PRESS STATEMENT:

MALCOLM FRASER:

DEFENCE

June 2nd, 1963

In the last week of the Parliament, the Prime Minister made a comprehensive review of the defence situation. The Chiefs of Staff Committee and the Cabinet Defence Committee have just completed a review of Australia's defence requirements bearing in mind the unsettled state of matters in South-East Asia and in the islands to our north.

The Prime Minister's statement is the strongest and most effective statement that has been made on defence in peacetime.

People who follow defence affairs will recall that a three year defence program was introduced last October. The last paragraph of the statement of the Minister for Defence at that time said that if international events proved it necessary, the program so announced would be reviewed. This, indeed, has been done.

The matters the Prime Minister mentioned are all additional to the program announced by the Minister for Defence and they are also additional to the naval program announced in January which involved the purchase of an additional guided missile destroyer and of four Oberon class submarines. In addition, the Government has now approved the provision of fitting the Ikara anti-submarine missile which is being developed in Australia, with United States co-operation, into the Type 12 frigates and into the guided missile destroyers. This will be a most effective anti-submarine weapon.

In addition, a 15,000 ton escort maintenance ship is going to be built in Australia. Australia's aircraft carrier "Melbourne" will continue in operation not merely as a helicopter carrier, as originally planned, but the Venoms and the Gannets will continue to operate until the end of their useful life when a further decision will be taken on a fixed wing aircraft for the carrier.

The strength of the Navy will be increased from 13,900 to 14,300.

ARMY

Last year, a decision to raise the Army strength from 21,000 to 24,500 by 1965 was announced. The Prime Minister has now announced a further increase to 28,000. The permanent field forces will be expanded by the formation of a third Regular battle group which will add considerably to the flexibility of our forces. It will be recalled that, several years ago, the Australian Army was re-organized to suit it to operations in South-east Asia, which is thought to be the most likely point of Australian operations. As a result, a division now comprises five battle groups. Each battle group is formed from one enlarged battalion together with a field regiment and elements of an armoured regiment, depending upon the nature and theatre of operations. The armoured or artillery force can be reduced or expanded as required in each battle group. The battle group is designed to be able to operate effectively on its own.

The C.M.F. target strength of 32,500 will be increased to 35,000. Major purchases of new equipment have also been approved for the C.M.F.

At the present time, current expenditure on new equipment is
running at an annual rate of about £11M. The Government has approved the provision of equipment and reserves needed by the Regular Army and the C.M.F. for a complete division of five battle groups with appropriate combat support and logistic units. As a result, the annual expenditure on equipment of £11M will rise to nearly £18M. As a result of these measures, it is estimated that the Army vote will rise from £68M this year to £97M by 1967-68.

A number of important new projects have been approved for the Air Force. It will be recalled that some time ago, the Government ordered 60 Dassault Mirage III jet fighters to replace the Avon Sabres. This fighter is second to none in the world at the present time. The first Mirage III will be delivered to Australia at the end of this year. Deliveries of the remainder will then continue with an ever-increasing quantity of locally assembled and constructed components. A further 40 Mirage have been ordered bringing the total to 100. In addition, two new control and reporting units to ensure the effective employment of fighter aircraft are being purchased.

Tactical air transport is a vital necessity for a modern Army. This could be more important than in old armies because modern weapons have greatly increased the fire power available and, as a result, the same number of men today would require much more ammunition than 30 years ago.

Last October, the Government had approved the purchase of 8 heavy lift helicopters and 12 fixed wing short take-off and landing craft, subject to evaluation and selection by the R.A.A.F. Suitable heavy lift helicopters for our purpose are found to be unavailable, therefore the Government has decided to buy 8 more Bell Iroquois utility helicopters in addition to the 16 already approved and to purchase 18 Caribou Mark I fixed wing aircraft which have a proved capability as a short take-off and landing aircraft in South-East Asian conditions. These are aircraft that will not need a sophisticated airstrip from which to operate. The introduction of both these types will add to the strategic mobility provided by the Hercules C130 transports.

These new projects will require an increased personnel strength for the Air Force and thus the present target of 16,500 will be increased to about 18,300. The Prime Minister also said that the Air Force would be actively examining the question of replacing the "Canberra" as a strike reconnaissance bomber. While the "Canberra" is not obsolete, it is considered that its replacement should be close at hand. It will be a question of when the appropriate bomber suitable for our conditions is available. A team will be sent overseas under the Chief of the Air Staff to investigate and report on this matter.

The scope of these extensions can be judged from the increased expenditure involved. Under the plan announced by Mr. Townley in October, the Government's expenditure of £212M. this year was going to increase to £220M. in 1966-67. Actual expenditure in the new program will rise to £277M. Thus, the increase in the later years of the program will be over £50M. more in each year than originally planned.
The Government realises that such an increased expenditure on defence will impose substantial additional burdens on the Commonwealth Budget in a period in which the need for national development is of the greatest possible importance - more important for us than it is for older and more developed countries. It is the Government's view that these additional burdens will be accepted by the Australian people. Even with this increased expenditure, the percentage of national income that Australia spends on defence will still be much less than the equivalent expenditure in the United Kingdom and much, much less again than it would be in the United States.

These increased forces will make a much greater contribution to the security of South-East Asia and, consequently, to the security of Australia. As such, I consider them of vital importance.