ROYAL UNITED SERVICES INSTITUTE
OF NEW SOUTH WALES

Submission to 2013 Defence White Paper

The Royal United Services Institute of New South Wales (the Institute), now in its 125th year, is one of seven self-governing constituent bodies of the Royal United Services Institute of Australia.

The Institute seeks to promote informed public debate on, and to improve public awareness and understanding of, defence and national security. It achieves this by a variety of means, including contributing to the national debate on defence and security policy and making submissions to government on specific policy issues.

The Institute welcomed the 2009 Defence White Paper as an excellent foundation for the development of Australia's defence capability. Subsequently, we have closely followed the operations of the Australian Defence Force (ADF) and the development of its capability. The Force Posture Review was a welcome initiative and our Institute made a submission to it. We were pleased with its findings.

In 2011, we conducted an International Defence and Security Dialogue on "The Global Strategic Outlook" at which the keynote address, "The Global Strategic Outlook: a South-Asian Perspective", was delivered by Vice-Admiral Arun Kumar Singh, a former Flag Officer Commanding-in–Chief, Eastern Naval Command, India. The proceedings were subsequently published in the Institute's professional journal, *United Service*[1], and on-line at www.rusinsw.org.au.

Our next International Dialogue will be on 26 February 2013. An international panel of eminent strategists will present their views on the strategic outlook for Australia's immediate neighbourhood and its implications for Australia's foreign, defence, security, disaster relief and humanitarian assistance policies; followed by a panel discussion with audience participation. The programme is at Appendix 1. The proceedings will again be published and will be provided to the government to inform future policy development processes.

Against the background of these and other of our activities, our Institute welcomed the announcement of the plan to issue a new White Paper in 2013 and is pleased to make this submission. In doing so, we will briefly review the 2009 White Paper and then identify changes since which affect it. We will then consider the current strategic environment and draw our conclusions on the impact on Australia's defence policy, force posture and finally the force structure.

Review of 2009 White Paper

The 2009 Defence White Paper was an excellent document. It clearly identified Australia's strategic interests. It defined an appropriate policy framework enabling Defence to act independently, lead military coalitions, and make tailored contributions to allied coalitions. It identified the tasks expected of the ADF to be: to deter and defeat armed attack on Australia; to contribute to stability and security our immediate neighbourhood; to contribute to military contingencies in the Asia-Pacific Region; and to contribute to militarily to global security. It provided for substantially increased investment in the capability of the Navy, Army and Air Force, balanced to meet all contingencies envisaged in the coming two decades. It also laid down a funding mechanism.

Changes since 2009

Since the 2009 Defence White Paper was developed, the context in which it was developed has changed. Those changes which have an impact on the 2013 White Paper are described below.

Changes in the regional strategic environment

Since 2009, the strategic environment in the Asia-Pacific Region[2] has changed. China has eclipsed the United States economically and India is catching up with her. Both China and India have further developed their maritime capabilities. China is exerting greater influence and is making territorial

[1] *United Service*, Vol. 62, No. 3 (September), 2011

[2] We define the Asia-Pacific Region as encompassing both the Indian and Pacific Oceans. Others, especially in South Asia, increasingly use the term Indo-Pacific Region to describe the strategically-linked Indian Ocean and Pacific Ocean regions.

claims in the East and South China Seas. In response, the United States has shifted its strategic focus to engage more with Asia.

In parallel with these changes, the United States has declined militarily and economically in both relative and absolute terms. Wars in Iraq and Afghanistan, together with the 'Arab Spring', have underlined the limits of American power and the American economy has been very slow to recover from the global financial crisis. The United States is heavily indebted, with China now its principal creditor. Nevertheless, the United States is likely to remain the world's only superpower for the next two decades at least.

Concurrently, the United States–China relationship has become stronger and is maturing as China asserts an international role commensurate with its growing economic and military power and the United States attempts to accommodate China's aspirations within the current world order. The three-way relationship between China, India and the United States will dominate the region's future strategic environment and any thought that Australia might serve as an intermediary in negotiations between China and the United States is not realistic. Whatever drives these three states in the future will affect Australia, so we must continue to foster good bilateral relationships with each of these powers, as well as with the states in our immediate neighbourhood.

The planned drawdown of the ADF from Afghanistan, the Solomons and East Timor

The ADF, particularly the Army, has been heavily committed to counter-insurgency operations in Afghanistan for a decade and the planned drawdown by 2014, if not earlier, will certainly provide relief from this heavy and long-standing commitment. Renewed focus will be placed on Australia's leadership responsibilities for defence and security in its immediate neighbourhood, including, significantly, those neighbourhood responsibilities it has under the ANZUS Treaty. Against this, with less focus on operations, the ADF may have more time for the planning and implementation of any readjustment to roles and/or tasks which may come from the 2013 White Paper.

Many personnel, however, both permanent and reserve, are likely to react adversely to the reduced operational opportunities and retention may become an increasing problem, especially in Army. This may be exacerbated by similar withdrawals from East Timor and the Solomon Islands in 2013, increasing the importance of maintaining opportunities such as Rifle Company Butterworth.

The force posture review

The final report of the Defence Force Posture Review, to which this Institute made a submission, was a welcome examination of both the siting and capacity of the ADF bases and training areas, and the ADF's ability to sustain high-tempo operations in our neighbourhood and region. Its conclusions and recommendations seem well founded and should be implemented, although clearly some will require substantial investment and will take many years to implement. The issues it raises which should be addressed in the 2013 White Paper include:

1. enhancement of Naval bases in the north west;
2. expansion of homeport facilities for Navy vessels in the west and north; and
3. improvement of the logistic support of bases in northern Australia.

The Review also identified that the landing-helicopter-dock amphibious ships, which will enter service shortly, would expand Australia's joint maritime capability and capacity significantly and would drive future force posture considerations. We believe this conclusion is central to the future development of the ADF capability in our region and we will address it later in this submission.

The Government's commitment to return Australia's budget to surplus

The 2009 Defence White Paper, based on a realistic strategic assessment of our region, provided for a well-rounded and balanced military capability for our nation. It included a funding commitment of 3 per cent real increase until 2018 and 2 per cent thereafter until 2030. All budgets since then have breached this commitment and many of the planned capital procurements have not been progressed as planned. There has also been a significant reduction in ADF non-operational activities, with flow-on impacts now being felt on personnel morale, retention and operational readiness.

While returning the budget to surplus may be politically (if not economically) necessary, it must be implemented in Defence such that a balanced and credible defence capability is developed over future years.

It needs to be recognised that personnel, in particular, are not a commodity that can be purchased off-the-shelf as and when needed, nor can they be switched on and off at will like an electric light. It takes at least 10 years to develop middle-ranked commissioned and non-commissioned officers, and once developed, they must be retained and their skills maintained. So there has to be a long-term financial commitment to sustain the personnel needed for both likely contingencies and a strategic reserve (as a basis for force expansion).

For its part, Defence must spend money more wisely to deliver the priority capabilities, especially weapons systems. The ring-fencing of priority capabilities, to protect them from adjustments to Defence budgets, is an acceptable way forward.

Use of Australian military bases by United Sates forces

Command of the Pacific and a strong presence in the Indian Ocean is pivotal to the interests of the United States in the Asia-Pacific Region. The rotation of United States marines through Darwin will retain this capability in the region, while reducing political pressure on Japan and helping share the basing load with regional allies. It is consistent with our ANZUS Treaty obligations, but must not be used by Australia as an excuse for reducing its own investment in a credible Australian Army. Indeed, it may even assist the Australian Army to develop the amphibious capability it will need for joint operations with Navy when the new amphibious ships enter service. It also may encourage further co-operation between the United States and Australia areas such as intelligence sharing, cyber security, research co-operation, industrial support/technology transfer, and combat operations.

The decision to extend this basing assistance to the United States Navy in Freemantle (an Indian Ocean base) and to the United States Air Force in northern Australia is welcomed for similar reasons.

New naval capabilities

The new amphibious ship (LHD) and air-warfare destroyer (AWD) projects are progressing and will significantly enhance Australia's regional maritime security capability and our capacity to undertake humanitarian assistance and contribute to coalition operations. Their entry into service will need to be fully provided for in the 2013 White Paper.

The planning for the new submarine project is also progressing and all options are being fully considered. A decision on the way forward for this important capability must be made early within the timescale of the 2013 White Paper.

Current Strategic Environment

Global

From a narrow Australian perspective, the global strategic environment has not changed significantly since the 2009 White Paper *i.e.* the trends identified therein as they directly affect Australia have been confirmed and are continuing. Europe's influence, however, has declined further as it struggles to avoid economic collapse, and peace in the Middle East seems as far away as ever. The 'Arab Spring' is still playing out and it is remains uncertain whether or where secular democratic or Islamist governments will emerge from the upheaval. The trend for China and Middle East powers to acquire land for food production overseas (as an insurance against starvation at home), especially in Africa, has gathered pace; as has China's no-strings-attached assistance to developing countries, presumably to 'purchase influence'. Brazil has emerged as a major economic and cultural force on the global stage. Iran's slow but steady march to acquire nuclear weapons remains on track, despite Israeli and Western attempts to discourage it.

Region

In our region, which encompasses the Indian and Pacific Oceans, the major players continue to be the United States, China and India, all of whom are nuclear powers. They will continue to take decisions and develop their military forces to protect their economic and social development and

interests. Australia will need to co-operate with all three countries, both bilaterally and through regional fora, and to further develop our relationship on all fronts with them, including military co-operation.

China's two proxies, North Korea and Pakistan, also have acquired nuclear weapons and the capacity to deliver them, not just to strike neighbours, but to also deter more distant foes, with Australia potentially within range. According to Indian sources, Pakistan is now able to produce sufficient weapons-grade plutonium to produce 10 – 15 nuclear weapons annually. Both struggle to manage internal dissention. Should either become a 'failed state', the fate of its nuclear weapons would become a major concern, especially in the case of Pakistan which is seen by many observers as the home of 'terrorism central'.

Russia, in addition to the United States, has 'pivoted' away from Europe to the Pacific, aided by melting sea-ice in the Arctic and massive investment in Vladivostok and its far east. It is developing a strong naval presence in the Pacific, consistent with its rapidly growing merchant naval interests there.

China has just undergone decadal leadership change, with the new regime possibly more nationalist and conservative than the last. It is likely to aggressively pursue territorial claims in the East and South China Seas, pushing its neighbours further into the protective arms of the United States, while at the same time at home it deals with entrenched weaknesses in its one-party system, corruption, an ageing population, diminishing export opportunities and rising wage costs necessitating economic structural adjustment. There is political disenchantment among its burgeoning middle-class. While it will become the world's largest economy within a decade or two, internal strains and backwardness in military technology *vis-à-vis* the United States may serve as a brake on its ambitions.

India displays all the advantages and disadvantages, including massive inefficiencies and corruption, associated with being the world's largest democracy. Nevertheless, it is favoured more by demographic trends than is China, has a dynamic private sector and may surpass China as the world's largest economy beyond the period covered by the 2013 White Paper. It maintains a very large army focused primarily its neighbours, Pakistan and China. It has an eastern navy in the Indian Ocean and a western navy in the Arabian Sea. At one end of the scale, anti-piracy is a major activity, while at the other, it is developing significant nuclear submarine and aircraft carrier fleets. The 2013 White Paper should provide for closer co-operation and joint training between the Indian and Australian navies and between the Indian Coast Guard and Australia's Border Protection Command.

Neighbourhood

It is in our immediate neighbourhood, which we share with Indonesia, Timor-Leste, Papua New Guinea, the Solomon Islands, Vanuatu, New Caledonia, New Zealand, Fiji and Tonga, that change of most relevance to our strategic environment has occurred. Several issues, both individually and more so when taken together, have served to create a more acute defence and security problem for us. They include:

- the presence of several small independent states which suffer from weak governance and corruption and teeter on the brink of failure;
- maritime security challenges, with the expansion of off-shore energy installations, and an increase in piracy, especially in the Indonesian archipelago;
- climate change, and its expression locally as sea-level rise affecting low-level island communities, and more severe weather events (such as cyclones, tsunamis, flooding and droughts) creating natural disasters and humanitarian (including food) crises;
- border protection issues arising from organised crime (including drug and people trafficking and smuggling) and political, economic and environmental refugees, many if not most of extra-regional origin;
- protection of fishing rights and other infringements of natural resource rights in the exclusive economic zones of neighbourhood states;
- illegal natural resource exploitation (especially minerals and timber), often linked to weak governance and corruption;
- the spread of organised crime within the neighbourhood and the threat it poses to Australia;

- unsatisfied local autonomy and independence demands (*e.g.* Indonesian New Guinea, Bougainville, New Caledonia); and
- strong economic development of some countries in our neighbourhood (*e.g.* Indonesia and Papua New Guinea) contrasted to weak economic development of others (*e.g.* Timor-Leste and the Solomon Islands).

A more complete list is at Appendix 2.

Australia's Strategic Interests

Australia's strategic interests have not changed. They are:

- to ensure a secure Australia, which requires us to control sea and air approaches to our continent;
- to ensure a secure immediate neighbourhood, which requires us to take a leading role to achieve the security of, and stability and cohesion in, our immediate neighbourhood; and
- to contribute to stability in the Asia-Pacific Region.

Defence Policy

The defence policy laid down in the 2009 Defence White Paper is still appropriate for the 2013 White Paper.

Defence Posture

The review of Australia's defence posture has been well addressed in the recent Defence Force Posture Review which makes a wide range of sensible conclusions and recommendations which should be considered in the 2013 White Paper – of particular importance is the upgrade and enhancement of defence bases and training areas in the north and west and improvements in logistic support for them.

Defence Force Structure

General considerations

To undertake the lead role in our neighbourhood, Australia needs both:

- a standing defence force that can deal with the likely contingencies; and
- a credible, well-trained, cost-effective strategic reserve to deter the emergence of, and if necessary respond to, the less likely contingencies.

In geographic and infrastructure terms, much of our immediate neighbourhood has changed little since World War II. The lessons learned by Australian forces in New Guinea, New Britain, Bougainville and Borneo from 1942 to 1945 should be revisited and incorporated as warranted into current defence planning and doctrine. Amphibious operations should be considered the norm and the whole Defence Force should be trained for them. In this context, the United States Marine Corps model has much to commend it and should be examined carefully in formulating our defence force structure.

We also need to consider Australia's role *vis-à-vis* that of our neighbours. A model that has emerged over the last decade in the delivery of peace-keeping, stabilisation and disaster relief assistance in Bougainville, Timor-Leste, the Solomon Islands and Aceh, is for a neighbourhood team ('combined task force') to be assembled to deliver the aid. The team has usually been led by Australia, with Australia providing the force structure and most of the logistic support for it, and with other nations contributing niche capabilities as able and needed. For such a model to work, it needs acceptance by all neighbourhood governments, excellent teamwork and a high degree of inter-operability among the participating agencies – defence and police forces, and government and non-government aid agencies.

While there is some comfort with this model, there may well be other models that are equally good or preferred in different circumstances. For example, the following neighbours could conceivably lead and/or contribute forces under different circumstances: Fiji, France, Indonesia, New Zealand, Papua New Guinea and Tonga. If there are better models, these need to be flushed out. The White Paper needs to specify the model(s) as the model(s) will be a key driver of force structure.

Considered against these criteria, the ADF may be broadly structured appropriately to meet the tasks Australia's strategic environment places on it. There is definitely fine-tuning needed, however, at unit level and below to enable absorption of the joint amphibious capability, especially in Army. Beyond that, where concerns exist, generally it is because much of that structure is hollow, being undermanned and under-equipped, and that major weapon systems required are not currently available and/or may not be obtainable. Of particular concern is that Army no longer has a strategic reserve. Indeed, Army is becoming our 'Achilles heel'.

Capability versus capacity

In this context, it needs to be understood Navy and Air Force tend to be weapons-system centric whereas Army tends to be personnel centric. Capability (a qualitative trait) in Navy and Air Force is measured principally in terms of the types of weapons systems (*e.g.* conventional submarines; fighter aircraft) and capacity (a quantitative trait) is measured in terms of the numbers of each type of weapons system possessed (*e.g.* 12 conventional submarines; 100 fighter aircraft) – although for many analyses this can be better expressed as the number that can be deployed operationally at any one time.

In contrast, Army capability is measured by the types of units (light infantry, mechanised infantry, field artillery, medium artillery, field hospital, general hospital and the like) and capacity by the number of each type of unit coupled with the fighting strength of each unit at the relevant time – an infantry battalion near to full strength (say 800 men) has much greater capacity than one seriously weakened by casualties (say of 200 men), even though both may still possess the same capabilities (*e.g.* types of weapons).

Navy

The planned increase in Navy's capability (*i.e.* the LHDs, the AWDs) and the plans for a new submarine will enhance the capability and, in the case of the submarines, the eventual capacity of the Navy to meet its tasks. There will be one less amphibious ship than in the recent past (two rather than three) and it is planned to take some 30 or so years to build up to a fleet of 12 submarines. So, for the period covered by the White Paper, there will be reduction in amphibious capacity (not withstanding that each of the two replacement ships will have much greater capacity than the ones they are replacing) and only a very slow build-up of submarine capacity.

Army

While current strategic guidance calls on Army to sustain a brigade group and a separate battalion group on operations indefinitely, given recent budgetary cuts it will now only be able to provide a brigade group; its tanks are to be mothballed; and it will purchase towed howitzers rather than self-propelled ones.

On present indications, the standard multi-purpose infantry brigade group will be an integrated Regular and Reserve formation consisting essentially of three infantry battalions, each of three rifle companies (rather than the standard four), with artillery, engineer and logistics support. It may also have a light armoured capability, but no tanks. One of the battalions will be a composite drawn from several Army Reserve units. Whether such a formation would be suitable for war-fighting on its own in our neighbourhood remains, at best, moot, but most experts would say no. It has the potential, though, to disperse up to four semi-independent, unit-sized 'battle groups' or may be ten sub-unit-sized 'combat teams' on peacekeeping or humanitarian tasks.

There will be three of these brigade groups functioning on a three-year readiness cycle. At any one time, one will be ready for deployment or deployed; another will be preparing to deploy; and the third will be 'resetting' following deployment. In addition, there will be an amphibious battle group (based initially on 2nd Battalion, Royal Australia Regiment) which specialises in operating with Navy's amphibious ships to secure coastline points of entry to an operational area and providing humanitarian/disaster assistance. Finally, Special Operations Command will remain unchanged, with a special air service regiment and two commando regiments (one Army Reserve).

As already mentioned, Army no longer has a strategic reserve. This role up until the last decade was performed by the Army Reserve, but the latter is now fully committed to the support of current operations. The use of the Army Reserve as an operational reserve is strongly supported, but for Australia to be a credible neighbourhood leader, the re-creation of a strategic reserve in addition to an operational one is also essential. Of particular concern is the ability of the Army as a whole, not just a single battalion group, to operate as part of a joint amphibious force from the LHDs.

By any measure, our Army currently is an extremely modest force and especially so when viewed alongside the military capability elsewhere in our region. We are especially concerned about its capacity to lead and sustain more than simple peace-keeping, disaster relief and humanitarian operations in our neighbourhood. At its present strength, war-fighting, if it became necessary, would be well beyond it. Whether it may be regarded as adequate for Australia's defence and security needs over the next two decades depends on the threat assessment and must be resolved by the 2013 Defence White Paper. Already, public comments by our principal ally indicate that the United States regards it as inadequate.

Air Force

Like the Navy, the Air Force is well placed, on paper at least, to meet its operational commitments. Moreover, the recent acquisition of airborne early warning and control aircraft, unoccupied aerial systems and KC-30 tanker aircraft, with the impending acquisition of a replacement for the AP-3C maritime patrol aircraft, places the combat support forces in an enviable position.

Other air forces in our neighbourhood and region, however, either have already acquired or are also acquiring state-of-the-art fighter aircraft. In this context, there is justifiable concern about the F35 Joint Strike Fighter and whether this project can deliver a credible aircraft with the capabilities that we require, within an acceptable time frame and at a cost per aircraft that the Defence budget can afford.

With respect to capacity, Australia has operated 100 aircraft for air defence and strike operations. It is now claimed that, with more sophisticated aircraft, we can make do with 75 or less. While there may be some valid basis for such arguments, the geographic realities have not changed, nor has the potential for attrition in high-level war-fighting. Moreover, a force of mixed aircraft types will increase personnel training and logistic support overheads.

The 2013 White Paper should provide for the contingency that the JSF project 'falls over' and should make explicit the cost-risk trade-off involved in the capacity decision, without jeopardising the long term air power capability.

Defence industry

A defence industry in Australia able to maintain and sustain all the weapons systems and platforms operated by the ADF is essential to the operational effectiveness of the ADF. In this context, of concern is the impact on our defence industry of the deferred expenditure on large projects. Industry needs certainty which the 2013 White Paper should provide.

ADF culture

Finally, we are well aware of the concerns within Defence of the Defence Force Academy Skype incident and the subsequent DLA Piper review, which has reported allegations of harassment from previous years. We understand that strong action must be taken to address the culture which allows such incidents. Although it is not an issue for the 2013 White Paper, it is important that, whatever action Defence and the Government decide to take to address these problems, is initiated quickly and positively to enhance confidence in the command chain and to avoid challenging morale the distraction the matter is generating across the ADF.

Conclusion

The newly re-elected Obama administration in the United States has lost no time in stating publicly its disquiet at cuts to defence spending in Australia – defence expenditure is budgeted to be 1.56 per cent of gross domestic product this financial year (the smallest level since 1938) – at a time

when other key nations in our region are increasing theirs. Indeed, the cuts are viewed as threatening our credibility as an ally. There is also a perception that Australia is taking advantage of the training of United States marines in Darwin to cut back its Army and that, in effect, we are 'freeloading' on the American taxpayer.

In the current economic climate, it is understandable that there may be a political desire to seek a 'peace dividend' and to reduce defence expenditure following the completion of the commitments to Iraq and Afghanistan. Against this, Australia is being asked to take lead responsibility within the ANZUS Alliance for the security of our immediate neighbourhood, which faces a range of potential defence and security threats necessitating responses such as peace-keeping, border protection, crime-fighting, resource protection (especially in the maritime domain), disaster relief and humanitarian assistance. Further, the possibility of high-level war-fighting occurring, while seemingly remote at this juncture, cannot be ignored. The capability for it exists and is being expanded within the wider region, and while political intent is currently benign, intent can change quickly[3].

The 2013 White Paper will need to address these issues. It will need to formulate a credible, cost-effective Defence Force able to exercise leadership in our neighbourhood, not one intended primarily to provide niche capabilities to allied forces in distant theatres. Such a defence force will not come cheaply, but is a vital national investment. The 'Achilles heel' of the last white paper was that subsequent budgets did not allocate adequate funds to its implementation. It is vital that the next budget allocates sufficient resources to enable the 2013 White Paper to be fully implemented. We can be sure that our neighbours and our United States ally will take a close interest in the outcome.

These issues will also be examined during the Institute's 2nd International Defence and Security Dialogue on 26 February 2013. We reserve the right to make a further submission to you based on the Dialogue's outcomes. We would also welcome the opportunity to discuss points made herein with you.

D. J. Roser	*D. R. Leece*	*R. B. Treloar*
D. J. Roser [4] Group Captain (Ret'd) *President*	D. R. Leece, PSM, RFD, ED Brigadier (Ret'd) *Vice-President*	R. B. Treloar, AO Air Vice-Marshal (RAAFAR) *Immediate Past President*

29 November 2012

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[3] The acquisition of military capability, both human and *matériel*, can involve long lead times. It typically takes at least a decade to develop middle-ranking leaders, and acquire/introduce into service new weapons systems and platforms (such as ships and planes), even if purchased 'off-the-shelf'.

[4] While Group Captain Roser, Brigadier Leece and Air Vice-Marshal Treloar are the Institute's principal office-bearers, these are their personal views. They have been informed, in large part, by papers presented at Institute lectures and seminars and then published in *United Service* – see 'Literature Consulted'.

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Appendices:
1. 2nd International Defence and Security Dialogue Programme
2. Neighbourhood Defence and Security Issues

ROYAL UNITED SERVICES INSTITUTE
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APPENDIX 1 TO
RUSI NSW SUBMISSION
DATED 29 NOV 12

2nd International Defence and Security Dialogue

Australian National Maritime Museum, Darling Harbour
Tuesday, 26 February 2013

Australia's immediate neighbourhood: the strategic outlook and its defence and security implications

PROGRAMME

0830 – 0850 REGRISTRATION

SESSION 1: THE STRATEGIC OUTLOOK – REGIONAL OVERVIEW
Chair: Group Captain Doug Roser (Ret'd)
President, Royal United Services Institute of New South Wales

0850 – 0900 **Welcome and Introduction to the Dialogue**
Her Excellency, Professor Marie Bashir, AC, CVO
Governor of New South Wales and Patron of the Royal United Services Institute

0900 – 0955 **Keynote Address and 2013 Blamey Oration**
The Strategic Outlook for Melanesia
Professor Richard Herr, OAM,
Honorary Director, Centre for International and Regional Affairs, University of Fiji

0955 – 1000 **Presentation of 2013 Blamey Medallion to the Blamey Orator**
Major General David McLachlan, AO (Ret'd)
Chairman, The Field Marshal Sir Thomas Blamey Memorial Fund
The Blamey Oration
The Blamey Oration perpetuates the memory of Field Marshal Sir Thomas Albert Blamey, GBE, KCB, CMG, DSO, ED, Australia's highest ranking serviceman, who was commander-in-chief concurrently of the Australian Military Forces and the Allied Land Forces, South-West Pacific Area, from 1942 to 1945 when Australia's security was directly threatened by Japan.

1000 – 1030 MORNING TEA

SESSION 2: THE STRATEGIC OUTLOOK – INDIVIDUAL COUNTRIES
Chair: Brigadier David Leece, PSM, RFD, ED (Ret'd)
Vice-President, Royal United Services Institute of New South Wales

1030 – 1100 **The Strategic Outlook: Timor-Leste**
Dr José Ramos-Horta, GCL
Nobel Peace Laureate and Former President, Democratic Republic of Timor-Leste

1100 – 1130 **The Strategic Outlook: Papua New Guinea**
Dr Ronald May
Emeritus Fellow, State, Society & Governance in Melanesia Programme, Australian National University

1130 – 1200 **The Strategic Outlook: Fiji**
Major-General Sitiveni Rabuka, CF, OBE, OStJ (Ret'd)
Former Prime Minister of Fiji and Chairman of the Great Council of Chiefs

1200 – 1230 **The Strategic Outlook: New Zealand**
Mr John McKinnon
Former Secretary of Defence, New Zealand

1230 – 1330 LUNCH

SESSION 3: IMPLICATIONS FOR AUSTRALIAN FOREIGN, DEFENCE AND SECURITY POLICIES
Chair: Air Vice-Marshal Bruce Short, AM, RFD (Ret'd)
Vice-President, Royal United Services Institute of New South Wales

1330 – 1400 **Foreign Policy Implications**
Ms Jenny Hayward-Jones
Director, Melanesia Programme, Lowy Institute for International Policy

1400 – 1430 **Defence Policy and Force Structure Implications**
Lieutenant General David Morrison, AO
Chief of the Australian Army

1430 – 1500 **Security, Disaster Relief and Humanitarian Assistance Policy Implications**
Dr Alan Ryan
Executive Director, Australian Civil-Military Centre

1500 – 1530 AFTERNOON TEA

SESSION 4: PANEL DISCUSION
Moderator: Air Vice Marshal Bob Treloar, AO, RAAFAR
Immediate Past-President, Royal United Service Institute of New South Wales

1530 – 1640 **Panel Discussion and Audience Participation**
Panellists:
Professor Richard Herr, OAM, University of Fiji
Dr José Ramos-Horta, GCL, Timor-Leste
Dr Ronald May, Australian National University
Major-General Sitiveni Rabuka, CF, OBE, OStJ (Ret'd), Fiji
Mr John McKinnon, New Zealand
Ms Jenny Hayward-Jones, Lowy Institute for International Policy
Lieutenant General David Morrison, AO, Australian Army
Dr Alan Ryan, Australian Civil-Military Centre

1640 – 1655 **Summation of Dialogue**
Professor Peter Leahy, AC
Foundation Director, National Security Institute, University of Canberra

1655 – 1700 **Concluding Remarks**
Group Captain Doug Roser (Ret'd)
President, Royal United Services Institute of New South Wales

Confirmation pending

**APPENDIX 2 TO
RUSI NSW SUBMISSION
DATED 29 NOV 12**

Neighbourhood Defence and Security Issues

Australia's Immediate Neighbourhood

Australia's 2009 Defence White Paper[5] stated at paragraph 5.7 that, after a secure Australia, "our next most important strategic interest is the security, stability and cohesion of our immediate neighbourhood, which we share with Indonesia, Papua New Guinea, East Timor, New Zealand and the South Pacific Island states". Indeed, Australia has an enduring strategic interest in helping to build stability and prosperity in its immediate neighbourhood.

In the Dialogue, our focus will be primarily on our neighbourhood's Melanesian[6] sub-region and the neighbourhood's small self-governing states, particularly East Timor, Papua New Guinea, the Solomon Islands, Vanuatu and Fiji, as these are likely to be at most risk of strategic instability.

Strategic Issues

Interviews have been held with relevant leaders of the defence, intelligence, security, media, business, foreign aid and academic communities in Australia to identify issues relevant to Australia's immediate neighbourhood, especially Melanesia, warranting analysis and discussion in a strategic context. From these interviews and internal discussions within the Institute, the following list of strategic issues has been drawn up.

Melanesian culture and diversity

- The self-governing Melanesian states, despite common ethnicity, have divergent national interests on many matters. Papua New Guinea is developing rapidly economically and turning increasingly towards Asia. Other states are declining economically and remain Pacific-focused. Fiji is isolated as a consequence of its current governance arrangements.
- It is a misconception that Melanesian states can be relied on to solve their problems in their own way, generally without bloodshed – the "Melanesian (peaceful) way". Communities across Melanesia are asymmetrical in this respect. Outside support can be needed to resolve issues and it cannot always be generic. It may need to be tailored to specific situations.
- Earlier colonial systems were, and remain, culturally irrelevant in some Melanesian communities and foreign intervention can generate intense resentment.
- In a law-and-order context, differences between Western and Melanesian cultural expectations demand good understanding of local attitudes when providing assistance. While Melanesian elites mostly are familiar with Western law and governance, some serious (Western) crimes are not considered to be serious in some Melanesian communities, whereas some lesser (Western) crimes are considered serious. As a consequence, belief systems can override capacity building in policing.
- The power and influence of the Christian churches, once a strong influence on the modern cultures of the islands, is now variable across Melanesia. In some places it remains a strong civilising and unifying force. In others, the suasive power has waned.

Melanesian natural resources

- Melanesia was once rich in natural resources and Papua New Guinea still is generating considerable gas and mineral wealth.

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[5] Department of Defence (2009). *Defending Australia in the Asia Pacific Century: Force 2030 – Defence White Paper 2009* (Commonwealth of Australia: Canberra).

[6] Melanesia is usually considered to consist of Halmahera, Ceram, New Guinea (Indonesian New Guinea and Papua New Guinea), the Solomon Islands, Vanuatu, New Caledonia, Norfolk Island, and Fiji.

- Papua New Guinea needs assistance with the management of its liquefied natural gas project, especially with the capture of the benefits and their utilisation/distribution.
- The Solomon Islands is dependent on its timber income, but that is fast running out as the forests have been exploited unsustainably. Its mineral resources are next in line for exploitation, but may be similarly difficult to regulate and it cannot manage its fishing resources because of the vast area involved. Resource depletion could hasten state failure. International assistance with resource regulation and management is needed.
- Fiji is heavily dependent on tourism, which depends on magnificent climate and scenery.
- Fisheries resources, upon which many communities throughout the sub-region rely for sustenance, also have been exploited unsustainably, principally by external powers.
- The remaining resources are under pressure as a result of the great developmental needs of some international giants, such as China, India, Japan, Taiwan, Malaysia and Indonesia. The capacity of these countries to acquire food, timber, oil, gas and minerals means that some Melanesian supply sources may be exhausted in time or be acquired by foreign enterprises.
- Climate change and accompanying sea-level rise, intensification of harmful weather systems, changes in stresses on the earth's crust, and hence more frequent and severe natural disasters (such as earthquakes and tsunamis) and the emergence of 'environmental refugees', will further exacerbate these problems and create security concerns.
- Indeed, risks emanating from the effects of climate change and resource insecurity may be key drivers of security challenges and may require more frequent Australian responses to deliver stabilisation (peacekeeping), humanitarian assistance and disaster relief.

Melanesian governance and security

- Poor governance, corruption and undue political influence in each nation-state present significant potential risks to sub-regional stability and security.
- Some Melanesian states need to address constitutional issues, such as the relationship of the constitution to the legislature, the separation of powers and similar issues.
- Failing Melanesian states pose real defence and security risks for these states and Australia. Lax migration and customs procedures provide easy access and egress within the sub-region for those who would do the sub-region and Australia harm.
- Organised criminals and special interest groups already may enjoy relatively easy access to Melanesian states, except perhaps Fiji, and may gain access to Australia via those states.
- In short, contrary to popular perception, Melanesia is not a benign part of the Pacific from an Australian security perspective. Risks to Australia's security derive from failures in Melanesian governance enabling trans-national criminals, terrorists, drug dealers, smugglers and others to access Australia, especially criminals operationally familiar with the travel, transport and information technology sectors.

Melanesian leadership

- Political and administrative improvements in Melanesia may have to be generational. There is an apparent absence of new elites able to take over governments in the future and it is moot whether secondary and tertiary education can be fast-tracked quickly enough to provide potential leaders.
- Corruption is endemic in Melanesian culture and the system of electing/appointing leaders. It is unlikely that this can be changed from outside. Melanesians, themselves, will need to want to change the system.

Melanesian defence and security forces

- Fiji maintains a regionally strong, very professional, defence force, which essentially runs the country. It also currently provides the largest United Nations peace-keeping force in Iraq.
- Papua New Guinea's defence force is less strong. It has also been drawn into political events in recent times.
- Both Fiji and Papua New Guinea have professional police forces.

- The Solomon Islands and Vanuatu maintain police but not military forces. Stability in the Solomons over the past decade has been dependent on external regional assistance led by Australia.
- None of the Melanesian states has a strong coast guard and policing each state's exclusive economic zone is very problematic. Illegal exploitation of the fisheries by foreign interests is a serious concern.

Australia's relations with the Melanesian states

- Australia's foreign policies related to Melanesia and the south Pacific need review.
- There is a perception that the United States has "assigned" Australia to look after its affairs in our neighbourhood. Melanesian states generally would prefer to deal directly with other nations rather than via a third party. It raises perceptions of an ongoing Australian colonial role.
- Australia and various Melanesian states have different political processes and attitudes which inhibit constructive dialogue. For example, given the racial divide in Fiji, ethnic Fijians need to know that they and their lands are secure before universal processes are instigated.
- It is unclear whether the Pacific is seen by Australia as a national priority or what Australia's policy is towards the Pacific. Australian government ministers seem to be uninterested in the region. Few have developed a strong working relationship with their Melanesian counterparts.
- Australian aid frequently creates unintended problems which could be avoided by better incorporation of the recipient nation's views in planning and project management.
- Would Australian assistance to Melanesia be better focused on trade than aid?
- Would Australian humanitarian aid be better focused on economic development than social development?
- China presents a new model of aid, trade and investment, especially in Papua New Guinea. It is perceived as less paternalistic and more successful, although potentially more exploitative. Are there lessons for Australia in the Chinese approach?
- Australia's aid programmes tend to be short-term ones. Some Chinese programmes and those of other large donors are planned on 50-year or longer timeframes.
- While Australia has a mechanism for 'whole-of-government' delivery of its Melanesian programmes, its implementation is considered by many insiders as problematic.
- Is the south Pacific likely to increase or decline in strategic importance for Australia over the next 30 years? What are the implications for our defence relationships with the neighbourhood?
- Should Australia continue to seek to be the defence partner of choice for the small nation-states of our neighbourhood and what are the implications of doing so?
- How can Australia maximise the opportunities flowing from its recent decision to increase defence cooperation with Papua New Guinea?
- How can Australia maximise the opportunities flowing from its recent decision to commence a Pacific maritime security programme (to replace the Pacific Patrol Boat Programme)?

International co-operation

- Australia and New Zealand co-operate in the provision of assistance to Melanesia, but their teamwork is impaired by policy differences. New Zealand is more willing to assist with climate change impacts, provide seasonal labour opportunities and encourage Melanesian participation in multi-lateral peace-keeping missions to generate revenue.
- Would a law enforcement agreement with China help in preventing trans-national crime, illegal immigration, smuggling, money laundering, resources theft and drug dealing in and through Melanesia?
- The Quadrilateral Defence Co-ordination Group may help in maritime surveillance and law enforcement.

Conclusion

Suggestions for further development the above list of issues would be welcomed.