



Royal United Services Institute of Western Australia

Newsletter

September 2011

Promoting National Security and Defence

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Blamey Oration

By Major General John Hartley AO

Army Museum of WA Lecture Theatre

Corner of Queen Victoria and Burt Street Fremantle

Book Review

A Question of Security: The British Defence Review in an Age of Austerity

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Editorial

TRANSCRIPT OF PLANNED ADDRESS – AUGUST 2011

By Dr Ian J Watt AO, Secretary of the Department of Defence

Introduction

I am delighted to share this address you through your newsletter and to acknowledge the close interest and affiliation you have with Defence issues and the Defence organisation. It is also my privilege to acknowledge the significant contribution made by Field Marshal Sir Thomas Blamey to Defence, in this, the 60th year since his death.

Simply put, Blamey significantly changed the way Australia prepared for and participated in war. He may not necessarily have been popular, but he was trusted and obeyed. As a leader, his judgment was respected. While there was much controversy around him, Blamey was a supporter of innovation and a visionary. A lateral thinker, he recognised that not only was there the need to prepare the armed forces for conflict, but there was just as an important need for the maintenance and welfare of the Australian community. He understood that to conduct a war the essential framework of the machinery must already be in place. He looked to the future of this country, knowing that Australia's Defence Force must be an effective and credible deterrent to an enemy. These philosophies have been, and continue to be, fundamental to this country and its future.

Blamey led during a revolutionary period of change in warfare, and his influence cannot be understated. Despite the passing of more than half a century he is still relevant. And many of the issues he faced are still relevant in Australia's Defence organisation today. It is a tribute to him that his memory is commemorated through events such as this, and the various Defence honours and awards in his name.

This evening, I want to discuss Defence—who we are, where we have come from, what is driving us to change, who we want to be and how this transformation will happen.

Who We Are

Defence, when measured by resource allocation, is the major expression of our security policy. As an institution it embodies values and aspirations that have deep roots in our culture and historical experience. The organisation and its capabilities is the culmination of many judgements about our strategic environment, our capacity to secure our defence force, our resource needs and capacity, our sense of the future, and the nature of our war-fighting culture.

While Defence often bears the brunt of many criticisms and the media is never far away to report on our short-comings, or alleged failings, it is important to remember that Defence is an organisation of great integrity. We have an enviable international reputation; a first class Defence Force and intelligence organisation; and an award winning workforce. Defence is made up of keen, intelligent and dedicated men and women, who are often doing difficult

jobs in often challenging environments. This is an incredible feat given the complexities and challenges of our business. Our size alone is barely matched by any other organisation in Australia. While I know you are already familiar with how vast we are, it is worth repeating the statistics as it helps set the scene for the challenges we face:

- in terms of people, there are around 74,000 people in the permanent military and civilian workforce, excluding contractors, and another 22,000 Reserves;
- we own nearly 400 properties of which 72 are classified as significant bases and we own over three million hectares of land and 25,000 buildings. We also lease around 350 properties;
- the Defence organisation consists of three significant bodies: the Department of Defence, the Australian Defence Force and the Defence Materiel Organisation (DMO), incorporating 13 different groups and services; and
- this year's departmental budget is around \$27billion; our payroll represents around \$9.5billion.

With a major counterinsurgency operation in Afghanistan, as well as a host of smaller, less kinetic operations in our region, we are no longer a peacetime organisation and haven't been for over a decade. Furthermore, in recent times Defence has regularly and very ably responded with disaster relief operations around Australia and further abroad.

Additionally, we are undertaking a major capability investment program to implement the 2009 Defence White Paper and build Force 2030, as well as a reform program that is as big as anything attempted in Australia, a program effectively aimed at building a new organisation.

Where We Have Come From

I think that sums up who we are. But we wouldn't be who and where we are now if it wasn't for our history. Like any good historian, you have to know your past before moving forward. I am standing on the shoulders of all those before me who have contributed to the Defence narrative. The story of the Defence organisation is the chronicle of how successive Governments have dealt with the challenge of matching the organisation to strategy and resources. This has culminated in several reviews and decades of reform.

Post Vietnam modernisation saw the integration of five departments to one Defence organisation—the intention, to more efficiently and effectively harness knowledge and expertise, and to strengthen accountability. In the following years, Defence made a shift toward industry and outsourcing, intended to create an organisation that was leaner and more efficient, and improve integration. The focus of Defence later broadened to the global environment and capability as Australia began to realise its place internationally. The Defence Efficiency Review and subsequent Defence Reform Program in the late 1990's targeted Defence's support and financial systems and costs, and the Kinnaird Review also saw the creation of the Defence Materiel Organisation in the early 2000s. It was also at that time that ADF command was consolidated under the Chief of the Defence Force, and Joint Operations Command was established.

A few years ago, my predecessor Nick Warner famously referred to the 'broken backbone' of Defence—his metaphor for a bigger problem: our history of ignoring the enabling, supporting

parts of the business until something goes wrong, usually badly wrong. The problems pointed to longstanding failings in governance and accountability arrangements, a lack of concern to ensure that every dollar is spent where it will have the most impact; and a complacent attitude toward waste and inefficiency—a lack of cost-consciousness. Nick's concern was, and rightly so, that unless the underlying weaknesses of Defence are fixed, over time, Defence's ability to successfully deploy force will continually diminish. It already has had that impact in some areas. This broken backbone is the legacy of neglect—from a misunderstanding of the importance of our enablers, from turf wars, from poor decisions and from bad planning over decades.

Imperative for Change

I am fast approaching two years in the job. From the outset, I have spoken about the need for Defence to adopt a much more cost-consciousness approach—the Australian people and the Government had made this an essential condition for success in Defence and for their support for the organisation. The need for cost reduction also drives the need for cost consciousness. Cost reduction and its enabling partner, cost consciousness, are the drivers of innovation because they challenge us to consider the “why” and the “how”. At a deeper level, it is about better understanding priorities and making better choices. A simple way of looking at it is that every dollar wasted is a wasted opportunity to enhance Defence Force capability. That may not always have been the case, but it is very much part of our new fiscally constrained environment.

These issues were a major driving force behind the 2009 Defence White Paper. *Force 2030* was the first white paper since the year 2000. It was overdue. By 2009, Defence faced a strategic environment that reflected a different and more complicated set of trends from that discussed in 2000. These trends included sharp shifts in the distribution of economic, political and military power, and potential environmental and resource pressures. The Global Financial Crisis, which bit relatively late in White Paper preparation, magnified some of these shifts, making Australia's future strategic environment less certain as a result. The White Paper articulated that Defence capability needed to change and, to meet the requirements of Australia's security, this change must be substantial and continuing. The White Paper, *Force 2030*, is both a vision of Defence as an organisation, as well as a vision of capability for the ADF.

As you are aware, Defence is going through a period of essential change and reform which, over time, will be as profound as any change undertaken in the post Vietnam era. I say essential because, without it, Defence will not be able to adequately perform the functions the Government and the Australian public want it to undertake. The Defence White Paper and more recent global events make it abundantly clear that the world is changing. Relative to Asian Pacific powers, Australia and its traditional partners are becoming relatively smaller. Indeed, the defining feature of this century is the rise of the Asia Pacific, and the relative decline of the late twentieth century powers, Europe and North America. Naturally, developments in our wider region are critical to our security. Economic, political, military and strategic influence is moving to the Asia-Pacific, to our part of the world. This process is well underway—in fact the reality of Asia's power and influence has arrived faster than many expected or were prepared for.

Australia's strategic outlook over the coming decades will continue to be shaped by the changing distribution of economic, military and political power, and by the future role and weight of the United States in our region. Our alliance with the US continues to be the cornerstone of our national security. It remains an enduring and prominent feature of our strategic and security arrangements. The US has underwritten stability in the Asia Pacific for the past 50 years and will continue to be the most important strategic player in the region for some time to come—both in its own right and through its alliances and security relationships, including with Australia.

As economic, military and political influences shift, it is in both our national and the region's interests that the US remains active and engaged in our region. To do so more efficiently, the US is conducting an ongoing global Force Posture Review, which aims to ensure their basing structure is sufficiently versatile and flexible to a more challenging, contemporary military environment. Australia is collaborating with the US on this Review—we expect it to reinforce closer cooperation with the US, and allow for better multilateral cooperation through deeper engagement with our regional security partners.

Within the Asia-Pacific, China's rise is of obvious importance. As China's economy is growing, so too is its strategic and political influence. Its military capacity and capability is expanding rapidly—China maintains the world's largest standing military. As previously indicated, to help meet potential future security challenges, we are assessing whether the Australian Defence Force is well geographically positioned to meet Australia's current and future needs. To this end, the Defence Minister announced in June this year the Australian Defence Force Posture Review, which aligns with the basing principles set out in the White Paper, which state:

- Defence base locations should be aligned with strategic requirements;
- Defence should consolidate units into fewer, larger and sustainable multi-user bases;
- Defence should aim to locate bases near infrastructure and industry and where possible, Defence should locate bases in 'family friendly' areas which provide better employment opportunities and specialist medical facilities for families; and
- Defence should maintain a disposition that enables Reserve capability.

The Review is being conducted by Defence, and will build on the strategic and capability judgements contained in the Defence White Paper. The Review will address the range of present and emerging global, regional and national security factors, which require careful consideration for the future, including:

- the rising significance of the Asia-Pacific and the Indian Ocean rim and growing military capabilities in our region;
- an increased tempo of military cooperation, training and exercising with the United States and regional countries;
- energy security concerns including offshore resource development in Australia's North- West and Northern approaches, and
- growing demands on Australia to provide humanitarian assistance and relief following natural disasters and other extreme events.

The results of the Review will help provide context for the next scheduled Defence White Paper in the first quarter of 2014.

(TO BE CONTINUED IN THE OCTOBER NEWSLETTER

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Program

SEPTEMBER LECTURE – BLAMEY ORATION

Due to use of Leeuwin Barracks in preparation for the CHOGM, the September lecture will be presented in the Lecture Theatre of the Army Museum of Western Australia. The Museum is located in Artillery Barracks at the corner of Queen Victoria and Burt Streets below Cantonment Hill in Fremantle. Entry is off Burt Street and there is plenty of free parking in the Barracks adjacent to the Lecture Theatre.

Thursday 22 September 7:00 for 7:30

Blamey Oration

By Major General John Hartley AO

At the Army Museum of Western Australia

Lecture Theatre, Artillery Barracks

(Corner Burt and Queen Victoria Streets)

Fremantle

Major General John Hartley AO (ret'd) is the former Head of the Defence Intelligence Organisation (DIO), a former Deputy Chief of Army and the former National President of the Royal United Services Institute of Australia. General Hartley is currently the CEO of Future Directions International and National President of the AATTV.

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Book Review

A Question of Security: The British Defence Review in an Age of Austerity

Edited by: Michael Codner, Michael Clarke

Britain now faces fundamental choices in organising its armed forces and military strategy - more so than at any time since the 1930s. This vital new book prepares the ground for a major government review of UK defence and security policy, analysing every important facet the review will face: from the spending constraints created by the financial crisis, to the decisions the country has to take on matters of war, peace and terrorism. The analysis covers the military equipment Britain should procure; the industrial implications of defence procurement decisions; the relationship with allies and partners; the intelligence sources; and, not least, the moral and ethical dimensions of modern security policy in a globalised but disordered world.

Written by the foremost independent security and defence experts in the field, this book is the result of the UK RUSI's Future Defence Review research initiative. 'A Question of Security' sets the core agenda for all wishing to understand the defence and security problems Britain now faces, and also for those in government and parliament who have to answer these difficult questions at a generational moment for UK defence policy.

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