



Submission No 6

Inquiry into the Economic, Social and Strategic Trends in Australia's region and the consequences for our Defence Requirements

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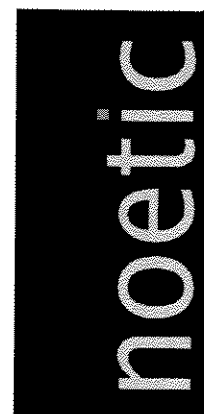
Dr Margot Kerley
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Dear Dr Kerley

Submission to the inquiry into the economic, social and strategic trends in Australia's region and the consequences for our defence requirements

Thank you for your invitation to submit a submission to the inquiry into the economic, social and strategic trends in Australia's region and the consequences of those trends for our defence requirements currently being undertaken by the Defence Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade. Noetic Solutions is pleased to provide a submission that addresses the consequences of current strategic regional trends for Australia's defence requirements.

Noetic Solutions is an active participant in Australia's security debate, providing strategic advice and red-teaming support to both government and private sector organisations. We have a strong commitment to Australia's national security and believe that this can only be assured by Australian contributions to regional security, stability, and prosperity. It is our contention that this objective requires more than Government involvement, but should involve a whole-of-nation effort involving both the public and private sectors. We provide further detail in our submission.

We would be pleased to expand on these observations at the forthcoming public hearings. Again, we extend our thanks for your invitation to contribute to this important inquiry.

Yours sincerely,

Andrew Balmaks
Principal

Alan Ryan
Consultant

29 April 2006

INQUIRY INTO THE ECONOMIC, SOCIAL AND STRATEGIC TRENDS IN AUSTRALIA'S REGION AND THE CONSEQUENCES FOR OUR DEFENCE REQUIREMENTS

A Submission to the Defence Sub-Committee of the Joint Standing Committee on Foreign Affairs Defence and Trade by Noetic Solutions Pty Ltd

Introduction

Australia's defence requirements are the product of Australia's strategic situation which is defined by: regional developments; the global distribution of power; the existence of transnational security concerns; and the emergence of non-state actors that seek to shape the political agenda and in some cases mimic or usurp state sovereignty. While economic, social and strategic trends within our immediate region and the broader Asia-Pacific are of great significance to Australia, they are by no means the only factors that should shape the development of Australian military capability. Nonetheless, certain strategic trends within Australia's region are shaping the geo-strategic environment, which in turn has direct consequences for Australia's strategic appreciation of our interests, policy planning and force development.

This submission acknowledges the significance of trends across the Asia-Pacific, but as the Inquiry concentrates in trends in 'Australia's region', the main focus of the following observations is on South East Asia and the South West Pacific as the strategic domain in which Australia can exercise the greatest influence over regional security.

The relationship between regional strategic trends and Australian defence requirements

The wording of the Sub-Committee's terms-of-reference leaves out a significant connecting dimension between current trends and the development of defence capability, which is that Australia's defence requirements are driven by a strategic appreciation of our interests. Any consideration of our defence requirements must be made in the context of a clear understanding of the implications of all the strategic circumstances that affect Australia's interests. Accordingly, national strategic planning is more than just the sum of an appreciation of our international relations, it is the application of all elements of national power in support of Australia's domestic and international interests.

In addition, Australia's interests are not just served by the development of 'defence' capability. Too often in the public debate the use of the word 'defence' is used in place of the word 'military'. In this submission, Noetic Solutions contends that the Australian Government should not resile from stating that it is willing to use military capability as an element of a suite of whole-of-nation measures to assure regional stability.

As a nation our fundamental interests are the protection of Australians and their interests, notably the physical and virtual infrastructure that supports our way of life. Within the region these interests translate to:

- The preservation of stability and security;
- The promotion of prosperity and sustainable development;
- The protection of our common environment; and

- The safety of Australian citizens and the protection of their property.

Within the broader Asia-Pacific there are a number of significant economic, social and strategic trends that have immediate consequences for national security. These include: the rise of China as an economic powerhouse; the substantial investment that China is making in military modernisation, particularly in the development of maritime power projection capability; demographic trends that are seeing a decline in China's population; population growth in South Asia; increased urbanisation around the Pacific rim; the stresses arising from the domestic and foreign policies of the Democratic People's Republic of Korea; and continuing tensions across the Taiwan Straits.

All of these trends are important but, if we are to be honest, there is very little that Australia can do by itself that will influence future developments in these areas. Australian strategic planners and foreign affairs officials need to monitor the strategic situation in the Asia-Pacific closely; engage with other states wherever and whenever possible; make unilateral representations where appropriate; and participate in multi-lateral diplomatic fora to shape the situation.

The realm of day-to-day foreign policy is important, but it is only an element of national security strategy. Australia's defence preparedness needs to take all potential contingencies into account, but recognising that we are a part of the legitimate international community, we will continue to contribute to international peace and security by subscribing to collective measures. Our close alliance with the United States and record of support for collective security measures reflects our commitment to stability and international justice. As far as Australia's defence is concerned, these underlying regional trends simply reinforce the need to maintain a broad base of flexible military capability that will enable us to contribute to international coalitions towards the maintenance of a legitimate global order. No state, not even the United States, can unilaterally assure international security. The beginning of strategic wisdom in the international sphere is when all states commit themselves to collective arrangements and the preservation of inter-linked regional security communities.

Regional trends with immediate implications for Australian military capability

Australia is not a helpless participant in global and regional strategic affairs. Within the region, Australia can and does exercise significant influence over security and can make an even greater contribution to the prosperity that forms the basis of regional stability. Australia has a particular responsibility to assist the island states of the South West Pacific to maintain conditions of stability and sustainable development. To recognise this fact is not to promote a paternalistic regional policy. The security of our region is as important for us as it is for our neighbours and it is in all of our interests that we cooperate for the common good. That being said, trends within the South West Pacific and in South East Asia that pose an immediate threat to Australian interests and which raise a question of military involvement are:

- Islamist terrorism;
- The potential for state failure and associated outbreaks of ethnic violence (for example as occurred in East Timor and the Solomon Islands);
- Political corruption and organised criminal activity within regional governments;
- The potential movement of weapons of mass destruction (WMD) within the region;
- Smuggling of weapons and drugs;
- Resource depletion (including the over-exploitation of fisheries, strip-logging and strip-mining);

- Unregulated population movements; and
- Natural and environmental disasters associated with high population concentrations.

As already suggested, the consequences for national strategic planning are not purely, or even mainly, expressed in terms of defence capability. For example, Australia's commitment to humanitarian relief operations in the aftermath of the 2004 Asian Tsunami and our commitment to stability and security operations in East Timor and the Solomon Islands required the application of expeditionary military capabilities that were not limited to requirements for the territorial defence of Australia. The Australian Defence Organisation, comprising the Australian Defence Force and the civilian components of the Department of Defence, is required to provide military response options that serve Australia's vital interests, but which range far beyond our defence requirements.

Putting military capability in a whole-of-nation strategic context

Australia cannot be secure in an insecure region. Promoting a defensive strategic stance that relies on interdiction of potential adversaries in Australia's maritime approaches only deals with one aspect of our security requirements. At least as important is the need to promote and contribute to the security, stability and prosperity of our neighbours. Ways in which Australia can shape regional economic, social and strategic trends to benefit us all include: assistance to regional governance (nation-building); the provision of education services; and a demonstrated commitment to sustainable economic development. A whole-of-nation strategy that addresses each of these factors should be clearly articulated by Government and will require engagement by both the public and private sectors.

As far as the Australian Defence Organisation is concerned, short of actual conflict, regional engagement by the military and other security services represents a sub-set of our commitment to improving regional governance that also involves the provision of education services. The military has a role in shaping the strategic environment long before it is called upon to use force. However, it is only one of a number of players with a stake in promoting regional security.

Subject to the caveat that it is inappropriate to focus on Defence in isolation from other national institutions, the consequences of regional engagement for Australia's defence requirements are that:

- Defence is the only organisation with the capability to sustain humanitarian relief operations, conduct stability operations, or mount an intervention if necessary;
- Defence requires mobility and strategic lift to mount and sustain operations throughout the region;
- Defence needs to substantially enhance its access to regional expertise, cultural and linguistic skill-sets and should encourage members to develop career streams as area specialists;
- Defence efforts need to be further integrated with other government agencies such as the Department of Foreign Affairs and Trade, Australian Agency for International Development, Attorney General's Department, Department of Finance and Administration as well as with commercial service providers, educational institutions and non-government organisations; and
- The Defence relationship with other key regional states (Indonesia, Singapore, Malaysia, The Philippines, New Zealand) needs to be further developed to reinforce our cooperation on common security issues.

Importantly, we should not forget that the credibility of our military as both a deterrent and as a decisive factor in any deployment rests on its warfighting capability. Whatever the mission, potential adversaries need to be convinced that taking on Australian forces will result in their defeat. When we deploy forces we need to achieve 'overmatch' over likely opponents. Overmatch is not a function of size alone, but represents the amalgam of joint Defence capability (including intelligence resources); cooperation with other government agencies; and the ability to maximise the potential of multi-national coalitions. We need to recognise that we will rarely be called upon to act alone and we should incorporate the political and operational advantages of coalition activity in our strategic thinking.

Regional trends reinforce our need for effective engagement with the states of our region. One clear consequence of this is that we should institutionalise a programme within Defence to select, educate and field personnel with foreign area expertise. Officers, non-commissioned personnel and defence civilians need to be selected for career streams that enable them to develop linguistic skills and deep cultural understanding of individual neighbouring countries. While this currently occurs by default, with some personnel actively and independently developing such knowledge and experience, it is generally to the detriment of their careers. A Foreign Area Officer (FAO) programme similar to that operated by the US Army would provide career incentives to Defence personnel and provide Australia with an invaluable pool of pre-prepared regional operators.

Our long-term interests in the region are best served by the provision of Government and non-Government education and training where there is an identified need. There is a case for founding a regional College of Government and Administration — however, military involvement in this need only be minimal. The security interests of most of our neighbours are best served by constabulary forces and military engagement and training is best exemplified by the Pacific Patrol Boat programme. In that programme regional states protect their own waterways and littoral areas using a sustainable capability with technical support and training provided by Australia. While whole-of-nation engagement is critical, military involvement should be practical, scalable and culturally appropriate.

Developing strategic guidance that connects strategic realities and military capability

Given Australia's specific strategic circumstances it is not appropriate to establish an inflexible doctrinaire approach because, as we have found, military operations occur in response to real needs. Our strategic posture is developed in response to our environment, the challenges that face us and in accordance with the resources available to us. Our strategy is an expression of the values of the Australian people.

The first responsibility of any government is to provide the security which is the foundation of the nation's happiness and prosperity. The lesson of the past few years has been that Defence plays a major role in shaping that security — often in ways that we least expect.

Not only have we expected the Australian Defence Force to turn out at short notice for warfighting as in Afghanistan and Iraq; and peace operations as in East Timor and the Solomon Islands; but we have mounted major humanitarian relief and emergency evacuation operations in places as far flung as Bali, Sumatra and Pakistan.

Current strategic guidance recognises that our current strategic environment is characterised by uncertainty and that we are likely to experience strategic 'shocks' at any time. We can no longer prepare for one major contingency — traditionally the remote prospect of invasion — and hope that those preparations will suffice for any other emergency.

Defence is unique in that it is the Government's primary instrument for building warfighting capacity to respond to future threats. The Government remains committed to maintaining the most robust military capability that Australia is capable of. If called upon to fight, we expect our troops to win — and we expect that they will not suffer unnecessary casualties.

If necessary, we want our troops to be able to conduct self-reliant missions. We also understand that most often we will have to work in coalition with allies, neighbours and other countries that share our interests. Consequently, it is important that we develop the ability to be interoperable with a variety of other partners.

In contributing to coalitions we need to make an effort proportionate with our capacity and interests but we will never make a token contribution. Even when we make small personnel contributions to operations such as United Nations peacekeeping missions we provide high-value skill-sets in areas critical to mission success.

Australia's commitment to building strong relationships with neighbours, other members of the international community and international institutions is supported by our defence engagement program. This engagement ranges from the alliance with the United States, which remains the cornerstone of our national security, through to our cooperation with the states of South East Asia and the assistance that we provide to neighbours in the South Pacific.

In a speech made before the Second World War, Prime Minister Menzies observed that: 'In the Pacific we have primary responsibilities and primary risks.' This remains true and Australia remains ready to provide disaster-relief and humanitarian assistance in time of crisis. Less noticeable, but no less critical, is the support that Defence provides in developing maritime surveillance capabilities, developing security infrastructure and providing appropriate training programs.

If we are to maintain readiness to undertake these varied tasks at short notice we need a balanced, versatile, robust and integrated defence force. We need the capacity to deploy forces offshore and to sustain operations there. This means that we require both credible amphibious lift and significant airlift capacity. The ability to sea-base humanitarian relief operations after both the Asian tsunami and the Sumatran earthquake was critical to the success of those operations. Similarly, the air and sea bridges to East Timor were vital. The Government's commitment to the acquisition of new amphibious ships and heavy strategic-lift aircraft reflects these realities.

While much of this submission has concentrated on the need for whole-of-nation engagement to shape our regional strategic environment, in the final analysis we need to be able to invoke potent military capability to implement Government policy. It is not enough to maintain the capability to deploy forces, they must also be effective on arrival. Ultimately, human affairs are decided upon land. The Government's plan to 'Harden and Network' the Army reflects the fact that our forces may have to operate on complex terrain against opponents armed with increasingly lethal weaponry. In our region, Australia needs to be able to deploy joint forces with the capacity to defeat potential adversaries and enforce the peace.

Finally, it must be recognised that there are practical limits on Defence capability. Australia can benefit from resort to the private sector for support, specific expertise and economic involvement. As a matter of necessity, Australia needs industry support and therefore a viable

and sustainable defence and security industry is an integral part of Australia's defence requirements.

Conclusions

The terms of reference of this inquiry focus on the consequences of regional trends for Australia's defence requirements. It should not be forgotten that the development of military capability needs to be made subject to a broader appreciation of Australia's interests, subject to cross-government participation and involving whole-of-nation involvement. Furthermore, the inquiry needs to take into account the reality of international cooperation where coalitions, often difficult and untidy, almost invariably produce results that exceed the sum of their parts. Nonetheless, there are a few salient observations arising from our contemporary regional strategic environment which may be summarised as follows:

- Australia needs the military capacity to mount and sustain expeditionary operations within our region.
- More often than not, the role will be humanitarian relief or stability operations, but even these require more capability than we currently possess.
- Australia needs to be able to rapidly deploy forces who overmatch likely adversaries to nip trouble in the bud before it spreads.
- Defence needs to be actively involved in shaping activities with other organisations and countries.
- Defence needs to develop a career stream of regional experts.
- Defence is only a part of the solution, strategic guidance should emphasise whole-of-nation approaches.