2023, <https://www.abc.net.au/news/2023-04-25/retired-us-admiral-to-review-australias-warship-fleet/102262644>



image in the region and embolden other impacted nations. Japan and South Korea are already acting to maintain the regional balance of power. Taiwan's calculation that it can withstand China's threat will be strengthened. Going ahead, Australia will continue to seek economic engagement with China, but on terms that are mutually beneficial and not unilaterally determined.

Similarly, maritime Southeast Asia is shifting towards greater balance in great power competition. The Philippines has visibly tilted back towards the US, with the nine Enhanced Defence Cooperation Agreement (EDCA) bases being constructed providing further redundancy for US forces as well as the potential for use in both Taiwan and South China Sea contingencies. Indonesia has signalled a new willingness to cooperate with Australia, with the foreign and defence ministers confirming their intent to elevate the existing agreement to one "that is binding in international law"¹⁰. A stronger Australia that will emerge once the DSR recommendations are implemented makes an effective backstop to China's attempts to penetrate into the waters of the Indian Ocean and the Southern Pacific. Trilateral security cooperation involving Japan, the Philippines and Australia; as well as Japan, Indonesia and Australia can be expected to grow.

Takeaways for India

India stands to benefit. Apart from recommending closer cooperation with India and Japan, the DSR explicitly states, "Australia's immediate region encompassing the north-eastern Indian Ocean through maritime Southeast Asia into the Pacific, including our northern approaches, should be the primary area of military interest for Australia's National Defence". The Australian government has accepted this recommendation. It has also accepted-in-principle the recommendation for commencing the upgrade of the northern network of bases, ports and barracks immediately, presumably including the Australian facility at Cocos (Keeling) Island. The region encompasses India's primary interest in surveillance of the passages through the Indonesian straits connecting the Pacific to the north-eastern Indian Ocean. India and Australia have a common interest in monitoring all maritime activity in this region (as does Indonesia). Conditions are ripe for these three comprehensive strategic partners to enhance trilateral cooperation to monitor maritime activity, including the movements of China's surface and sub-surface forces, its fishing fleets, drones and other instruments of grey zone activity. Cooperation may be

¹⁰ Joint ministerial statement of intent on upgrading our Defence Cooperation Arrangement, <https://www.minister.defence.gov.au/statements/2023-02-10/joint-ministerial-statement-intent-upgrading-our-defence-cooperation-arrangemen>



limited to domain awareness and maritime exercises that signal the willingness to stand together, but that is sufficient for the time being.

On the maritime front, Australia's strong preference for nuclear attack submarines despite the inconsistencies pointed out above merit notice. These submarines will be built at the same location as the conventional ones were built earlier. Unlike Australia, India cannot put its security in the hands of a great power. It is currently grappling with the conventional submarine Project 75I and the nuclear attack submarine Project 76. The former are to be built at Mazagon Docks in Mumbai, the latter at the Submarine Building Complex in Vishakhapatnam. It is time to decide which of these to prioritise, as also whether facilities at Mumbai could be expanded to set up a second SSN yard there. It is also time for India to commit to a continuous shipbuilding programme, rather than the stop-start approach adopted till now.

Many of the DSR's recommendations will resonate with India's strategic community. India too needs to adopt a whole-of-government and whole-of-nation approach towards its increasingly complex strategic environment. India's defence forces must focus mainly on their primary mission, deterring war. They should be structured to deal with clearly identified strategic risks, and not on a generic balanced force concept which indicates either the inability or aversion to identifying what constitutes strategic risk. Much more needs to be done to strengthen India's capability in the cyber and space domains. India also needs to strengthen its ability to retain trained manpower, both in the armed forces as well as in defence industry. India's procurement system needs radical restructuring to enable a balance between process and timely acquisition of requisite capability. Finally, India must prioritise the timely delivery of a comprehensive national security strategy, to be reviewed periodically.

Conclusion

Four broad conclusions flow from the analysis above. First, Australia has chosen to come back under the US strategic umbrella in the prevailing environment of unrestrained great power competition. Second, the AUKUS-SSN, including contributions for the strengthening of US submarine-building capacity and determination of its employment by the Anglo-Saxon combine, is a price Australia has paid for this return. Third, negotiations for a further price by way of the shape of Australia's surface fleet are ongoing. And fourth, the Review is an exercise to sell the decision to return to the US fold to the domestic public and obtain their backing for higher defence outlays.



That the world has undergone substantial change in the last few years cannot be disputed, nor can it be denied that the rate of change is accelerating. China, already assertive, is enhancing its military power and developing the ability to force its will on others. Its neighbours will be the first to experience the impact, as India has already done. Australia is clearly preparing for the return of great power confrontation in the Indo-Pacific. Other powers that aspire to play a meaningful role in determining the shape of the future multipolar world must either develop the ability to contribute independently to such shaping, or go along with those who can.

From India's perspective, the DSR content enhances prospects and scope for Australia-India cooperation in securing the maritime space, both bilaterally and trilaterally, with Indonesia. It is now for officials at the military and diplomatic levels to ascertain the boundaries of what can be made to happen under such cooperation and formulate strategies accordingly. At the very least, enhancement of reciprocal access to new bases in the Cocos (Keeling) Islands and Australia's northern territories, including for surveillance aircraft, should be targeted. Going beyond symbolic exercises and into binding mutual defence agreements may be a bridge too far at present, but there is no reason it cannot be explored as circumstances evolve.

Southeast Asia has come to terms with the implications of the DSR and Australia's decision to strengthen the regional strategic balance, and has begun exploring future avenues of cooperation. The 13th Singapore-Australia Joint Ministerial Committee tasked officials to begin work on developing the agenda for the next chapter of the Comprehensive Strategic Partnership on May 1. This includes review of the Five Power Defence Arrangements. Malaysia is also expected to explore increased cooperation at the ongoing Annual Malaysia-Australia Foreign Ministers' Meeting. Presumably, India will also move speedily to seek deeper understanding of the contents of the DSR and how it will impact the bilateral defence and security relationship with Australia.

Appendix A

SUMMARY OF RECOMMENDATIONS

Sl.	Recommendation	Govt Response
1.	Australia's immediate region encompassing the NE Indian Ocean through maritime SE Asia into the Pacific, including our northern approaches, should be the primary area of military interest for Australia's National Defence (Taiwan and East Asia, ECS not included)	Agreed
2.	National Defence should be adopted as the strategic approach for defence planning.	Agreed
3.	A whole of government and whole of nation approach to our strategic environment should be adopted.	Agreed
4.	The DFAT should be appropriately resourced to lead a nationally determined and strategically directed whole-of-government statecraft effort in the Indo-Pacific.	Agreed
5.	The Commonwealth should work with the states and territories to develop national resilience and response measures for adverse climate change at the local level without the need of ADF support, except in the most extreme emergencies.	Agreed-in-Principle
6.	Defence should be the force of last resort for domestic aid to the civil community, except in extreme circumstances.	Agreed-in-Principle
7.	Defence should accelerate its transition to clean energy to increase our national resilience, with a plan to be presented to the Government by 2025.	Agreed
8.	Force structure planning should be based on the review.	Agreed
9.	Projects should be immediately delayed or cancelled to enable funds and workforce in the forward estimates and planning decade to be reallocated to higher priority capabilities.	Agreed
10.	The integrated investment programme (IIP) should be rebuilt in line with the force structure design priorities outlined in the review.	Agreed

Sl.	Recommendation	Govt Response
11.	An independent analysis of Navy's surface combatant fleet capability should be conducted in Q3 2023 to ensure its size, structure and composition complement the capabilities provided by the forthcoming conventionally-armed, nuclear-powered submarines. The analysis must assess: the capability requirements to meet our current strategic circumstances as outlined in the Review, as well as the cost, schedule, risks and continuous shipbuilding potential of each option.	Agreed
12.	The acquisition of a conventionally-armed, nuclear-powered submarine capability in the shortest possible timeframe should be prioritised as part of AUKUS Pillar I	Agreed
13.	Army should be structured and postured in accordance with the land domain force structure design priorities outlined in the Review.	Agreed
14.	Land 8710 Phases 1-2 – Army Littoral Manoeuvre Vessels (Landing Craft Medium and heavy) should be accelerated and expanded.	Agreed
15.	Land 8113 Phases 2-4 – Long-Range Fires (HIMARS) and Land 4100 Phase 2 – Land-Based Maritime Strike should be accelerated and expanded.	Agreed
16.	Land 400 Phase 3 – Land Combat Vehicle System (Infantry Fighting Vehicle) acquisition should be reduced to 129 vehicles to provide one mechanised battalion.	Agreed
17.	Land 8116 Phase 2 – Protected Mobile Fires (second regiment of Army self-propelled howitzers) should be immediately cancelled.	Agreed
18.	The delivery of landing craft, long-range fires, and infantry fighting vehicles should be synchronised.	Agreed
19.	Long-range anti-ship missiles should be integrated onto the F-35A and F/A-18F platforms. Joint Strike Missile should also be integrated onto the F-35-A	Agreed-in-principle

Sl.	Recommendation	Govt Response
20.	Options should be developed for collaboration and technology sharing with the US in the development of MQ-28A Ghost Bat.	Agreed
21.	Space Command should be moved into Joint Capabilities Group from 1 July 2023.	Agreed
22.	A centralised space domain capability development and management functions should be established.	Agreed-in-principle
23.	A method should be established for building a sustaining a trained Defence space workforce, including a defined career path for space professionals.	Agreed-in-principle
24.	An open architecture approach should be adopted by Defence in both hardware and software.	Agreed-in-Principle
25.	A comprehensive framework should be developed for managing operations in the cyber domain that is consistent with other domains.	Agreed
26.	Defence's cyber domain capabilities should be strengthened to deliver the required breadth of capability with appropriate responsiveness to support ADF operations.	Agreed-in-principle
27.	Commander Joint Logistics and Commander Joint Health should be adequately resources to deliver Defence logistics and health networks that are able to deliver persistent support and sustainment for operations.	Agreed
28.	The Government should confirm its commitment to continuous naval shipbuilding through an updated National Naval Shipbuilding Enterprise Strategy and updated supporting Naval Shipbuilding and Sustainment Plan.	Agreed
29.	A senior officer or official with the sole responsibility for leading the Guided Weapons and Explosive Ordnance (GWEO) Enterprise should be appointed, with an appropriate underpinning organisational structure.	Agreed.
30.	Defence Science and Technology Group funding and resources should be aligned with the priorities identified in the Review.	Agreed.

Sl.	Recommendation	Govt Response
31.	The development of selected critical technology areas as part of AUKUS Pillar II Advanced Capabilities should be prioritised in the shortest possible time.	Agreed
32.	A senior official or officer with the sole responsibility and a singular focus on AUKUS Pillar II Advanced Capabilities implementation should be appointed to enable expedited focus on capability outcomes.	Agreed
33.	Upgrades and development of our northern network of bases, ports and barracks should commence immediately.	Agreed-in-Principle
34.	Options should be developed to leverage the capabilities offered by local and state governments as well as civil minerals and petroleum resources industry infrastructure in northern and central Australia.	Agreed
35.	A whole-of-government Fuel Council should be established as soon as possible with representatives from relevant departments and industry to deliver resilient national fuel supply, distribution and storage.	Agreed-in-Principle
36.	Infrastructure development should commence immediately at the Osborne shipyard to enable the Nuclear-Powered Submarine Pathway.	Agreed
37.	Infrastructure development should commence immediately at HMAS Stirling to enable the support and maintenance of conventionally-armed nuclear-powered submarine operations	Agreed
38.	Industry consolidation options for the Henderson shipyard should be examined as a matter of urgency.	Agreed
39.	An east coast facility should be established for Australia's future submarine capability.	Agreed-in-Principle
40.	Options for the increase of guided weapons and explosive ordnance stocks, including the rapid establishment of domestic manufacturing, should be provided to the Government by Q2 2024.	Agreed

Sl.	Recommendation	Govt Response
41.	A national logistics support concept that considers strategic and industrial policy needs, and civilian, local and state government and military logistics capabilities, should be developed by 2025.	Agreed
42.	A National Support Division should be established within Defence by 2024 to develop concepts and conduct engagement to harness the nation's economic, industrial and societal strength.	Agreed-in-Principle
43.	A dedicated senior official for Chief Information Officer Group (CIOG) capability management leadership and a dedicated senior official accountable for the secret network should be appointed, and the CIOG workforce should be rebalanced to a 60:40 APS-and ADF-to-contractor ratio.	Agreed
44.	Defence's cyber security arrangements should be enhanced in close collaboration with the Australian Signals Directorate.	Agreed
45.	Defence's cyber security operations capability in Chief Information Officer Group should be increased and legacy systems and platforms should be decommissioned.	Agreed
46.	An enterprise-wide audit to baseline Defence estate and infrastructure, including protective security, should be completed no later than the end of 2023.	Agreed
47.	The transfer of Defence's Positive Vetting (PV) vetting authorities to the Top Secret Privileged Access (TSPA) Authority should be accelerated.	Agreed
48.	Options should be developed to change Defence's recruitment framework to improve the eligibility pool of potential applications and to align service recruitment requirements to military employment, especially in key technical and specialist trades (cyber, engineering, space, etc.).	Agreed

Sl.	Recommendation	Govt Response
49.	Options should be developed to change the policy and risk settings to improve the achievement of recruitment targets by 2024.	Agreed
50.	ADF personnel management should be centralised into a single integrated system that is headed by a Chief of Personnel reporting directly to the Chief of the Defence Force.	Agreed
51.	A comprehensive strategic review of the ADF Reserves, including consideration of the reintroduction of a Ready Reserve Scheme, should be conducted by 2025.	Agreed
52.	Options should be developed as soon as possible to change Defence's capability acquisition system so that it meets requirements and is reflective of our current strategic circumstances.	Agreed
53.	Australian industry content and domestic production should be balanced against timely capability acquisition.	Agreed
54.	Options should be developed as soon as possible to streamline and accelerate the capability acquisition process for projects designated as strategically urgent or of low complexity.	Agreed
55.	A new simplified programmatic approach should be developed to replace the current Capability Program Architecture by 2024.	Agreed
56.	The delivery of capability within the required time, together with value for money, is the priority in our current strategic circumstances and should be enabled by appropriate risk-based behaviours.	Agreed-in-Principle
57.	Government procurement and Budget Process Operational Rules should be amended to ensure consistency with the urgency required and the strategic risk involved.	Agreed-in-Principle
58.	Defence funding should be increased to meet our strategic circumstances.	Agreed
59.	Lower-priority projects and programs should be stopped or suspended to free essential resources which can be allocated to projects and programs that align with the priorities in the Review.	Agreed



Sl.	Recommendation	Govt Response
60.	Funding should be released through the rebuild and reprioritisation of the Integrated Investment Plan (IIP) and reinvested into priority Defence projects, programs and activities consistent with the Review.	Agreed
61.	Defence should move away from white papers to produce a National Defence Strategy on a biennial basis. The first National Defence Strategy should be delivered no later than Q2 2024.	Agreed
62.	A three-tier system should be adopted to oversee and lead the implementation of the Review recommendations.	Agreed



Delhi Policy Group
Core 5A, 1st Floor,
India Habitat Centre, Lodhi Road
New Delhi - 110003
India

www.delhipolicygroup.org