



Defence 2015 White Paper Panel: Australia's National Security Policy Settings

In the second of three sessions relating to the Defence 2015 White Paper, panellists John Blaxland, Natalie Sambhi, Scott Ferguson, Gai Brodtmann MP and Senator David Fawcett, all spoke to the USI of the ACT in Canberra on 01 July 2014.

The United Services Institute of the ACT hosted a panel presentation of people prominent in the Defence and National Security Community. They provided their own views and recommendations on future foreign and domestic policy settings that impact on Defence and National Security as may be addressed in the Defence 2015 White Paper. The panel presentation was conducted at a well-attended meeting at the Harmonie Club in Canberra and was introduced by USI Councillor Bill Stefaniak.

Introduction

The USI of ACT held its second of three White Paper Seminar Series sessions at the *Harmonie* German Club on the topic of Defence Policy Settings. The venue was deliberately chosen to encourage as many members of the general public to attend as well as the usual interested parties, who would also be expected to attend the other sessions. 163 people attended, and heard from five speakers on the night.

Panellists were:

1. John Blaxland
2. Natalie Sambhi
3. Scott Ferguson
4. Gai Brodtmann MP
5. Senator David Fawcett

Panellists' Papers

Self-explanatory papers follow [notes only from David Fawcett]. Key points to come out from the remarks of the five speakers were as follows:

John Blaxland

- Australia's own 'pivot' to the Asia-Pacific and the Indo-Pacific is ongoing, and needs to be supported
- Our relationship with New Zealand and Indonesia will remain key – underpinned

by a cross-cultural capability that we must work hard to develop

- While the Five-Power Defence Arrangement is a historically important arrangement, perhaps a new regional security cooperation forum called 'MANIS' - Malaysia, Australia, New Zealand, Indonesia and Singapore could be a better bet for the future

Natalie Sambhi

- The Australia-Indonesia relationship – while robust – must be able to transcend day-to-day issues, and be able to be a key stabilising influence in the Asia-Pacific region
- Stress the need for a stronger relationship between Australia and Indonesia to cope with a rising terrorist threat and other emerging threats from the region
- Need to build familiarity through bolstering regional military capabilities – perhaps through a joint interagency task force for counter-terrorism responsibility?
- The recent Indonesian elections will bring a new flavour to the relationship. We must capitalise on the opportunities it brings for the relationship

Scott Ferguson

- The impact of emergent threats of asymmetric attacks on domestic Australia is substantial
- As a result, Defence Aid to Civil Community should be a force structure determinant
- The ADF's capability to deal with 'non-traditional' challenges must be augmented
- Our ability to cope with a scenario – such as was presented by East Timor – in the SW Pacific in future is vital for the preservation of regional security & stability

Gai Brodtmann MP

- The ADF is capable of changing its culture
- The Defence Capability Plan is an aspiration, not a certainty in today's climate. Five factors must be consistently accounted for:
 1. Australia's strategic environment
 2. Australia's strategic objectives
 3. The military forces and capability needed to attain those objectives
 4. How much funding will be needed?
 5. Can we afford it?
- Should we fix a percentage of GDP, or just buy what we need?
- There are ongoing substantial changes in the region
 - The extent of China's assertiveness is increasing
 - Japan is (once again) becoming assertive
- The role of industry and the cost to spend money in Australia
 - 'Sustainment' is the poor cousin to 'acquisition' – successive governments and the Defence department habitually prefer to buy new things rather than maintain

- Whole-of life costs are very important to maintain – as is an approach of spiral development
- Cyber security – how much is enough? This decision is very important for the private sector

David Fawcett

- Regarding Defence industry – a vital plank on the Defence policy settings we take
- If we decide we need a defence industry, we need to approach Industry as a 'Fundamental Input to Capability' [FIC] (along with the other eight currently identified), with particular attention to the engineering arena
- Our national policy settings must take into account that there is a rise in 'Westphalian' nationalism across the globe
 - However, there are also a new suite of non-state actors – including cyber threats that we must deal with
- We need to truly focus on a *Whole-of-Government* (WOG) approach which needs to be led by a national security strategy in order to align:
 - Foreign policy
 - Military effects (efforts)
 - Peacetime National tasks
- FIC issues – we need to account for the *whole cost of ownership* of a capability to the national economy
- Timor nearly 'broke' the ADF. We need a balanced force that can cope with such challenges
- Defence projects take far too long, and are politicised
- The US's *Quadrennial Defense Review* is a much better format for our White Paper.

PANELLISTS' PAPERS

John Blaxland¹



As the Defence White Paper team reflects on the way ahead, it is increasingly clear that a world that is crowded, connected, collective and lethal, presents security forces of countries like Australia with a constrained and challenging operating environment. For strategic planners, one thing is certain: there is a certainty of uncertainty – which suggests there is a need to hedge one's bets with a spectrum of 'hard-power' military capabilities.

Yet as Margaret McMillan observed in her magisterial reflection on the origins of the First World War, *The War That Ended the Peace*, 'there are always choices.' War is not inevitable. Still, brinkmanship can arouse nationalist sentiment and generate seemingly unstoppable momentum for war. We need to think creatively about engaging with the region to reduce the prospects of this happening.

Reflecting on the so-called pivot, the Indo-Pacific and engagement in Southeast Asia, it is worth recalibrating the ADF. The ADF today is an organisation that has focused on the Middle East for more than a decade. It is time to reinvest in the region, in understanding the neighbourhood, the 'near north'. In doing so, we should be cognisant of the limitations of our reach, of the ease in which our words and actions can be misinterpreted, particularly in a neighbourhood where relationships matter, 'face' matters, and where, more often than not, 'form' precedes 'function'.

One idea worth exploring could be called 'Anzac Diplomacy', involving closer collaboration with New Zealand. Rather than negating conventional diplomacy, this approach builds on and is complementary to the great work undertaken by Australia's able diplomats. This conception incorporates Australia's regional engagement on

military exercises with land, sea, air and special forces, peacekeeping and humanitarian assistance and disaster relief, and the extensive alumni network of Defence graduates across Southeast Asia and beyond who are well disposed to Australia.

This approach also involves leveraging conventional military training opportunities. It is not about turning the ADF away from training for warfighting. That is not a viable option because of the certainty of uncertainty. But as the ADF goes about its business there are significant opportunities to engage with the neighbours constructively and creatively. New Zealand is a vital part of that, particularly in the Pacific. The ADF needs to be planning on engaging closely with the New Zealanders, particularly in the Pacific but also in Southeast Asia.

Engagement with the Association of South East Asian Nations (ASEAN) is particularly significant. When aggregated, our immediate neighbour is Australia's third largest trading partner, with a population of over 600 million. Yet ASEAN has tended to be glossed over by Australian policy makers, preferring instead to see the parts individually. There are no easy solutions for the challenges ASEAN faces, but Australia has a constructive role to play in fostering collaboration, understanding, trust and cohesion. This is premised on seeing a cohesive functional ASEAN as being strongly in Australia's economic and strategic interests.

While hardware, on its own, isn't a solution, the new amphibious ships will be a 'game-changer' for the way the ADF can operate particularly in the Pacific. The new Landing Helicopter Dock ships (LHDs) require Australia to think creatively and constructively about how to engage in the region, disarming concerns and constructively bolstering regional capabilities as well. This applies particularly to PNG, East Timor and, most importantly, Indonesia. We should invite Indonesian forces on board to collaborate in non-threatening activities mutually agreed-upon such as building bridges, repairing schools, or conducting health and dental clinics in remote places, all while building relationships, reaching out cross-culturally in a way the ADF has not focused on doing over the last decade or so more.

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The Five Power Defence Arrangement has enjoyed remarkable support because the powers involved, particularly Singapore and Malaysia, see its enduring utility. But for important historical reasons (it was set up in part as a hedge against a repeat of Confrontation with Indonesia), no self-respecting Indonesian wants to join the FPDA. So what do we do? We need to sweeten our relationship with Indonesia and so it is time for a new regional security cooperation forum which could be known as MANIS, which in Bahasa means 'sweet', but which also works as an acronym for the contiguous archipelagic states of Malaysia, Australia, New Zealand, Indonesia and Singapore. These countries have many shared security concerns.

Indonesia understandably does not want to weaken its non-aligned movement credentials. A MANIS regional security cooperation forum – not an agreement or an alliance – could provide a solution, as more formal agreements would trigger virtually insurmountable legislative hurdles for Indonesia's parliament. Beyond the MANIS countries, other ASEAN countries could participate as well.

Much like after the Indian Ocean Tsunami in 2005, when doors opened for Australian engagement in Indonesia in the erstwhile forbidden province of Aceh, the MH370 disaster of 2014 opened doors for engagement with China. We need to think creatively about further such opportunities to bolster and sweeten regional security and stability.

Natalie Sambhi, ASPI²



Without a doubt, Indonesia is a country that can have a big impact, for better or worse, on Australia's security. Key will be the nature of our relationship with our northern neighbour.

In defence terms, the way in which we see our neighbour has evolved from a source of threat, and, as has been seen in more recent Defence White Papers, more towards partnership and opportunity (DWP 2009 and 2013). There are several reasons for this: Indonesia's economic

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growth and commensurate political and social stability, the increased capacity of Indonesia's security forces, the emergence of common threats in the form of terrorism and regional flashpoints, and the recognition that Australia's future prosperity and security lie with our region. This has necessitated, to some degree, a shift in our perceptions.

Our relationship benefitted from personal involvement of Indonesian President Susilo Bambang Yudhoyono, but he will soon be leaving office. His potential replacements might not share his enthusiasm for building bilateral ties.

The Snowden revelations have shown the relationship's responsiveness to shocks, resulting in damage to defence and security cooperation. Some of areas of cooperation, particularly between police, have been more robust, but insulating these areas from future crises will be key. There are elements of that relationship we can control, and, as we have seen in the past nine months, others that are beyond our control.

Today, I'd like to discuss not only practical measures that continue to build and strengthen relationship but also broader strategic settings in light of new developments in global security.

Let me begin by outlining the state of play of Australia–Indonesia security relations over the past few years. Some highlights include the strong level of military and law enforcement cooperation on terrorism, since the Bali and Jakarta bombings; the 2006 signing of the Agreement Between the Republic of Indonesia and Australia on the Framework for Security Cooperation, also known as the Lombok Treaty; the 2012 signing of a Defence Cooperation Agreement³; and the gradual expansion of military exercises under these agreements, including the debut of Indonesian Sukhoi in Exercise Pitch Black in the same year.⁴

Lowlights, however, include the suspension of some security activities in November last year in light of allegations, leaked by Edward Snowden, that Australia had been tapping the phones of the Indonesian President, his wife and his ministers.

³ <http://www.abc.net.au/news/2013-11-20/indonesia-australia-alliance-defence-cooperation/5106256>

⁴ <http://www.defence.gov.au/defencenews/stories/2012/jul/0727.htm>

Also of concern have been violations by Australian navy vessels into Indonesian territorial waters in January this year in carrying out the Abbott government's asylum seeker policies as part of Operation Sovereign Borders.⁵

My key message today is that, beyond recognising the day-to-day utility and contribution Australia–Indonesia relations makes to our national security, is that, looking into the future, our strategic environment *demand*s strong bilateral security relations. It demands our continued cooperation and commitment to insulating relationship from diplomatic shocks.

I argue that there are two overarching issues in the regional security environment that Australia and Indonesia must address together, and these are: working towards stability in the Asia Pacific (particularly where South China Sea issues are concerned), and being on the front foot with addressing how Australia and Indonesia will respond to terror threats potentially emanating from foreign fighters returning home.

I would like to stress that this is *in addition to* ongoing cooperation in the areas of terrorism, narcotics, border protection, people smuggling, cyber security, humanitarian assistance and disaster relief.

Growing cooperation in areas that are of mutual interest and extend beyond the bilateral relationship like regional security, I argue, creates alternative lines of engagement that are less likely to be disturbed. Of course, this is an optimistic view, yet I would point out that that, while several areas of military cooperation were cut including bilateral exercises, counter terrorism cooperation was spared.

Things are heating up in the South China Sea, particularly between China and other maritime ASEAN states. But the risks remain that China's maritime coercion which includes the ramming of Vietnamese fishing vessels and intercepting supplies to Filipino Marines could escalate. Both Australia and Indonesia have a strong interest in ensuring the region remains stable and that, as my colleague Ben Schreer has argued, the rules-based order, maritime trade rules and our ally's

position in the region are not undermined by China.⁶

There are some steps Australia and Indonesia could take together to work towards regional stability. First of these is harmonising their positions on international law, in the form of consistent language and timed messaging. Indonesia's Foreign Minister Marty Natalegawa has been pushing for a Code of Conduct in the South China Sea. Both Australian and Indonesian foreign ministers have asked parties to resolve their disputes, not with violence, but via international law. However, the upcoming 2+2 between our foreign and defence ministers would be an ideal time to reiterate this position in harmony.

Second, my colleague Ben Schreer has recently argued that Australia could work towards bolstering regional military capabilities. This could include "training in maritime law enforcement, as well as strengthening maritime surveillance and coast guard capabilities."⁷

As I argue in a co-authored piece being published in *The Diplomat* tomorrow, Australia and Indonesia could work together to broaden the repertoire of regional military exercises, increasing the number of interfaces with China.⁸ These exercises could include Marines stationed in Darwin which would also enhance the ability of Indonesia to work trilaterally with Australia and the US, not to mention confer regional ownership of military activities in the region.

Turning now to developments in the Middle East, there is increasing concern that some 12,000 foreign fighters in Iraq and Syria could learn new skills in handling explosives as well as come into contact with more radicalised, anti-Western fighters.⁹

For Indonesia, there are concerns that returning fighters could revive a weak jihadist movement. This observation is found in a recent report by Sidney Jones' Institute for Policy Analysis of Conflict. Many members of Jemaah Islamiyah cut

⁵ <http://www.abc.net.au/news/2014-02-19/navy-breached-indonesian-waters-six-times-review-finds/5270478>; issue linkage <http://www.theaustralian.com.au/national-affairs/policy/australia-apologises-to-jakarta-for-territorial-waters-breach/story-fn9hm1gu-1226803863921>

⁶ <http://www.aspistrategist.org.au/what-australia-should-do-in-the-south-china-sea/>

⁷ <http://www.aspistrategist.org.au/what-australia-should-do-in-the-south-china-sea/>

⁸ <http://thediplomat.com/2014/07/beyond-rimpac-3-ways-to-engage-china-on-security/>

⁹ <http://www.abc.net.au/radionational/programs/breakfast/indonesian-jihadists-prompt-security-concerns/5537874>

their teeth in Afghanistan. Last night prominent website *Jihadology* uploaded a video of Shaykh Abu Wardah Santoso, Indonesia's most wanted militant, swearing allegiance to the Caliphate State.¹⁰

With recent news reports of Sydney teenagers travelling overseas and suspected of fighting in Iraq, the Australian government is also concerned about fighters returning home. With a clear overlap of interests in this regard, we can build on the past successes of AFP–POLRI cooperation and the familiarity built between our forces.

A recent post on the Lowy Institute's blog *The Interpreter* proposed a Joint Inter Agency Task Force on jihadism as a means of coordinating the Australian response, which could then incorporate regional elements.¹¹ I would go further: Australia–Indonesia cooperation on jihadism could and should form the backbone of regional response which could then be expanded to include New Zealand but also other ASEAN states potentially facing foreign fighters returning home. These partners include Malaysia, Singapore, Thailand, Myanmar and Philippines, where the Moro Islamic Liberation Front has had past ties with JI.

As mentioned, in an era of Snowden revelations, where shocks to the bilateral relationship could come at any time. There are a number of factors that could complicate bilateral ties including domestic response in Indonesia. While we can do little to change those kinds of factors, it suffices for now that we be cognisant of them and try our best to prepare.

The Indonesian presidential election will be held in 8 days' time after which a new administration with a new cast of characters and personal styles will be brought into office. I don't expect foreign policy to deviate terribly much; Indonesia has built its reputation on 'free and active' foreign policy. Strategic policy takes even longer to shift, and Indonesia's Minimum Essential Force modernisation will take some time to be properly funded and then achieved.

During this time of new cabinet adjusting, it'll be imperative for Australia to keep Indonesia engaged, and to signal that the relationship requires the commitment of both sides.

If the Abbott government continues the turnback policy, so too the risks that sovereignty incursions will occur in future. The Code of Conduct currently being developed by Indonesia and Australia might develop ways of communicating in times of crises. But maintaining dialogue at both the government and track 1.5 and 2 level, not to mention in public discourse, will also be helpful. Indonesian politicians have also threatened that Australia's asylum seeker policies could potentially further damage bilateral relations.

There are many moving parts to the bilateral relationship with Indonesia, but it's imperative that we get the security relationship right. And that means recalibrating our national security settings to address regional and global security challenges of concern to both Australia and Indonesia. In practical terms, that means elevating these kinds of issues in national policy statements like the Defence White Paper and National Security Strategy, but also finding creative ways to discuss these security challenges. Not only will this provide a broader basis of cooperation that will hopefully be insulated from further diplomatic shocks but put us on the front foot to meet some of most pressing security challenges hand-in-hand.

Scott Ferguson¹²



The changing nature of world affairs in the current operational drawdown has stimulated speculation over the direction of future defence capabilities. The rise of China and unpredictable nature of the

Southeast Asian region has left open a medium for debate on the development of Australia's warfighting capability. Whilst a warfighting capability is clearly the primary role of a defence force and must be at the forefront of security debate, there are essential secondary roles that

¹⁰ <http://jihadology.net/2014/06/30/mit-press-presents-a-new-video-message-from-mujahidin-of-indonesia-timurs-shaykh-abu-wardah-swearing-allegiance-to-the-caliphate-state/>

¹¹ <http://www.lowyinterpreter.org/post/2014/06/25/Home-grown-jihadists-An-innovative-solution.aspx?COLLCC=342163181&>

¹² Scott Ferguson is a participant in the Kokoda Foundation's Future Strategic Leaders' Program.

the ADF must fulfil. I present two of the more unique secondary roles in Australia's defence strategic policy settings as important considerations for the White Paper expert panel.

The first consideration looks domestically and is framed by the development of an effective defence capability to support domestic forces in combating internal asymmetric threats, such as pyro-terrorism, that may cause significant damage to Australia's ecological and economic environments. I support this position through an evidence based assessment of the trending risks associated with ecological terrorism and current vulnerabilities in whole-of-government responses to major environmental incidents. The second consideration addresses the importance of the ADF's non-conventional and soft power capabilities in response to crises in Australia's immediate region. The consideration here is the game changing benefits of placing more culturally educated and trained servicemen and women in positions of influence over the battle space.

At this point it is important to note that the aim of these considerations are not to provide evidence for the numbers of personnel needed; the aim is not to identify the tactical, operational or grander strategies that should be used or in what specific form they should take; the aim, rather, is to substantiate a debate arguing for due consideration of the ADF's domestic and non-traditional capabilities in the 2015 Defence White Paper (DWP).

There are two core considerations addressed in this paper, but further scoping is required before substance can be added to the debate. The initial discussion regarding Australia's current ability to respond effectively to asymmetric attacks within the national borders looks specifically at the impact that a motivated individual or group can have on the ecological environment. The impact that a series of fires, floods and or biological catastrophes can have on Australia's infrastructure is critical and Australia must consider the Defence Assistance to the Civil Community role as force structure determinant.

The second consideration and discussion focuses on the ADF's ability to respond effectively to a crisis in Australia's immediate region. This alone is a broad topic, but I am

looking specifically at how Australia's non-conventional capability can be developed in the area of cultural training. Cross cultural training allows for the use of military and, to an equal or greater extent, non-military forces to use the 'carrot' in order to create positive influence over the economic and social factors in an international operation. Cultural training should be used in a whole of government context to promote economic and social stability during a time of national crisis in a foreign state, and can improve Australia's general effectiveness in international operations.

To provide context to the discussion I feel it is essential to address the security policy considerations that exist in the current national security environment. As outlined in the 2013 DWP, the nature of current military forecasting has put a clear focus on the likelihood of state on state confrontation between countries in the North or South-eastern Asia-Pacific region. China's rapid economic and military expansion generates serious concerns in the eyes of those analysing trends in the security sector. But there has also been considerable thought given to stability operations that may emerge in the Southern Pacific and just outside Australia's border region. The ADF has expressed concern regarding its ability to generate and employ soft power and this has been noticed in previous operations such as Bougainville, East Timor and the Solomon Islands. As such, the current policy settings are prepared for an evolution in soft power thinking and development in non-traditional capabilities.

As non-traditional capabilities fit into the soft power space, the current, forward looking, defence strategies are also supportive of the development of a non-traditional capability within the defence sector to combat an increasingly present threat of asymmetric attacks and environmental disasters both in domestic Australia and the immediate international community.

The resilience of the Australian population and infrastructure is critical to the overall stability of Australia. The emergence of non-traditional, asymmetric threats that effect Australia's domestic infrastructure and economy are rapidly emerging as potential game changers. Significant events and catastrophes may require

the ADF to control and maintain the security and support local authorities in the evacuation of population centres. These operations would combine reservist and regular forces in an unarmed DACC operation. Given this, the capability of the ADF to engage in DACC operations should have a greater impact on the force structure outlook and training expenditures.

A review of the complexities faced by the ADF's role in the Queensland flood assist identifies these significant operational problems that can be faced when engaging in DACC tasks. As the operation required a large logistical output from defence and a significant planning effort, it required defence to operate in support of local entities rather than as a clear lead. The changed command structures and non-military nature of Operation Queenslander identified that the ADF has the potential for significant weaknesses in engaging with non-government and non-defence members. An whilst Operation Queenslander presents a positive example, less fortunate scenarios have been faced in many of the domestic operations that reservist and regular ADF personnel are regularly engaged in. This identifies a clear weakness and gap in the ADF's capability to address the current policy environment.

Developing this argument further is the question is often asked of a reservist commander which is: 'how many soldiers he/she can bring to support an operation', but this is a poor measure of capability. Understandably, reservist and even full-time forces are not training to specifically engage in DACC tasks, but the weaknesses in this field are a capability deficiency in the security of domestic Australia. As the environment changes, bio-security threats emerge and asymmetric threats become more visible, the training of forces for domestic operations will become more of a necessity. In the event of a national crisis (consisting of more than one major disaster) more policies need to be in place to support the preparedness of the ADF to respond rapidly and effectively in order to reduce the economic and communal impacts.

Looking internationally, Karl Claxton in a recent paper on the security of the South Pacific identified that Canberra must be prepared for a resurgence in instability within the South Pacific. The volatile political, social and environmental

climate is placing considerable strain on current infrastructure within the South Pacific countries. Continued or new changes to the political, social and environmental climates could trigger major disasters of which the ADF may be called upon to assist. The 2013 DWP identified the South Pacific and Timor-Leste volatilities, but did not provide adequate consideration of the cultural capability that will be required to achieve success in these operations.

As identified by Claxton and a number of defence thinkers, the ADF plays a critical role in the security and stability of Australia's lines of communication. As instabilities, security threats and environmental changes develop; the consequences for Australia's domestic strength are increasingly visible. The ADF needs to effectively, efficiently and rapidly respond to ensure the security of those lines to avoid domestic turmoil. As identified by the Solomon Islands, East Timor, Afghanistan, Iraq and Bougainville, stability operations are not sudden transitions to complete security. The ADF needs to maximise on all opportunities for development of non-traditional capabilities to minimise the time spent in improving local stabilities.

Maximisation opportunities are exemplified by effective cross-cultural awareness. Consistent discussion on this topic has identified it as critical to success in a combination of future battlegrounds and operational deployments. The ADF in the Solomon Islands, East-Timor, Afghanistan and Iraq, learnt that identification of cultural traits and norms are essential to understanding the battle-space. Dr David Kilcullen has discussed the importance of appropriate application of force, understanding the nature of the operation and most importantly understanding the dynamics of the operational environment to achieve success on operations. Whilst Kilcullen is considering insurgent operations when referring to culture and specifically 'hearts and minds', it needs to be remembered that this is just as important for stability operations where an insurgency may not be present. Continued ADF support to a state that is affected by instability and uncertainty due to an environmental catastrophe is an essential role which the ADF's logistical capability can address.

The argument now is for the creation of ADF infrastructure that fosters improvements in cultural training. The ADF has identified the importance of understanding the battle space and the large role that soldiers can play in influencing cultural trends. But, where is the infrastructure to support the development of that capability in day to day training? There is a need for training programs to be predictive in nature and train forces to operate with cultural skills in possible conflict zones. Whilst there is a clear debate surrounding the predictions of future battles, the development of cultural training infrastructure needs to be above that and responsive to the predictions that the DWP makes.

I conclude these considerations by stating that the ADF has clearly identified the need for a development in non-traditional capabilities. To date, however, there is insufficient infrastructure and policy in place to ensure the development of those capabilities across the majority of deployable forces. In the current national security settings the cultural considerations exist both internally and externally, and are essential for the success of operations in future contexts. In the current outlook it is no longer acceptable to have a few specialists that have knowledge of the operational environment. It is essential for soldiers to have more than just a basic understanding of the nation they are operating in. Soldiers will need to know the basics of the language, the history, the norms and the religion to avoid compounding social problems existing in the area of operation.

Domestically the threats of attacks which utilise environmental mediums are rapidly increasing. The ADF's DACC capability must be considered a force structure determinant which allows the ADF to effectively and rapidly respond to events where the state and national emergency services are no longer able to address the issue. At present the gaps in the whole of government approach and the time spent developing the capability to effectively respond presents risk to the Australian community. Given the importance of the Australian community, this discussion advocates for more effective integration of whole of government agencies in order ensure that the capability is developed further to reduce the initial impact and post incident recovery timelines in the

event of a national emergency in which the military is required.

Gai Brodtmann MP



I want to start by acknowledging that we meet on Ngunawaal and Ngambri country, and pay my respects to the elders past and present.

I also want to thank Nic Stuart for a stimulating preview of tonight's panel. He was right to highlight the strong commitment to a force as open to women as to men. But I believe the ADF is also making progress in increasing diversity across the board. I have had personal experience for example of NORFORCE and efforts made for greater Indigenous participation, including in NORFORCE. And we saw tangible proof of the ADF's commitment to diversity at yesterday's Chief of Navy Change of Command ceremony, with the performance of Bungurru and the outgoing and new chief strong messages of inclusion and continued reform. The commitment to cultural change was also underscored by the messages from both the outgoing and new CDFs.

These commitments are important because they test a fundamental strength – they show that the ADF is capable of significant change in its culture and its ways of carrying out its mission, changes that will lead to a more effective force.

The topic tonight is in one way about change and its usual concomitant uncertainty, which could be said to be what the defence White Paper is all about. As you all know, drafting and finalising a White Paper is a complicated process with a not inconsiderable bureaucratic apparatus.

But if I may draw on something an astute observer said to me recently, one can also view the enterprise in a somewhat more simplified form in five steps.

- Step 1: what's Australia's strategic environment going to look like over the next, say, thirty years – that is, what are the givens we are likely to face, the things over which we have relatively little control?

- Step 2: what are Australia's strategic objectives over this period, taking account of the strategic environment and Australian national interest – that is, what do we want to make of the givens, what would we like to achieve, what is within our control?
- Step3: what forces and capability are needed to attain our strategic objectives?
- Step 4: how much will it cost us to provide these forces and capability?
- Step 5: can we afford this cost?

So, going back to those five steps:

- If yes is the answer to all of them: then let's move on to the details
- If no: let's rethink what we would like to achieve and take another look at our strategic objectives in acceptable ways that brings us to something we can afford, and so back to step two.

Having outlined what I think are the essentials I would be interested if our subsequent discussion were to bring up elements you think should also be included, and whether I am being too parsimonious in step 5 or should we say "Damn the cost!" when it comes to national defence?

Nobody would be surprised to hear that all expect the key question in step 1 to be about the role of China in the Asia Pacific region and the world. And when the paper comes out that will be the first reference point of assessment.

I don't need to remind you tonight of the terms of the debate on the broader geopolitical question and its implications for Australia. Suffice to say that there are those who argue a continuation of our present security and political alliances, particularly with the United States, is sustainable and does not present difficult choices, and those who argue that the future is much more uncertain than ever, and probably much more difficult for us than it has ever been.

As background to this consideration, in discussions I have had recently with interested observers, there is a feeling that China is now testing the waters and seeing how far it can assert its position particularly on disputed territories in the South China Sea and the East China Sea. Among its neighbours, it is easy to detect a feeling that China's intentions are to restore the pre-eminent position it held before it

declined in the face of Western European powers in the nineteenth century.

Another complicating factor is that Japan is also displaying under its current Government an apparent wish to reassert its standing internationally, which causes difficult not only with China but some others of its neighbours. With Japan too the weight of historical memory, not only of World War II but even earlier causes tensions with its neighbours.

I would like to move on to consider briefly the issues under step 4 – how much does capability cost – and the related question of the role of Australian industry in supplying the capability. In this step and in step 5, we have to ask how much does the White Paper factor in the value in defence terms of ensuring that there is a sufficient flow of projects and work to ensure that Australia can maintain the skills, techniques and plant to allow it to remain a competitive player. When in government, as you would know, we considered the premium paid in order to provide this assurance worth paying, and that having paid it we were prepared to back it up by managing the flow of projects.

In the White Paper being prepared by the present Government, you will not be surprised to know that we in the Labor Party will be looking very closely at how this issue is addressed. But I believe that it is an issue that all should be interested in, and I am interested in your views on this.

There are two subjects in which I have a particular interest and would like to raise them briefly and also to draw on your thoughts about them.

The first subject I want to draw attention to is that of how we conceptualise sustainment. I have always felt that sustainment has been the poor cousin of the much more exciting acquisition process. As will be clear from the defence-related reports I have been involved in as a member of the Joint Committee on Public Accounts and Audit, sustainment is a continuing theme.

My initial interest was in greater transparency – if capability acquisition is made more efficient by detailed reporting and exposure then why not

sustainment? But we need to think more about looking at the costs of capability – step 4 – in a more holistic way, that takes into account whole-of-life costs, rather than focus on acquisition costs (with great attention) and then sustainment costs (with a bit less attention). Should we be more consciously trying to set up so-called “spiral development” as an approach, where we see sustainment as in part increasing capability? Or do we do that enough already?

The second is the well-known topic of cyber security or as we might say in the defence space, cyber warfare. This topic raises questions in virtually all the steps I have outlined.

- How much for example can we say now about cyber capability of other countries will affect our strategic environment? It would not be going too far to say that right now most discussion of this topic focuses on one country.
- How much should this perception play into our crafting of strategic objectives?
- How do we factor in, not only other countries, but non-state actors?
- What are our concerns?

Should we be worried about what Jason Healey calls “cyber Pearl Harbours” – destruction of physical infrastructure and how much should we invest in protection against that and at what cost? In analyses of cyber security, a question that seems to me to be central is how we can most fruitfully set up structures that make the most of private sector expertise and knowledge. When we look at cyber warfare in a defence context, we are entering a new phase where we might be seeing even closer involvement of the private sector.

To quote Jason Healey again, he claims in a recent book, “A Fierce Domain: Conflict in Cyberspace, 1986 to 2012” that: *“Cyber conflict history clearly shows that nearly every significant incident has been resolved by the private sector, not by the government”*.

I raise these points not to assert them not as self-evident truths but to stimulate conversation on how incorporation of cyber warfare considerations into the White Paper may not be straightforward.

Senator David Fawcett



Dotpoints and speaking notes:

- Brief overview on strategic environment and foreign policy considerations
- East China Sea Westphalian state nationalism, Ukraine
- ISIS Iraq, Syria non-state actor
- Mali and East Timor
- We send young men and women to war tomorrow with what we are prepared to pay for today.
- Need for whole of Government approach to national security policy
- National Security Strategy leads Foreign Policy plus AG national task informs Defence White Paper
- DCP as to what military effect we want ADF to be able to generate, not just list of equipment to have
- Life cycle costing plus enabling capabilities costed as per Pappas with decision loop prior to WP and DCP
- Mention of the role of the Parliament in Defence planning
- Long term bi-partisan development of what we want Defence to be able to do
- Political accountability as to efficacy of implementation of agreed plan
- Capital productivity
- Defence Industry should be a Fundamental Input to Capability rather than the penultimate chapter in a White Paper

Questions from the Floor

After their prepared remarks, the audience was invited to ask questions of the panel. Some of the more salient questions were:

- The WOG approach is certainly a good one – should we therefore have a National Security White Paper (not Defence)
- What do we need to do about the Indian Ocean?
- We need to develop better policies for counter-terrorism and also for combating foreign fighters – this coming at a time when the AFP is suffering cuts
- How hard is a WOG approach? Can we really do it, or is it actually *too* hard?
- There are lots of rub points in our foreign policy challenges, namely:
 - Territorial claims (in and around SE Asia)
 - Commitments to Allies – especially the US
 - Regardless of everything else, the US wants a partner that can pull its weight
- Is a White Paper process like this *really* necessary? What is Parliament's role in all this?
 - There are 14 equal groups in defence – and it doesn't work
 - It needs a board to report directly with the Minister – and should include the provision of minority reports
- The White Paper needs to take into account changing recruitment demographics, and changing education standards
- We need a better Defence mental health policy
- We need to retain the lessons we have learned from previous conflicts – particularly from Iraq & Afghanistan
- What is the purpose of the 'fat ships' (i.e. the LHDs)? When China moves through the archipelago with impunity in the future, are we *really* going to use them?
- Regarding the Indonesian elections: neither candidate is an Australian supporter – what should we do? ... And West Papua is still a 'running sore'!
- What is the real priority for Defence? How can we do it all?
 - We need better cooperative skills – especially between Police, Emergency Services and the civilian community
 - And then, what about conventional war?>
- How can the White Paper – a public document – be a truly frank assessment of what we think and what are prepared to do, without offending foreign countries?
- Should be spending more than 2% GDP on Defence? Why?
- We (Australia) are considering a Defence White Paper with 2% GDP backing, yet at the same time we are cutting, AFP and DFAT budgets (both diplomacy and AusAID) – what is going on?
- Can the Dept of Defence actually *do* Industry Policy? Should not the Dept of Industry do Industry policy?
- What place does climate change have within Defence policy settings?

Previously received comments from members of public

Other comments made by members of public to the USI organisers and read out (as conversation starters) were:

- Buy/lease 8 to 12 *Virginia* class subs
- Buy lease 6 *Virginia* Class subs and buy 6 conventional ones. Also, establish a submarine base on Manus Island
- Conscription (various views); from:
 - Just do it, to
 - All 18 year-olds should do conscription for 2 years civil and military. The ADF would have their pick of the conscripts [presuming

others remain for civilian national service of some form]. Pay Dole rates, and conscripts must all be stationed away from where they live (as civilians)

- In September, Scotland may become independent. The English are 'useless' and won't spend the 20 million pounds necessary to re-locate and base the nukes in England – we should have them (the nuclear missiles) and their crews, families and essential workers come to Australia and become part of RAN, bringing all the missiles and 220 warheads). Australia should therefore be entitled to the UK's

permanent seat at the UN Security Council as a result- now that would be a game changer!

- Get rid of tanks – we don't need them
- Get another 40 tanks so we can have a full regiment.
- Australia needs a dedicated coastguard.
- Get 24 F35Bs for our new LHDs. Get a dedicated cheap ground attack plane to complement the high-technology and expensive F35As
- Make sure we can refine our own oil, keep Australia's manufacturing industry, and build all our news ships here starting now.
- Don't cut money for research – help the CSIRO and Defence Materiel, and fund research. Ensure we have sufficient war stocks at all times.