

"Australia's National Security."

Speech by

Lieutenant General Peter Leahy AC Retd

Director, National Security Institute, University of Canberra

to

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On the 4th of December last year the Prime Minister read the National Security Statement to the Parliament. Widely anticipated, lukewarmly received and since almost unanimously ignored except within the bureaucracy it was to my view one of the most important statements introduced into the Parliament in many years.

It is important as much for what the Prime Minister said as for what the statement promises. He said some important things and it promises a lot.

The Statement is important because it is the Prime Minister's baby. While drafted by Duncan Lewis, Angus Campbell and many others it spent a long time in the Prime Minister's office and it is very much his document. Prime Minister Rudd is likely to enthusiastically push the document and will expect results.

It is important because it starkly reminds us the securing the nation is a broader task than defending the nation. For some in this room this might be a challenge.

The Statement is important because it redefines our notion of national security away from a focus on defending Australia with diplomats, spies and the defence force to securing Australia by all means available.

Security will be achieved at home and abroad and we need to place a firm emphasis on the future with a long term, pro active and integrated all source approach to achieve security as a Nation.

In the National Security Statement the Prime Minister told us that national security means: freedom from attack or the threat of attack; the maintenance of our territorial integrity; the maintenance of our political sovereignty; the preservation of our hard won freedoms; and the maintenance of our fundamental capacity to advance economic prosperity for all Australians. In this manner our national concerns stretch beyond territorial integrity and sovereignty to our way of life, our livelihood and our economic security.

Having defined what we want as a Nation the Statement discusses the enduring principles we use to advance our security interests. These principles are: self reliance; the fundamental importance of the alliance with the United States; regional engagement, a commitment to multilateral institutions, middle power diplomacy; a risk based approach; and a partnership between Commonwealth and States.

It is important because it correctly assesses that the 21st Century security environment is changing. It brings these changes to our attention and challenges us to determine new ways to secure the nation.

We must be prepared for the continuing impacts of globalisation and global volatility, changing power relationships and the emergence of new threats and challenges.

The surety and linearity of the past is being replaced by uncertainty, complexity, rapid changes and the blurring of distinctions between geography and interests, between task and responsibility and between the state and the market.

As a Nation we must show greater flexibility and agility. We must be prepared to continually reassess and realign our interests and react to different circumstances and events in well considered and coordinated strategies and policies.

This is the area where I have the most concern with the statement. It provides a definition of national security but I am concerned that it does not provide an overall statement of national values and beliefs. If our strategies, behaviour, policies and responses are not anchored by a firm set of beliefs then it will be difficult to show the institutional agility that will be required in the future. Holden, meat pies, kangaroos and fosters beer is not enough.

In some countries beliefs and values are included in their Constitution. The United States, Indonesia and India are examples. Our Constitution is more an Act of Parliament than an expression of our values and beliefs.

It would not be hard to include an expression of values in the next National Security Statement. The Prime Minister has already spoken about them in a speech to the Sydney Institute in April 2008. He spoke of, "...the core values for which we stand. Values of security; of liberty; of opportunity; of creativity. Values also of equity; of family; of community; of solidarity; of sustainability. And an underlying fundamental value of an irreducible human dignity. These values very much shape the government's vision for Australia's future. We are committed to a secure Australia – strong at home and fully engaged abroad."

In this broader security environment Defence becomes one of many players and we may well see a shift away from a singular and exclusive role for Defence on external threats. Defence should expect – indeed they should demand - more partners on overseas missions (AFP, AusAid, - RAMSI is a good example) and should anticipate an increased domestic role (the recent expansion of the Special Forces).

This shift will present challenges for force structure, equipment, doctrine, training and the ability to work in interagency teams. Defence will remain a key contributor to national security but its primary role may be challenged as threats change and budgets are expanded in non traditional areas.

The Statement is important because it provides a strategic framework to drive policy development across Government and provides context and guidance for a range of forthcoming White Papers and Agency statements. These include Defence, Foreign Affairs, Counter-Terrorism, and energy.

The National Security Statement is important because it will lead to a different way of viewing budgets. Up until now we have seen budgets as discrete and belonging to departments. The new approach will most likely see budgets considered as an aggregate for security. This new view of national security places security (now including the states and industry with responsibilities for law enforcement and critical infrastructure) at least in a similar orbit as diplomacy and defence. Could this result in a reconsideration of relative priorities and where our security money is spent?

In this regard a clear view of threat, risk, consequence and likelihood will be essential especially if budgets are at risk. The proposed National Risk Register will be very important.

The Statement is important because it establishes a National Security Advisor. Duncan Lewis will find the going tough, but if we are to secure the nation we need a central coordinating authority. With an estimated 27 different agencies involved in security it needs to be right in the centre of Government. PM&C is a good spot.

Another positive aspect of Duncan's new responsibilities will be to take over the role of intelligence coordination from ONA. This coordination will combine the ONA Foreign Intelligence Coordination role (FIC) into an expanded National Intelligence Coordination Committee which will deal with domestic intelligence as well.

I know this will be contentious with those intelligence types who insist on a separation of intelligence control from the policy wonks but in the interest of getting control of the national intelligence effort and priorities in one place we should give this a go.

The Statement is important because it does not establish a Homeland Security Department. The Americans tried this and from recent reports their new National Security Advisor Jim Jones is trying to combine elements of the Homeland Security Committee with his own National Security Committee. Ric Smith was right in not recommending a separate domestic security apparatus and we should acknowledge his common sense and clarity of thought in this regard.

It is important because it gives us the best chance of joining up Government and achieving a whole of Government Approach we have had for a long time.

It is important because it includes non traditional security threats which are increasing in prominence as technology advances and our borders become more porous. New threats include transnational crime such as the trafficking in persons, drugs and arms, people smuggling and the illegal exploitation of resources. Other new threats include cyber warfare, pandemics, climate change and population and food, water and energy pressures.

I know that many have been sceptical about the role of climate change in constituting a security threat to Australia. I have to admit that I am something of a convert.

While there will no doubt remain a furious debate between the climate change believers and sceptics it is clear something is happening out there. Security policy makers cannot afford to wait for the results of the climate change debate, or indeed wait for climate change to happen. Even the potential for climate change is a considerable risk to our national security and well being. The consequences need to be considered and policies, plans and perhaps programs put into place now.

Potential changes include rises in sea level, temperature increases, changes in rainfall levels and distribution, droughts, loss of coastline, floods, desertification, changes to crop seasons and output, changes in river flows and vegetation distribution.

The consequences of these changes include a reduction in arable land and declining food production, food insecurity, reduced access to usable water, decreased trade, a decline in health, increased poverty and social tension, extremes of weather leading to more natural disasters, health and mortality through disease and temperature related deaths and population movement because of uninhabitable land.

All this may result in the loss of livelihood for many millions and this in turn may bring about considerable social unrest and tension. This could lead to insecurity, instability, insurgencies and failed and failing states, many of them in our region. Just think of the many tens of millions of migrant Chinese workers who are currently out of work due to the financial crisis. What is the impact if on return to their largely rural beginnings they find a land changed by drought and disease?

In the most recent study on climate change, Ross Garnaut in the extensive “Garnaut Climate Change Review of September 2008 drawing on commissioned work by Alan Dupont makes some conclusions on the security implications of climate change;

- We should expect an adverse impact on Australia’s terms of trade,
- There is the potential to destabilise domestic and international political systems in parts of Asia and the south-west Pacific. This could lead to both internal and external migration of a very large order.
- Poorer countries with predominantly rural economies and low levels of agricultural diversification will be at risk of reduced food security.
- Climate change can generate security risks through infectious disease.
- Severe weather events such as cyclones, intense storms and storm surges pose a significant security challenge for the Asia–Pacific region, because of the death and destruction that results and the political, economic and social stresses.
- It is estimated that 105 million people in Asia would be at risk of their homes becoming inundated by a 1 m rise in sea level

These are clear threats which will impact on our security and will require policy responses and potentially changes in strategies and plans and the funding of activities to deal with them. This might include;

- additional development aid to support regional states,
- maintaining defence forces on short notice to deal with natural disasters,
- changing defence force structures to include increased medical and evacuation capabilities,
- increasing peacekeeping, peace enforcement and security support to weak states,
- the provision of standing military support to local disaster situations such as floods and fire,
- more extensive border surveillance and protection.

What does the National Security Statement Promise?

It is the first. There will be more. There is room for improvement.

Better coordination under the NSA, Duncan Lewis. As an Associate Secretary he will find the going tough but he has a big sugar daddy and he knows how to work both hard and smart.

It promises a new culture of inclusion and coordination under the banner of national security.

It promises a realignment of intelligence priorities and a more efficient use of our intelligence resources. This is already happening with a renewed vigour and focus for ASIO.

It promises joined up Government extending from White Papers and Departmental statements singing off the one song sheet to a coordinated policy environment with a Crisis Coordination Centre to support government decision making.

It promises a National Security College. This will be important to deal with the procedural and technical aspects of the new structure. More importantly though it must help deal with the institutional inertia of departments as they are required to change, and the need to establish a new and overarching national security culture.

Overall we should welcome the National Security Statement and look forward to the promised periodic updates. We have been waiting for a document like this for a long time and while it is not perfect it is a really good start.

What I would like to do now is reflect on my 37 years in the Army.

I left the Army in July last year feeling very positive about my 37 year career “Serving the Nation”. I still feel that way.

I said then that I was not sad that it was over but glad that it happened. It was a privilege to have been associated with so many wonderful people over so many years.

When I look at my time in Army I see 4 broad themes which almost match the decades I served. These themes are a representation of the broader dialogue in Australian defence over whether our primary approach is continental defence or expeditionary operations.

Let me position myself as being firmly in the and school. We need DOA and expeditionary operations. I reject the polemic and reductionist approach that it is a question of either DOA or expeditionary operations.

The real issue at hand is the question of balance between the two. In the 1994 White Paper there was a phrase that said we will force structure for the defence of Australia other than at the margins. I asked then how big was a bloody margin and frankly I am still asking that question.

But back to the four themes.

First the 1970s - “Coming Home.” We were stung by Vietnam and after an extended period of almost continuous overseas deployment the Army returned home.

Second the 1980s - “Introspection, or Strategic short sightedness.” In this period we rejected expeditionary operations and the Army seemingly focused on sport and adventure training. We also experimented with the defence of northern Australia and persisted with the notion that the thugs in thongs would provide a nice manageable adversary. As and aside isn't it nice to be able to use the enemy word again?

Importantly through this period Army standards were maintained by a proper attention to doctrine and training. In these thankless years we owe a lot to the many Army veterans who kept our values and training standards alive and healthy. The Army owes its current success and robustness to their dedication and loyalty.

Third the 1990s - “Coming Out.” This was period of baby steps including Rwanda, Cambodia, Somalia, UN deployments and it culminated in East Timor. East Timor was a close run thing and it showed us that out intelligence, logistics, command and control, deployment capability were barely adequate. We regained our confidence and began to learn some lessons and make important changes.

Fourth – the present “High tempo continuous operations.” The ADF is working hard to meet the many and varied tasks but is responding well. There are enormous challenges and I am proud of the way the Army is showing flexibility, adaptability and agility.

Looking more broadly I see a real continuity over the history of defence in Australia. The continuity has much to do with our Strategic Culture which I find remarkably durable.

- We are an island nation, populated by well meaning and generous people. We are dependent on trade and our national outlook is to be engaged open and generous and to look offshore. A maritime strategy is an appropriate approach for us. By maritime I mean an ability to protect, deploy, support and sustain rather than a singular focus on a blue Maginot line.
- We have almost always been a small part of a larger war run by someone else.
- Alliances have been vitally important to us as a means of achieving security.
- We tend to have had a tactical outlook and I agree with Jim Molan on this we need to lift our game.
- Funding has not matched or paralleled the strategic requirement. I am struck by the similarities of the 1930s and 1990s especially for the Army.
- Political approach towards defence is generally bi-partisan and we should be very grateful for this.
- Volunteerism has been important and our forays towards conscription have not been well received.
- Internal values have been consistent and well based on WW1. The great stone pillars at Isurava in Papua New Guinea say it all - Mateship, Initiative, Teamwork, Sacrifice, Perseverance and Courage.
- With regard to geography we have had a 100 year confusion of place and interests.
- Threat perception and the rhetoric of threat have not always equalled the reality.

This culture has been important in our history and will be important in the future. It shapes our outlook, our strategies and our reactions.

We should not be complacent. Our environment is dynamic and complex and we must always test past practices and assumptions. In the future we will need to pay particular attention to;

- Geography. We need to face up to the reality of geography. Globalisation has happened and our interests are global and regional. Our borders are porous. Threats and challenges will largely come from overseas. We can either wait for them to reach us here or deal with them in a proactive manner.
- Threats. It is time to revive the old equation of threat equals capability plus intent. Much work is being done on risk management and risk registers are being produced in all areas of our community. Defence needs to get serious on risk analysis and derive real conclusions on consequence and likelihood. I don't believe we are doing this well at the moment. I hope I am proven wrong in the next White Paper and the analysis can categorically support the resultant strategies, force structures and acquisition plans and programs.
- National Outlook. I don't see much change. It is in our nature to think big and look offshore to promote peace and stability and a commitment to western democratic values.
- Alliances. I don't see any real change. We will continue to seek a strong alliance partner but will need to be prepared to diversify both globally and regionally. The U.S. alliance is vitally important. It provides a sense of assurance and access to intelligence, technology and logistics that are indispensable. I think we have to prepare for a time when we find that our interests do not coincide with those of the United States and where the cost of alliance maintenance is too high.
- The current effort to re-engage with the UN is important. However, I have some reservations about future commitments to Africa especially if it is about buying votes for a Security Council position.
- Finances. The dollar ceiling seems set firmly at about 2% of GDP. The commitment to real increases over the decade is to be applauded but keep an eye out for the pea and thimble movements as savings plans are introduced, indices change and operational costs are absorbed internally. The financial crisis has yet to play a role in defence spending but even a one eyed Collingwood supporter can see what is likely to happen here.
- We will remain a tactical player and will struggle to provide real influence over the strategic and operational levels of war in an alliance setting. This applies as much to diplomacy as it does to defence. The common challenge is how does a self professed "middle power" gain traction when playing with the big boys? In this regard I applaud the hard ball the current Minister is playing with regard to Afghanistan.
- We need to consider the issue of how do we lead. We had one successful go at this and in a regional sense we are the go to guys. We should expect to have to lead again in the future.

In my view we can determine workable solution for the challenges that face us. We are actually in the right sort of shape. We are a force which is;

- Joint,
- Balanced,
- Interoperable
- Combined
- Capable of accepting a leadership role

But the winds of change are upon us. Let me leave you with some challenges for the future.

- The nature of war and conflict has changed. It is war among the people where our primary role will be to protect, support and persuade. Defence has not fully adjusted to this reality. Future wars will be more about headspace than battle space. I fully accept the need for conventional operations for carry over wars. However, I really do wonder if the balance is right. How big is a margin?
- How will Defence adjust to the new national security environment? At the moment Defence are the leaders in this space, indeed at times they are the only participants. Real partnerships need to be built with other government agencies that need to be encouraged on to the conflict field of today and the future.
- How does Defence reduce the level of governance for governance's sake? The organisation has become so risk averse that it is in danger of stopping doing the important things to avoid any form of risk.
- Defence needs to consider how to make best use of available funding. A real debate must focus on how to prepare for the present fight and the likely future fight rather than less than likely events.
- On preparing for today's fight Defence needs to reconsider the acquisition processes. Poor old DMO have been beaten almost senseless and I fear are becoming far too risk averse. Soldiers need new equipment now and are ready to accept something less than perfect so long as it arrives in a timely manner. While I am on DMO we need to lock in the rapid acquisition process and rescue it from attempts to re-institutionalise it.

You have heard enough from me. I expect that none of the last 5 points would surprise you coming from an ex Chief of Army. They are not war losers but are offered as a means of tuning up an already well performing defence force that serves its Nation admirably.

Can I thank you for the opportunity to speak to you. I applaud your individual and collective commitment to RUSI. We need people who are serious about Defence. You are making your commitment now and we will need it into the future.

Thank you. I would be delighted to take your questions.