1. Executive Summary

The Invitation to interested parties to make submissions to the 2015 Defence White Paper [DWP] poses a series of questions, and provides a list of issues under several key areas of enquiry. This submission addresses these questions and issues in the order they were posed to assist with collation with other submissions.

This submission is made by an individual person who takes responsibility for the content of this submission, except where explicit references are made to other publications.

Overall the process to develop the white paper is clear and logical from a traditional perspective. The creation of a team of eminent persons to draft the paper based on extensive public consultation processes together with their own research and analysis are all good bases for a constructive outcome.

The need for this paper relatively soon after the 2013 and 2009 white papers derives from:

- The need to consider resources implications not covered by the force posture and force structure described in the previous two papers. This is especially so as the proportion of GDP allocated by Australia for Defence force acquisition and sustainment has reduced to its lowest level in decades, and at the same time there are increasing demands on the Defence Force for national security tasks and preparedness
- The changes in the world that have occurred in four main areas of the world:
  - Western Russia and its support for rebel forces in the Ukraine
  - Middle East especially the expansion of ISIL and the proclamation of the Islamic State [IS]. This in turn has generated huge numbers of refugees and placed extraordinary burdens on neighbouring states
  - Chinese expansion westward in support of its reliance on Middle East oil and its aggressive posture in the South and East China Seas
  - Russian expansion of its activities in the Arctic Ocean
- Another dramatic development requiring new thinking for Australia’s Defence strategic planning is cyber-related – crime, terrorism and ultimately state-on-state warfare
- Finally the closer relations of Australia with Japan and with India are also significant influences to be taken into account explicitly in the forthcoming paper

This submission concludes as follows:

The Defence White Paper is needed to set a new direction for the next 20 years that is affordable yet flexible enough to deal with unexpected and disruptive changes to Australia’s national security context.

Australia has the financial and workforce resources needed to meet its needs for Defence but this will only occur with competent and well-articulated management and leadership
2. Introduction

The Invitation to interested parties to make submissions to the 2015 Defence White Paper [DWP] poses a series of questions, and provides a list of issues under several key areas of enquiry. This submission addresses some of these questions and issues in the order they were posed to assist with collation with other submissions.

2.1 Government key questions for community views

The following are the key questions on which the Government is seeking community views:

- What are the main threats to, and opportunities for, Australia’s security?
- Are Defence’s policy settings current and accurate?
- What defence capabilities do we need now, and in the future?
- How can we enhance international engagement on defence and security issues?
- What should the relationship be between Defence and defence industry to support Defence’s mission?
- How should Defence invest in its people, and how should it continue to enhance its culture?

This submission addresses these questions in the concluding remarks.

2.2 Themes in the Editorial Guidelines

The following themes are included in the editorial guidelines for submissions to the 2015 Defence White Paper:

- General;
- Australia’s Strategic Policy Approach:
  - Strategic Interests;
  - Objectives for the ADF;
  - Australia’s military strategy.
- ADF Force Posture and bases;
- International relationships;
- Force Structure and Preparedness;
- Defence Budget and Finances;
- Defence Culture;
- Personnel;
- Organisational Reform;
- Science and Technology;
- Industry Policy and the Defence Materiel Organisation;
- Defence and Regional Australia.

This submission does not address all of these themes but those that are addressed are in the same order and within the same organisational structure.
3. General
In general Australia has an essential interest in ensuring her own national security and this includes maintenance of the societal and economic structures that have formed Australia. Reliance on alliances and other relationships with national and multi-national groupings and organisations reinforces Australia’s own national security capability.

4. Australia's Strategic Policy Approach
Australia’s approach to strategic policy has been influenced greatly by past and current international thinking and collaboration. Australia has contributed to the international defence forces and national security effort almost continuously since federation.

There is no reason to expect this to change. Isolated calls for Australia to withdraw from this active role in international security collaboration are not supported in broad community.

However the broad alignment with the United Kingdom until 1942 and with USA since then is undergoing change to a broader basis that recognises and embraces Australia’s cultural and economic relationships with countries in the Indo-Pacific region. This process is ongoing and its conclusion is not yet foreseeable, but does require continuing engagement and dialogue with all countries in our region.

5. Strategic Interests
Australia’s strategic interests are essentially:

- Freedom from invasion, aggression or adverse treatment by the international community
- Freedom of trade and commerce with other countries and organisations that we choose
- The ability to protect and support citizens of Australia and lawful visitors to Australia from harm or interference
- The capability to maintain the economic prosperity and cultural values within the Australian domain, including all territories and maritime exclusive economic zones [EEZ]

6. Objectives for the ADF
The Australian Defence Force [ADF] is the combined naval, air and military forces and supporting organisations that are capable of military action wherever Australian interests are at stake, as ordered by the Australian Government

7. Australia's military strategy
Australia’s defence strategy is a maritime strategy, in the simple recognition of Australia as an island continent must first and foremost protect her national interests over, on and under the ocean. This applies to the trade goods and passengers carried to and from Australia by air and sea, and also to the oceanic resources in the ocean and on and under the seabed throughout Australia’s EEZ.

A maritime strategy includes both continental defence strategic aspects, to address the possibility of invasion of Australian territory, and force projection aspects to address territorial or other attacks on Australian population and national interests wherever they may occur.
A further extension Australia’s defence strategy is to defend against attacks or threats made through the online interconnected information and communications technology [ICT] networks – the so-called cyber-threat.

8. ADF Force Posture and Bases

ADF force posture must address all aspects of Australia’s defence strategy and this means providing bases for ADF capabilities in forward areas that are defensible plus rear area sustainment facilities that provide defence in depth, should that ever be needed. However in keeping with a maritime strategy the basing and force-in-being should be mobile, capable of deployment and sustainment in force projection campaigns, if ordered.

The cyber force posture must be similarly constructed so that intelligence gathering, surveillance and response to attacks and intrusions must be effective. It is self-evident that cyber-warfare will form a part of any strategic offensive campaign that we might face.

Part of the ADF posture is strategic deterrence, to exhibit such a capability for retaliation that a putative aggressor would decide not to embark on that aggression. The Australian submarine force is the clearest example of conventional strategic deterrence.

9. International relationships

9.1 Antarctica

Australia’s stewardship of her Antarctic territories has received well-earned recognition and support. This could change if Australia fails to keep pace with the effects of energy resource scarcity and with the effects of climate change.

9.2 Iraq

Australia’s contribution to the coalition opposing the Islamic State is primarily focussed on shoring up stability in Iraq, following Australia’s earlier participation there.

9.3 India

The relationship between Australia and India is cordial but has the potential for further growth in terms of collaboration and interchange of national security information relevant to the Indian Ocean region. This is supported already through the Indian Ocean Rim Association [IORA] in which both countries are active.

9.4 Indonesia

Australia must build and sustain a strong and mutually respectful relationship with Indonesia at all levels and in all matters. This is especially so with the rise of the Islamic State in the Middle East and its possible extension to other countries. The inauguration of the new presidency of Joko Widodo provides a extraordinary opportunity to advance this relationship.

9.5 Indian Ocean – other states

The relationship with Middle Eastern countries continues in importance for reasons of international coalition action, and because Australia is dependent on imported oil from that region. Secondly the
risk of nuclear terrorism that might arise from Pakistan requires continuing vigilance. Finally the potential for greater collaboration with South Africa is worthy of consideration.

9.6 South East Asia

Australia has cordial relationship with countries of the Association of South East Asian Nations [ASEAN] and other countries of South East Asia. There is potential for greater collaboration between Australia and these countries in matters of national security, for example in joint defence programs.

9.7 Japan

Australia’s relationship with Japan is mature and continues to grow, most recently from the dialogue between the respective Prime Ministers. The possible sourcing of Australia’s future submarine design from Japan is illustrative of this profound development.

9.8 China

Australia has an effective dialogue with China at all levels of trade, commerce, cultural and sporting activities and in international security. This relationship continues to evolve and affects our other relationships also.

9.9 Papua New Guinea

Australia’s relationship with Papua New Guinea [PNG] has been somewhat post-colonial in many respects but is maturing now that significant resources are being discovered and exploited within PNG.

9.10 France

Australia enjoys a harmonious relationship with France including the support from French industrial capability for the ADF. The French territories in the south west Pacific region have not given rise to any notable challenges.

9.11 South West Pacific

Australia’s most important relationship in the South West Pacific is with New Zealand with whom we collaborate in many ways. Fiji is important due to its size and population and return to democratic political processes.

China is increasingly involved in this region in supporting national development and cultural and economic dialogue.

9.12 South America

Australia’s relationship with Chile is important as two maritime nations

9.13 USA

Australia’s relationship with USA is the bedrock of our Defence policy and operations. Increasingly this is becoming a factor in Defence posture also, as both countries recognise the geo-strategic position of Australia in the Indo-Pacific region.
10. Force Structure and Preparedness
The ADF comprises primarily the three armed services, the characteristics of which are essential to retain the traditional values and cultures in sea, air and land forces. In addition the Defence Science and Technology Organisation [DSTO] and other functional groupings are all necessary for the effective operations of the ADF as a whole.

11. Defence Budget and Finances
The Defence Budget was steadily decreased in real terms over several years to the lowest percentage of Gross Domestic Product [GDP] for decades. At the same time the demands on the ADF are starting to increase again due to international developments, and secondly to the view of some that the USA cannot afford to continue its own much higher level of investment from which Australia partly benefits.

The trend to outsource functional activities from Defence to contractors has sometimes gone too far resulting in a depletion of expertise in-house needed to create and execute the contracts. This is being redressed in Navy by rebuilding naval engineering, but this could have been avoided with deeper consideration of the functional needs of any organisation dealing with complex, technologically advanced operations.

One area of urgent need for reform is in the Defence Capability Plan [DCP] development, which must place greater emphasis on Total Cost of Ownership [TCOO] of ADF capability assets and materiel. Even with Discounted Cash Flow the cost of ownership may be less for an asset that costs more to acquire but less per year to maintain. This principle has been given lip-service for many years – time to address it effectively.

12. Defence Culture
The culture in Defence continues to advance with some isolated instances of regressive and abusive behaviours. The process of modernisation is moving steadily and is to be applauded and supported by the community at large.

13. Personnel
The calibre of Defence personnel seems as good as ever, possessing positive and intelligent attitudes that serve Australia well

14. Organisational Reform
The only organisational reform that seems still to be needed is for the Defence Material Organisation to become more professional in its strategic development and operations, and less influenced by short-term political issues.

15. Science and Technology
The DSTO continues to perform an essential role including its liaison with similar bodies in other countries and in the community

The Government’s announced policy for industry of seeking best value for money rather than industry or regional development is supported. However part of the value for money is the reserve
capacity that has been created for surge capacity in domestic industry in times of international disruptions than might occur at short notice such as did the Arab Spring. For example the ability to build further ships or to build them at an accelerated rate in time of need

17. Defence and Regional Australia
Australia’s defence posture relies on an extensive regional footprint, and has handled this integration into regional development well. What is also needed is the recognition that should an unexpected territorial threat arise then people in the regions would be affected and would be expected to participate in addressing that threat. We have forgotten what reserve forces contributed in the past, and may one day need to contribute again in the future.

18. Concluding Remarks on the six questions
18.1 What are the main threats to, and opportunities for, Australia’s security?
The main threats to Australia’s security have been well discussed in the sections above. In summary they are:

- Coercion and aggression against Australian population, territory or other national interests, for example cyber attacks on Australian commerce and industry
- Disruption by third parties of international trade by air and sea through international routes with trade partners
- Invasion of Australian territory and EEZ
- Internal dissension fermented by antagonistic interests

18.2 Are Defence’s policy settings current and accurate?
This question is not addressed directly, but the need to match ends and means in a period of declining economic capacity for significant expansion means that Australia must plan and invest carefully for the imaginable future scenarios as well as current operations

18.3 What defence capabilities do we need now, and in the future?
This submission does not discuss the capabilities needed now as that subject is well canvassed by the media and the community of defence, business and academic analysts.

For the future, Australia must ensure it maintains capabilities that are general purpose and adaptable to new and emerging threats, priorities and opportunities that arise from new technology, new international patterns of trade and migration and new areas of instability and conflict. This is especially about ‘lead time’ and cost to create a capability - both workforce and materiel – and the time and opportunity cost for permitting any capability to atrophy through the lack of any explicitly perceived threat or application.

We need to be prepared for the unexpected and we need to give value to this preparedness so that it can be properly weighted in competing bids for resources.

18.4 How can we enhance international engagement on defence and security issues?
Australia does well in most respects in matters of international engagement – from the political level down to tactical level exercises – there is a good dialogue in most relationships that cements constructive engagement. Perhaps more could be done to educate all members of Defence forces
and supporting organisations in the precepts of other cultural and religious groups that exist within our region.

18.5 What should the relationship be between Defence and defence industry to support Defence’s mission?

The subject of defence industry and policy to underpin the contribution by defence industry is of critical importance. It was noteworthy that the representative eminent persons tasked with drafting the White Paper explicitly excluded this question from their public consultation sessions.

The question is not so much the relationship between Defence and industry that must be changed. What does matter far more is that the expectations of industry by Defence and on behalf of Defence by government must be clearly understood by industry, and that is sadly not the case at present.

Defence industry is now largely in the private sector due to privatization of the many Defence industrial enterprises that were part of the legacy from the Second World War. What seems to have been forgotten in that extended process has been the rationale of greater efficiency and more productive use of important and in some cases application-specific assets. Deeply embedded in these considerations was the unspoken assumption that such assets and the workforce experience to use them would only be maintained if there was a profitable basis to do so.

The rationale for government ownership and operation of defence industrial facilities is a means to provide assurance of their availability if needed to address an unexpected requirement. The value of this has been likened to an insurance policy but unfortunately it has been far too easy to look at past absence of need to justify letting the insurance policy lapse.

Industry on the other hand is also at fault. For example they have been far too reliant on Australian work or work that is part of a global supply chain such as the Joint Strike Fighter program. There has been little effort made to seek export and civil dual-use markets.

One such program that is immediately apparent is the forthcoming Future Frigate Program (SEA 5000) which is eminently suited to a joint program with other countries in the Indo-Pacific region.

A related issue that illustrates this dichotomy is the public ownership of ASC (formerly the Australian Submarine Company). This arose from political pressure on the original owner that was not about achieving the best outcome for the shareholders of ASC per se, but rather to affect a regional, defence industry strategic goal. Governments do have this prerogative but should not complain when their actions lead to outcomes that do not meet commercial benchmarks, as has been the case with ASC. The sooner that ASC is sold off into the private sector the better

18.6 How should Defence invest in its people, and how should it continue to enhance its culture?

The Defence workforce is as skilled and motivated as it has ever been. Unhappily there have been far too many exposes of unacceptable behaviour in some circumstances and that must be stopped once and for all. On the positive side the level of education and international awareness of young people has never been greater, so a Defence career should offer attractions – personal and financial.
Where more could be done is to remove some of the political correctness that seems endemic. We need resourceful, courageous young people who think on their feet and act to the better welfare of their team and better attainment of their collective goals. This should be characterised as the same attributes that make entrepreneurs successful and therefore a Defence career is the very best preparation for success in life.

19. Conclusions

The Defence White Paper is needed to set a new direction for the next 20 years that is affordable yet flexible enough to deal with unexpected and disruptive changes to Australia’s national security context.

Australia has the financial and workforce resources needed to meet its needs for Defence but this will only occur with competent and well-articulated management and leadership

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