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Speaker Fawcett, Sen David

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Senator FAWCETT (South Australia) (13:45): I rise today to speak about the launch of Australia's National Security Strategy, which the Prime Minister announced on 23 January. I welcome the release of the National Security Strategy. It is the first important step in aligning the expectations of government and our foreign policy with our investment in military capability so that we can make sure that the military means actually fit the government's intended outcomes for security. I actually agree with a couple of statements the Prime Minister made, that our national security is and always will be the most basic expression of our sovereignty and that national security is the most fundamental task of government.

With those things said, some people may question why there has been so much critique of the National Security Strategy by the Australian Policy Institute and various contributors to their articles, by the Lowy Institute and other commentators, people like Peter Jennings, Jim Molan, Andrew Davies, Peter Leahy and others. If you read through a lot of the debate, it comes down to the fact that a lot of people believe it is quite hard to define what it is we need the Australian Defence Force to do. Some people look at future threats in the China Sea, other people look at expeditionary interventions such as Iraq and Afghanistan. There is either disagreement as to whether we should be doing it or disagreement as to whether it will eventuate and in what time frame.

I think a useful metric to apply to our approach to national security is to look at our recent history and ask what are the things the Australian Defence Force has been tasked to do by the government that the Australian people have supported and, I would argue, are most likely to support again. I think East Timor is a classic case. The Australian public wanted the government to intervene in East Timor. They wanted to protect the East Timorese people from the violence that was being visited upon them after the referendum there. The government assumed that the Australian Defence Force could quite easily go to East Timor and protect the people there against militia. Most of us would make the same assumption. How quickly we forget that in 1999 we only just succeeded in what was apparently a fairly low-risk task for the Australian Defence Force. In fact, recently Lieutenant General David Morrison, the Chief of the Army, described it as a strategic shock that we only just managed such a minor military operation.

So East Timor does provide a useful benchmark for us to evaluate what we are spending on the Defence Force and how we view the strategic outlook into the future. It is a good benchmark, particularly for what we expect the military to be able to do at short notice. I believe most Australians would say, 'If we had to repeat such an intervention then we should be capable of doing it at short notice.' But there is a remarkable similarity in the thinking that underpins this National Security Strategy and the policies that led to the decline in defence capability and that subsequent strategic shock of 1999.

The first point of that is that the strategic thinking at the time was that Australia should be predominantly concerned with the defence of Australia's mainland from state actors. That led to a significant investment in the kind of technology and capability needed to defend the air-sea gap to the north, but also a rundown in our land force capability and the ability to project and sustain military force, whether that be in the region or further afield. Despite the theory that may say that we are going to look at operations against state forces, history tells us that our most recent operations have involved deployed forces with significant land force elements protecting communities from non-state actors: Somalia, East Timor, the Solomons, Afghanistan. As the current French operation in Mali demonstrates, this can be expected to be a feature of conflict well into this decade, not just the last decade that the Prime Minister announced during the launch of this policy was a thing of the past.

It is important also to remember that when finances are constrained, as they are at the moment, and budget priorities are on everyone's mind, the things that the taxpayer has to fund for defence are not just the capital equipment—the aeroplane, the tank and the ship. These capital assets are only effective in combat when there are enablers such as materiel support systems, supplies and maintenance facilities, individual and collective training—even the development of doctrine, policy, procedures, how you apply it. All those things come together to make up a military capability. But these enablers are largely invisible to the Australian public because they do not make for a good photo opportunity. They are also expensive, which makes them a really easy target when governments want to save money. It is also possible because you have a ship alongside and a tank in the field and the aircraft on the airfield to

make it look as though you have a credible defence force. But if you have cut all those backroom functions then you actually denude the nation of its ability to employ the capital assets that it has, and that is one of the fundamental lessons of East Timor that we must not forget and that this National Security Strategy is in danger of overlooking.

There is also an underlying assumption in the National Security Strategy that defeating credible threats will involve coalition partners and joint operations and that this will make additional resources available to the Australian Defence Force. I am a firm believer in alliances and regional cooperation. They are imperative, but they should complement, not replace, adequate levels of sovereign force readiness. This is because the interests of our allies and partners will inevitably take priority when the balloon goes up. We saw this during the Iraq conflict, where shipments of ammunition and spare parts that we had ordered were held up by the country providing them and were distributed instead to their own forces, which meant that we could not deploy certain elements of the capability that had been requested by coalition partners. Even in East Timor, despite the fact that it was supported by the UN, and eventually 22 nations supported Australia in that intervention, our initial deployment that set the groundwork had to be done relying on our existing capability that was on the shelf. As General Morrison highlighted earlier this year, those capabilities only barely proved adequate.

There is much to commend in the National Security Strategy. It outlines a more integrated approach to understanding what capabilities we need to have a strong, credible defence force. The vision without dollars, however, is just hallucination. When the National Security Strategy talks about money, it talks about the significant percentage increase in defence budgets after East Timor as if somehow this justifies the reduction in budgets today. There is no recognition though of the fact that this was off an extremely low funding base and that significant cost growth pressures have been identified by the government's own review commissioned by Mr Pappas in 2008.

Using the indexation figures that Mr Pappas derived, the successive budget cuts since 2009 mean that there is a shortfall of some \$25 billion over the forward estimates just to maintain the existing force. We are not talking about purchasing new capability. We are not talking about massively expanding capability. We are talking about maintaining and sustaining the existing force. We see this currently. There are articles you can read in the paper. If you follow estimates in the Senate, you can see that this is manifesting itself in delayed maintenance, reduced training and reduced

availability, all of which sounds depressingly like the lead-up to the situation prior to East Timor.

There is a fiction that has been perpetuated by the minister that all is well because these budget cuts are not affecting current operations: for example, in Afghanistan. But this relies on the Australian public not understanding the basis of what is called 'operational supplementation'. Put simply, it means that the Australian Defence Force is given a certain amount of money to raise, train and sustain its force, but when they are required to deploy and to actually conduct an operations overseas, once that expense passes a given threshold the government will supplement the money so that they can pay for that operation. Much capability that is acquired and sustained in theatre is drawn from operational supplementation. When that conflict finishes and those forces are brought back to Australia, many of the pieces of equipment that have been purchased that are seen as leading edge are not guaranteed to come back here because that operational supplementation is paying for it, not the standing appropriation.

To say that the current operation is not affected by budget cuts is to misrepresent the case for Australia in 12 months or 18 months or five years. The important lesson that we need to learn, drawing on experience in East Timor, is that we do not necessarily have a long time to re-equip and rebuild the force. There is not necessarily time to prepare for a conflict against a non-state actor. As the recent experience of the French in Mali shows, the requirement to deploy can occur at very short notice without the ability to draw on other nations to provide the resource required. The French went with what they had. We went with what we had in East Timor. That is an important thing to keep in mind.

Lastly, it is important to remember that simply increasing the defence budget is not the only answer. The other lesson from East Timor is that the large budget increases that occurred have perversely led to many of the inefficiencies in the Defence procurement cycle that were highlighted in the recent Senate report into Defence procurement. It is particularly disappointing that, given that there was a strong bipartisan report issued by the Senate Foreign Affairs, Defence and Trade Committee, the government has essentially refused to consider many of the significant structural changes and reforms that were recommended by this bipartisan committee.

There is a desperate need to increase the productivity of capital that the taxpayer invests into the Department of Defence if we are to have a credible and sustainable Defence Force into the future, particularly in an environment where finances are becoming increasingly hard to come by. If the government is not

prepared to make some of those whole-of-department changes, we run the risk of seeing more and more money that is not wisely spent. Naturally enough, the Australian public will ask, 'Is that a good use of money?' We need to have a credible Defence Force. There is good bipartisan information available to the government highlighting some of the reforms that should be made. I encourage people listening to this debate to have a look at that Senate report and the government's response and go and speak to your local member about the fact that further action needs to be taken to lift the capital productivity of your money.

Above all, the East Timor experience should be a reminder to us and to governments and to members in this place that the young men and women of tomorrow will be deployed sometimes at very short notice to undertake operations in the name of Australia for our national security and its interests. Despite all the theory and the various people who debate the issues, history shows us that the men and women of tomorrow will be deployed with what governments of today are prepared to pay for. If we think that the deployment and intervention in East Timor was justified and a good thing and a good use of the Australian Defence Force capability, then it is incumbent upon members and senators in this parliament to hold the executive to account to make sure that there is adequate money and that money is spent wisely and effectively so that the Australian Defence Force has the people and the training, equipment and support systems it requires to have a balanced force which is capable of deploying and being sustained in our region. My fear—which is backed up by the discussions that are currently occurring by informed well-qualified commentators—is that this National Security Strategy does not provide the groundwork nor the framework to give the Australian people the assurance that the capability will in fact be funded or delivered.