

The 2019 Sir Hermann Black Lecture: the year in review

A paper based on a presentation to the Institute on 10 December 2019 by

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Mr Greene reviews several significant issues that have influenced global defence and security in 2019. They include Chinese interference in Australia, its influence in the South Pacific and Australia's response to it; global implications of the unrest in Hong Kong; the impact of Trump's unpredictability on global security; and the role played by defence policy during Australia's federal election and since.

Key words: Australia; China; Hong Kong; United States; South Pacific; defence; national security; foreign policy.

It is a great honour to be invited to deliver the 2019 Sir Hermann Black Lecture. We meet at the end of another complicated and intriguing year for Australia in global strategic and military terms. Gone are the recent years of high operational tempo for the Australian Defence Force (ADF) in the Middle East, replaced largely by the growing challenges presented by the continuing uncertainty over the future direction of the United States alliance, the rapid rise of the People's Republic of China and the steady, gradual erosion of public trust in traditional societal institutions such as Parliament and the press.

Today, I would like to reflect on the past year and then offer some insights I have recently gleaned into what could occur in 2020 and beyond.

I will firstly examine the Chinese Communist Party's various political interference activities both here in Australia, and across the region, and the responses to it.

Secondly, I will briefly offer some reflections on the still unfolding situation in Hong Kong, which is arguably the biggest geopolitical story of 2019. It is a situation which I observed first hand earlier this year and one I believe has implications for Australia and like-minded nations.

Thirdly, while China remains Australia's largest economic power, the United States is still this country's strongest ally, so I will examine the continuing uncertainty over the future of the American alliance under the presidency of Donald Trump.

And finally, 2019 was also a significant year in federal politics. Although Defence did not feature prominently in this year's election campaign, I will also offer some thoughts on where future policy debates may lead, particularly in the difficult area of defence industry.

Chinese Interference in Australia and the Pacific

For all its failings over the last couple of decades, the Australian Parliament can at least claim the distinction, dubious or not, to be among the Western world's powerhouses for the production of new national security laws. Preventative detention, travel bans, metadata, and secrecy orders over court cases – all slid seamlessly off the legislative assembly line, delivered out to the spies and police who asked for them.

No wonder then that recently one of several influential politicians who helped champion the powers and manoeuvred them towards passage admitted to some tetchiness that there is not a lot to show for it. "We want a scalp", the senior figure was heard to bemoan over the past couple of months.

Even allowing for the fact that the work of intelligence and counter-terrorism agencies is necessarily done in secrecy, recent events suggest that Canberra's national security community is now well aware of the anxiety – and is hankering for a few "scalps" of its own.

Revelations last month that the Chinese Communist Party may have plotted to install an agent in Australia's Parliament have starkly brought into focus the highly-charged atmosphere and pressure now facing the country's intelligence and law enforcement agencies.

Department of Home Affairs

Since 2017, the Home Affairs Department has brought together the Australian Federal Police (AFP), Australian Security Intelligence Organisation (ASIO) and the Australian Border Force, with the aim of better co-ordinating national security work.

Across the super-charged mega-department, there is a renewed sense of muscularity among its various agencies for going after would-be foreign meddlers targeting Australia's sovereignty.

Duncan Lewis, the recently retired ASIO director-general, gave an early glimpse of this new-found resolve when he revealed the domestic spy agency was battling "unprecedented levels" of foreign interference. His successor, Mike Burgess, the previous head of the Australian Signals Directorate, is tipped to be even more forward leaning and candid with public statements in his role as the country's new spy chief. Already the ASIO boss, who is also the first director-general of security to boast his own official Twitter account, has taken the historic step of issuing a press release to confirm his intelligence organisation was taking "seriously" the latest allegations of Beijing's nefarious activities.

Similarly, the new AFP commissioner, Reece Kershaw, is widely expected to revamp the expertise in his organisation, allowing officers to better replicate some of the counter-espionage work of their United States

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colleagues at the Federal Bureau of Investigation. Senior AFP figures say it is unfair to blame them for a “lack of scalps” so far, pointing to a drastic lack of funding, reductions in staff and age-old problems with information sharing between agencies.

“Ultimately I think the next thing we’re going to be looking at is a prosecution,” predicts leading China analyst, Alex Joske, from the Australian Strategic Policy Institute. “Foreign interference laws have been introduced, we have transparency schemes for people acting on behalf of foreign governments to register themselves on, but to date there haven’t been prosecutions of people carrying out foreign interference in Australia. Yet every day we’re getting more evidence that it is happening.”

When Prime Minister Scott Morrison was asked recently why authorities had not yet made a single arrest on foreign interference, he pointed to the case of Chinese businessman, Huang Xiangmo, who was this year effectively barred from re-entering Australia. Mr Morrison also claimed that, when he spoke to other world leaders, they yearned for “the integration that we have between our agencies” and “the legal frameworks” that have controversially passed Federal Parliament in recent years. The Prime Minister also stressed his Government was always prepared to give security agencies any further powers or resources they needed to do their job.

For those close to Australia’s foreign interference frontline, it is abundantly clear their job now firmly involves “delivering scalps”.

Hybrid Warfare

Away from Australian soil, the Chinese Communist Party, and to some extent other competitor nations such as Russia and Iran, continue to deploy what is known as hybrid warfare, or “grey-zone” tactics against the Western world.

As the former intelligence chief and now author, Allan Gyngell, put it last year: “[T]he order we have known for the past seventy years has ended. It’s not being challenged. It’s not changing. It’s over.”

While talk of a “rules-based” order still persists in Canberra’s political and military circles, privately it is widely acknowledged that the concept no longer exists. Many consider the South China Sea a lost cause, where Beijing now effectively controls the crucial trading waters, and attention is turning to other areas of concern.

In a significant speech this year, the Chief of the Defence Force, Angus Campbell, warned that western democracies such as Australia were being “exposed” to grey-zone tactics, at which authoritarian regimes such as China excel.

General Campbell highlighted political warfare methods such as cyber-attacks and disinformation campaigns (fake news) which he noted were particularly effective against democracies that promote openness and transparency.

He observed adversaries who deploy these grey-zone operations are: “... often built on the reality or rhetoric of revolution and looking out to the ‘Other’ as enemy, their conception of war is markedly different”, Campbell said. “Typically, these states cluster at the other end of the spectrum: where the people serve the state – as does the

law – and all the other elements and institutions of society and state.”

His speech came just several months after Australia’s National Parliament fell victim to this new hybrid warfare, when a “sophisticated foreign state actor” (I will let you speculate which one) was blamed for launching a crippling cyber-attack which infiltrated almost every parliamentarian’s IT systems and took authorities a considerable period to detect.

The Pacific

Arguably, in 2019, China’s greatest strategic successes have been in the Pacific, where years of foreign aid cuts and general diplomatic ambivalence has allowed Beijing to fully exploit the vulnerabilities of some of Australia’s poorest neighbours.

In 2019, President Xi Jinping has managed to steadily pick off several tiny Pacific nations who had, until now, steadfastly continued to diplomatically recognise the island of Taiwan.

At the same time Beijing’s controversial Belt-and-Road programme has continued to surge ahead in the Pacific, despite warnings of debt-trap diplomacy and the often white-elephant infrastructure projects it delivers. While there is evidence of some regional pushback towards the Chinese government expansionist programme, during 2019, the program managed to gain a foothold in Australia after the Victorian Premier’s decision to sign up, a move which angered the Morrison government.

Australia’s belated response to China’s rise in its own backyard has been the “Pacific Step Up”, derided by some as the “Pacific Catch Up”. It is a worthy pursuit, but one I fear may be summarised as “too little, too late”. The Federal Government’s stance on global action to tackle climate change also has caused some setbacks to efforts to more properly re-engage with neighbours who have been neglected for many years.

In 2020, there are likely to be some further measures announced to help with the “Pacific Step Up”. Defence is progressively replacing the ageing Pacific Patrol Boat fleet with new, more capable Guardian-class boats for 12 nations, and there is unconfirmed speculation that perhaps a squadron of C-27J Spartan airlifters could soon be tasked with regular aerial surveillance patrols in the Pacific. This innovative idea of pairing RAAF aircraft with new patrol boats gifted by the Commonwealth would be a strategic investment China could simply not match.

Another development to watch in the New Year will occur in the Philippines where an Australian defence company has joined with a United States private equity firm to compete for the lease of a former ship yard in the strategic port of Subic Bay. A rival bid has been launched by a Chinese state-owned consortium, so the stakes for the strategic location are high. This year China has already managed to build a dual-use military port in Cambodia.

Closer to home, there is still constant speculation that the United States would like to open a new port facility just outside Darwin which could eventually be “dual purposed” to allow American marines to land equipment in the Northern Territory, away from the existing Chinese-leased Port of Darwin.

Hong Kong

This week the most recent pro-democracy movement in Hong Kong marked its six-month milestone. Many had predicted the anti-government demonstrations that began in middle of the year would have gradually evaporated, or worse, be brutally crushed by authorities from mainland China. Instead, the student-led protests, which have their origins in the 2014 “Umbrella Movement”, have gone from strength to strength as this year has dragged on.

Hong Kong’s highly anticipated district council elections held in November delivered a stunning rebuke to the Beijing-backed administration of Carrie Lam, and re-energized the protest-weary pro-democracy supporters. Just this week protest organisers estimated that 800,000 residents turned out for a peaceful march in what was one of the largest mass rallies through Hong Kong’s streets in months.

On the day I arrived in Hong Kong in late October, the Extradition Bill was formally withdrawn from the city’s legislature, but any hope from Beijing that this retreat would satisfy demonstrators was quickly dashed. To the constant refrain of “Five demands, not one less”, anti-government activists have continued to take to the streets, often deploying more violent tactics, to insist on further democratic reforms in the Chinese-controlled territory.

The months of protests have severely hurt the former British colony’s economy and reputation, and helped to officially plunge it into recession, but the stunning results in the district council elections suggest that the constant smell of tear gas wafting through Hong Kong has not deterred supporters of democracy.

It is very difficult for anyone to predict where the political situation in Hong Kong will go from here. Hong Kong’s status as a “Special Administrative Region” of China is set to expire in 2047, and the impression now is that Beijing is prepared to embark on a long-waiting game before exerting further control.

So why is this all important? During my two weeks in Hong Kong, locals would constantly remark that what was happening in the city was of global significance. They pleaded for Australia and other nations to continue to focus on what was happening, and to warn that if the Chinese Government was so easily able to push Hong Kong around without international condemnation, others, such as Taiwan, would be next. There is little doubt that Hong Kong and Taiwan are for Xi Jinping “unfinished business”, but it remains to be seen when and how the now Chinese President-For-Life will act on the two troublesome islands.

The United States Alliance

Back in early 2016, I went to visit one of the most senior figures in the ADF, in his Canberra office. We were supposed to have a chat about what was currently occurring in the Australian military but, at the time, the dominant story around the globe was the increasingly bizarre presidential primaries for the Republican Party.

At the time, Donald Trump was considered somewhat of a laughing stock around the world, and nobody seriously thought he would get anywhere near clinching the Republican Party nomination, let alone winning the White House.

As I chatted with this senior ADF figure, I asked him what he made of the spectacle. In hindsight his reply was quite telling. “It’s a sideshow, but I am starting to get worried about how long it’s dragging on. The longer it goes on the more worried I get.” If it were not for Donald Trump’s spectacular victory, I would probably have forgotten the conversation.

Once the initial shock of the political result had settled, Australian politicians, and ADF commanders, set about assuring each other that, despite whatever pronouncements were made by the new administration about United States allies having to “pull their weight” or “paying their share”, Australia’s alliance would remain rock solid as it always had.

Following every spectacular public spat between President Trump and a world leader, or after particularly bizarre White House leaks, diplomatic and defence officials would publicly and privately insist to their international friends that military co-operation and alliances were continuing as they always had, despite the political bluster.

Despite the assurances, distrust of the United States among Western allies has steadily increased since Donald Trump’s ascendancy. While the ANZUS² alliance, to which Australia has paid a significant price in blood and treasure, remains rock solid, other relationships have been rattled. Nations such as Japan, South Korea and the Philippines have been forced to reassess long-standing arrangements and certainties, while organisations such as NATO³ have been forced to genuinely ponder their future.

For the first few years of the Trump presidency, there was a misguided view that the Trump era would soon be over, and some form of normality would soon return to United States foreign policy. Slowly, the realisation is dawning on governments and militaries around the world that this is unlikely, and that four more years of a Trump presidency needs to be prepared for, and all the uncertainty and unpredictability it brings.

As former prime minister, Kevin Rudd, argued in a speech in Canberra last month: “Australia must continue to consolidate its alliance with the United States. The alliance remains an enormous force multiplier for Australia at every level. It remains a critical factor impacting China’s long-term strategic perceptions of Australia. It creates greater respect in Beijing for Australia, not less, given that China continues to recognise the formidable capabilities of the United States armed forces and the closeness of the alliance relationship Canberra has with Washington.

I am not pessimistic about the future of the United States alliance, but I believe Australia must prepare for an increasingly challenging future. As the renowned defence analyst, Alan Dupont, observed on 10 December in *The Australian*:

“Anyone who doubts that the long peace in Asia has come to a precipitate end need only scan the latest news to see the confluence of geopolitical disturbances that has turned our once tranquil region into a combustible zone of conflict and strategic rivalry. Last

²Australia, New Zealand, United States

³North Atlantic Treaty Organisation

month, South Korea and Japan scrambled fighters to intercept Russian and Chinese bombers intruding into their air defence identification zones. China rails against mooted United States missile deployments to the region and arms supplies to Taiwan, making clear that it will use force if necessary, to reunify Taiwan with the mainland. India and Pakistan are at loggerheads over disputed Kashmir, Hong Kong is in turmoil, North Korea has resumed ballistic missile testing and Beijing is tightening its control of the South China Sea by continuing to militarise artificial islands, heavying Vietnam and The Philippines and establishing what looks suspiciously like a new military base in Cambodia. East Timor may be next.”

Federal Election, Defence Policy, Defence Industry

In April 2019, the Prime Minister fired the starter’s gun on a five-week election campaign which he was widely tipped to lose. Most political insiders (from both sides), commentators, journalists and pollsters wrongly predicted the Coalition would fail to secure a third term under its third leader.

As is often the case during Australian elections, during the five-week campaign there was virtually no mention of defence or security policy, with the notable exception of a spectacular intervention by former prime minister, Paul Keating.

In an interview with the ABC after Federal Labor’s campaign launch, Mr Keating stridently attacked the heads of Australia’s intelligence agencies declaring “the nutters are in charge”. According to Mr Keating, these organisations had “lost their strategic bearings” and he urged Opposition Leader Bill Shorten to “clean them out” if he won the May election.

He took particular aim at a former journalist, the one-time Fairfax Beijing correspondent, John Garnaut, who then became an adviser to Malcolm Turnbull and helped to write a classified report for ASIO on Chinese influence in Australia. Paul Keating said: “Once that Garnaut guy came back from China and Turnbull gave him the ticket to go and hop into the security agencies, they’ve all gone berko ever since. When you have got the ASIO chief knocking on MPs’ doors, you know something’s wrong.”

There’s no doubt Paul Keating wanted to make a lasting impression on the campaign, but it is likely his comments produced the opposite outcome to what he was hoping. The attack on Australia’s intelligence agencies drew an instant rebuke from the Prime Minister and prompted the Opposition Leader to quickly endorse them. “We’ve worked very well with the national security agencies – they know that, and we know that – and of course we will continue that”, Bill Shorten said.

In my view, Mr Keating’s comments and subsequent rebukes, also served the purpose of guaranteeing the survival of one of Canberra’s most formidable figures, the secretary of the Home Affairs Department, Mike Pezzullo, no matter who won the election. Since his time as an advisor to former Labor Leader Kim Beazley, Mike Pezzullo has pushed for the establishment of a mega Home Affairs Department, but many current Labor MPs had been agitating for Bill Shorten to remove the former Kim Beazley staffer.

Apart from Mr Keating’s intervention, there was virtually no debate or policy differences between the major parties on national security or defence during the campaign. Labor, however, did suggest, if it won office, it would allow a “brief pause” to assess the progress on the massive Future Submarine Programme, a policy which the current government would be wise to embrace.

Over the past year, I and others have reported on the various difficulties and delays the French-run programme is experiencing, only to be met with furious denials by government. Finally, last month, we had the first hint of formal confirmation that the plan to design a new, highly complex, conventionally-powered fleet of 12 submarines may not be going as well as we had been told.

Appearing before Senate Estimates, Rear Admiral Gregory Sammut acknowledged the programme is now estimated to cost \$225 billion to build and maintain. Construction on the first boat we were also told would not begin until a year later than expected in 2024. Conservatively, I estimate the programme is already running 18-months late, and we have not yet completed the preliminary designs.

In the year ahead expect defence industry policy to be a dominant theme, as local Australian companies grow louder in their dissatisfaction at how many dollars are heading overseas to the large primes⁴. Already, the Australian Industry and Defence Network has called for an urgent review of the Australian Industry Capability programme. These concerns will only grow in 2020.

Conclusion

Perhaps not since the Battle of Midway have Australians felt genuinely threatened at home by a foreign power. Three generations of Australians, myself included, have enjoyed the peace and stability brought about by the old “rules-based” order. What is not certain is whether the fourth generation of Australians will be so lucky. I fear the fifth generation will almost certainly not be so fortunate.

The Author: Andrew Greene is a journalist who has been a defence correspondent for the Australian Broadcasting Corporation (ABC) since 2015. Following graduation in Communications from the University of Canberra in 2005, he served as a federal political reporter for commercial television and radio before joining the ABC in a similar role in 2010. In 2012-2013, he served as a general reporter for the *Prague Post* in the Czech Republic, before returning to the ABC. As ABC defence correspondent, he has reported from Afghanistan, Iraq, the United States and Asia, as well as on assignments across Australia. He has participated in two international emerging leadership dialogues; and was awarded the *Elizabeth O’Neill Journalism Award* by Department of Foreign Affairs and Trade in 2018.

⁴Major defence industry contractors