



**Australian Security in the 21st Century
Seminar Series**

**DEFENDING OUR PEOPLE, INTERESTS AND
VALUES**

Transcript of an address by

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Minister for Defence**

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**Address to the Menzies Research Centre lecture series -
Canberra**

E&OE

Thank you very much, Andrew, for your very generous introduction and coming from you in particular, it means a great deal to me. To you and Julian Leeser respectively from the Menzies Research Centre, our sponsors here today are Thales Australia, Raytheon, IBM and Saab and all of you who support the Menzies Research Centre, thank you for attending today in this another instalment in this important series.

It was here in Canberra in October 1944, that Sir Robert Menzies, to what was called the Canberra Conference, made a number of remarks. Included amongst them was the statement that what we must look for is a true revival of liberal thought, one that will look for social justice and security. True liberals, he said, have great and imperative obligations to the weak, the sick and the unfortunate, and to every good citizen the state would owe not only a chance in life, but a self respecting life.

So it would be five years later in 1949, just after the end of World War II, which saw the end of one form of totalitarianism, in a context in which the world was then characterised by 100 segmented markets and the nation's stirrings of another form of emerging totalitarianism, that Sir Robert would lead a Liberal coalition government for the next 16 years. In 1963, some 14 years after he had come to Government, he said of defence, "the defence for democratically elected governments is no longer only a local activity. The defence of Australia can no longer be confined to coastline concerns."

That, of course, was very much part and parcel of the forward defence of Australia, and the doctrine which would dominate much of Sir Robert's Government and some of those who came shortly thereafter.

Today in the year 2007, in this the first decade of the 21st century, obviously we face quite different horizons, we face different challenges. Some of them are similar in some ways, some of them are quite different and unfortunately many of them remain unknown.

But defence and security of our people, our interests and our values which is how we see it, particularly in this decade in going forward into the early part of this century, is many, many things, but it occurs in a context of the broader challenges that face our country. In order for us to invest in the defence of our nation, the defence of our people, our interests and our values on our borders, in our region and throughout the world, it requires two things.

It requires a strong economy which means that a government, this Government, has the capacity to invest in the capability and the people for defence that our country

requires. But it also requires political will. In terms of the security of our country, we must be governed by leaders and governments that believe in defence and believe in investing in it, and deploying that capability whenever and wherever it is necessary.

I was addressing a public meeting in my own electorate only two weeks ago and I was asked by one of the people in the audience, what do you think the three key challenges for Australia are?

I said to them, well, I think our first challenge is how do we in a country of collapsing age dependency ratios, where over the next 40 years we're essentially going to go from about 5.3 to 2.6 to 1 in terms of people of working age, to those of non-working age in Australia over the next 40 years. How do we, in the absence of changes in population, participation or productivity rates, ensure that we can deliver the standard of living and economic prosperity that my generation has enjoyed?

The second challenge is how do we, as Australians, and therein also global citizens, how do we fully understand on a rational, scientific basis the environmental challenges that face our generation and that of my children? How do we fully and properly understand them and ensure that we don't recklessly commit the next generation to an apocalyptic view of the future which is not based on science that is necessary to understand the economic, social and cultural costs of the changes that we are going to have to make to see that we meet the environmental deadlines that are bearing down on us. We must make sure that we responsibly face those environmental deadlines, but at the same time also strive to a future in which we live on environmental interest and not capital.

The third challenge that faces us is that my generation, and I think for the remainder of my life, and certainly for much of my children's life, our generation is facing a series of threats to our way of life, our culture, our values and our freedoms which is defined in the all encompassing term of terrorism, which is essentially a global insurgency, which is conducted through much of the world. Whether it's through Europe, into north and central Asia, to northern Africa, and indeed, as we know from what's going on in courts in Australia at the moment, there are elements within Australian society who would also seek to undermine political, cultural and social order.

Those three things, in no particular order, are the kind of real challenges that are facing our generation, which our Government and particularly in Defence, we're focused upon. Our vision for defence and security is that we've got to be a mobile, flexible, highly networked Defence Force, which is running joint operations across intelligence, which informs everything that we do, and then across land and sea and air.

The challenges and the priorities within Defence are many, and as many of you have heard me say before, it's not what we know that's most shaping our thinking, but indeed preparing for the unknown. The average Australian, quite rightly and indeed

reflecting the view of this Government, considers there is no higher priority for our defence than the protection of our borders. Our gas and oil platforms, making sure that people who arrive here do so lawfully and in an orderly manner and also ensuring that people don't turn up here and steal our fish. Those and other priorities that are undertaken by about 500 Defence personnel on any one day of the week at the moment, around Australia's 35,000 kilometres of coastline, we have no higher priority than that.

But equally we appreciate that as Sir Robert Menzies observed in 1963, in setting the doctrine for his own government, that it's not confined to coastline concerns. That what happens in our region has everything to do with us, from East Timor through to the South-West Pacific. If you look back over the last year alone, we had the security melt down in East Timor, just on a year ago. We've had rioting and violence in Tonga, which required briefly the deployment of Australian Defence Forces, along with New Zealand to Tonga. We've had the fourth coup in Fiji.

We've got continuing instability in a number of countries in the region and of course our political relationship and the concerns in relation to the stability of Papua New Guinea, is something upon which we keep a watchful eye. We're engaged in those countries in our region, not only because we have a humanitarian responsibility to do so, but we know that to counter terrorism operations, maritime border security, security stabilization and other operations in those countries are very much a part of our own security. That if we can stop any of those nations suffering under poor governance and other arrangements from becoming failed states and therein havens for trans-national crime and terrorism, that clearly is in our interests and the protection of our own security.

We take the view that what happens in our broader region up through south east Asia, central Asia into north Asia, has everything to do with our own security, and indeed, further a field throughout the world.

At any one time five percent of the Australian population is overseas. Much of the superannuation and other investments of Australians are invested, of course, throughout the world. Very few Australians today, would fail to appreciate that what happens in other countries economically, has a significant and frequently direct impact on us. And with what's happening in the Shanghai share market for example, has the potential to have an impact on us.

So too, in a security sense. We need to appreciate that throughout Indonesia, Malaysia, southern Thailand, the southern Philippines, in many of the countries throughout our region, that we face a common enemy, and that is, fundamentalism in the form of extremism and terrorism for which a number of Australians have already lost their lives, and faced other forms of adversity and changes to our way of life. For that reason, the government, following the most recent budget, has invested \$11

billion more in security and counter terrorism and other operations in our immediate region, since 2001.

In the budget that's just gone, you've seen the single largest increase in defence expenditure for 30 years; a 10.6 percent increase, which takes us to \$22 billion a year recurrent, a 47 percent real increase since 1996. It's worth reminding Australians that when this government came to office in 1996, that the deficit that year was \$10.3 billion. The defence budget was \$10.6 billion. In other words, the defence budget was marginally larger than the deficit that the then government had left to us on election in 1996. As I said earlier, in order for us to invest in defence, it requires that we actually have a strong economy, as well as the political will to do so. If you look anywhere from Australia out to what Paul Dibb has described as the arc of instability in our region, it's clear that we're going to be busy for the foreseeable future.

There was also another billion dollars announced just before Christmas, for recruiting and retention. And this year's budget included not only the \$6 billion for the Super Hornets which is weapons, infrastructure, people, equipment and, of course, including the non-recurring cost to the Super Hornets to de-risk the transition to the JSF. It also included \$2.1 billion for recruitment and retention initiatives.

Included amongst them, a major pay restructure for our other ranks, a significant liberalisation of the home loan arrangements, and an increase in the value of the home loan subsidy to our defence personnel. It included just before Christmas the announcement of a military gap year, which we will commence next year, to give 1,000 young Australians one year of training in the Australian Defence Force; a kind of voluntary national service if you like.

And it also included \$1.8 billion for logistics; spares and repairs. That means that over the last three years, we've announced a \$4 billion increase in logistics over the next decade.

It's worth reminding Australians who are concerned about their security, not only their economic security, but the security that we enjoy in our country, in our region, our free movement as Australians and that of our children throughout the world, the secure investment of our resources in other parts of the world. It's worth reminding them that in its last five years of government, the previous Labor government reduced the size of the Australian Defence Force by 10,000. And the only problem it had in trying to do that was because 11 percent of the working population was unemployed, there were few people actually wanted to leave.

It also had real reductions in defence expenditure of four and a half percent in its last three years in government. It's also worth reminding Australians that by the time we got to the late 90s, when we had to maintain and fly at least 18 C-130 Hercules and four 707s, that less than half of them could be put in the air at any one time. We also had a period from which I can assure you we've most certainly emerged, where we had 20 F/A-18s on the ground being cannibalized to keep the other 51 in the air.

Australians recently, as we have seen in some improvised explosive device attacks in Iraq and also in Afghanistan, Australian soldiers have had their lives saved by military equipment, leadership and training. We know that whether in times of peace or indeed deployment and conflict, it is absolutely essential that our people get the very best that we can possibly provide for them. Under no circumstances so long as a government we have anything to do with it, will Australia return to the hollowed out Australian Defence Force that we had through the 80s and well into the mid-90s.

I mentioned earlier that we're looking at things that we don't always know about and some things that we do. I think former Secretary of Defence of the United States, Rumsfeld put that in perhaps more colourful terms. Weapons of mass destruction and pre-cursors for them, ballistic missile capability. We saw the Taep'o-dong-2 launch from North Korea, or attempted launch, in July last year. We saw North Korea detonate a nuclear device in October last year.

Chemical, biological and nuclear warfare, major population shifts, resource depletion, the protection of resources, the changes in our environment with the impacts that it has for planning in the long term for security and defence. The significant economic and technological revolution through south east and central Asia. The emergence economically of China and India, with all that that represents to us. Facing a future in which we will have simultaneously a strong Japan and a strong China. Having, as I said, adversaries that are able to acquire increasingly lethal technologies and capabilities. All of those and other things, along with the normalization of the Japanese Defence Force, which should be welcomed by all of us, but bringing with it changes in the dynamics in our region.

We make no apology for the record investment in defence capability; that's both people and equipment. We've got \$55 billion over the defence capability plan in the next 10 years for new procurement, and \$40 billion in sustainment projects. All of those are extremely important. And that is a minimalist position as far as our government is concerned.

We do take the view that whilst we work from the white paper and the two updates that we've had - and we are in the process of preparing another update at the moment - if we believe that circumstances have changed and we are in a position to do it, we will acquire new capability. The C17 acquisition was a very good example of that. The decision, obviously, to increase the size of the Australian Army was a very important part of that. The decision on the basis of recommendation from the Royal Australian Air Force as far as de-risking the acquisition of JSF and the retirement of F-111 to acquire the Super Hornets. We will do that and we make no apology for it.

We also have spent the last year developing a defence industry policy. On behalf of the average Australian, the vast majority of whom support increased investment in defence, we say to them well look, what we are doing now with defence, industry policy, is to make sure that we develop a national independent plan. So that every two

years we actually publish an independent report to the extent to which Australian Defence can be independent, if you like, of our major allies and industries throughout the rest of the world.

We also want to make sure that we leverage every dollar that we spend as far as we practicably can into Australian communities, to the Australian workforce and also into regional communities. We also want to make sure that small and medium enterprises are included in the supply chain, and is quite visible to us in the procurement contracts when we actually go into contracts worth more than \$50 million.

We also significantly want to ramp up the \$600 million a year we're currently earning from Defence exports, by developing with industry quite a serious defence industry export development capability within the Defence material organisation.

This is, in my experience, the best and the most important job that I have had. Principally, as Andrew Robb says, because of the 3,350 that we currently have deployed around the world, and those men and women who currently wear the uniform of the Royal Australian Navy, Air Force and Army.

What we are facing, and this is not something that is easily nor readily seen by everyday Australians, who are understandably flat out feeding kids, car loans and mortgages. But we are facing a global insurgency, which is still largely disparate, but internationalised in some areas. Which extends, as I said earlier, through much of Europe, into North Africa, certainly into our own region through central into south Asia, and it is something, which is predominantly, but not only, driven by Islamic extremists.

It has already shaped and it will define much of our military security and other planning for the foreseeable future, described, as you know, in the Quadrennial Defence Review last year, as the so-called Long War. Whatever terminology is applied to it, we are dealing with people that are not just fanatically anti-American. They are fanatically opposed to countries like ours. Whether they are Judah-Christian, whether they are Muslim countries with the kind of leadership provided by President Yudhoyono in Indonesia, or Abdullah Badawi in Malaysia or, indeed, the Republic of Turkey. Indeed, certainly, the State of Israel.

Countries that are open to people of other ideas, countries that are lead by people that tolerate, understand and appreciate people of a different religious persuasion. We're dealing with people that have an attitude to the treatment of women, which is incompatible with a civil society, let alone a secure world. In the first nine months of last year, the Taliban targeted 200 teachers and students in Afghanistan because they know that the education, particularly of girls, most threatens to undermine the ideological dogma to which they have signed up.

If we take the view that it has nothing to do with us, that we thankfully live in a relatively remote and peaceful part of the world here in Australia. That if we succumb to the kind of argument that is currently being put by elements of the Australian Labor Party, that in some ways some of these conflicts have nothing to do with us. Then in my view we not only diminish ourselves, but we leave, and I specifically say in relation to Iraq, we will leave a humanitarian disaster in Iraq, which will be of mammoth proportions.

We will also leave the destabilisation of that region, which has everything to do with, not only it's own security, but indeed our own. We will also leave a country where al Qaeda and other terrorist networks will have a base from which they will operate, not only in that region, but indeed throughout other parts of the world.

Sometimes you get what you wish for. And those people who are clamouring - and it's implicit in the arguments that are being put by Mr Rudd, for example, that some deadline should be put for withdrawal of the United States, British, Australian and other coalition forces in Iraq - need to seriously contemplate what will be the consequences of that.

Whatever any of us think about the decision to rid the world of Saddam Hussein, who tortured and brutally murdered on average 70,000 people a year for 15 years. Whatever anybody thinks about that, in a post September 11 world, where that dictator had been in breach of 17 United Nations Security Council Resolutions, if the United States and it's Government and it's leadership, whether the current leadership or the next generation of American leaders, respond to those demands, by pursuing a course of isolationism, not just militarily but also economically, that will have significant adverse consequences for the security, not only of our world, but indeed for Australia.

It is essential, as I said when I saw off troops to Afghanistan, firstly on Tuesday in Sydney at 4RAR and then with the SAS in Perth, I said to them "you are going to Afghanistan obviously to target and fight the leadership of the Taliban that gives sanctuary to al Qaeda apart from anything else. You go with an Australian flag on your shoulder, the Australian Army rising sun and all of the values that are represented by your uniform. You do so in the name of Australia and all those who wish to stand against tyranny and fundamentalism in its most extreme form".

Isolationism is never going to make us safer. It's also important to understand that we should not ever leave our children in the situation, where they look back on our generation and ask us why we did not take a stand, when we had the opportunity and the responsibility to do so. We cannot be beaten in this, but we can hand victory to these people. We're fighting Al Qaeda and the Taliban in Afghanistan. We're fighting Al Qaeda in Iraq.

What we see in Iraq today with the Baghdad Security Plan, has been a significant reduction in sectarian violence. What, however, we have also seen is mass car

bombings and other things, which are planned, inspired and executed by al Qaeda in Iraq. Every Australian should understand that it is no less important to fight al Qaeda in Iraq, as it is in Afghanistan or indeed in any other part of the world.

It is also important, that we stand up and execute and discharge our own responsibilities to see, as we have always done, that whether it be on our borders, whether it be in our region, or whether it be in remote parts of the world, we have certain values by which we live. There are certain truths by which we live which are represented by the uniform of the three services and our Australian flag, and we have responsibilities to stand up for them in every part of the world, and no part of it is more or less important than any other in this modern, contemporary context.

So I thank the Menzies Research Centre for this opportunity and I might also add by the way in relation to border security, I notice that the Opposition is proposing to dispatch the Royal Australian Navy to the Southern Ocean to protect whales. Now the first thing is that the Australian Government is working assiduously to see that the practice of whaling, particularly that conducted by Japan, is not continued.

I find it rather interesting that in 2003, when addressing the Australia China Business Conference, that Mr Rudd, in relation to the proliferation of security initiative, which involves a variety of countries working together to interdict ships and aircraft taking precursors of weapons of mass destruction from one country to another, I noticed at the time that Mr Rudd when the Australian Government was signing up for the Proliferation Security Initiative in relation to North Korea, questioned whether it would breach statutory and international conventions and laws of the sea.

In other words, Mr Rudd was most reluctant to see that the Royal Australian Navy was deployed to stop a state like North Korea. Which, as we know, has millions of people starving, has aspirations which are nuclear and ballistic missiles amongst others, that Mr Rudd was totally opposed to using the Royal Australian Navy.

As you know, they are proposing to have a coastguard which will be manned and womaned by unionised personnel in civilian vessels, apparently a task which is unworthy of the Royal Australian Navy. But now we're told that the Royal Australian Navy is to be deployed to the Southern Ocean to protect whales, with all of the diplomatic consequences that that will have for our relationship with Japan amongst many other things. I don't think I need to paint the average thinking Australian a picture, of the consequences that that will have for us.