



Australian Government
Department of Defence



GUARDING AGAINST UNCERTAINTY

AUSTRALIAN ATTITUDES
TO DEFENCE



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GUARDING AGAINST UNCERTAINTY: AUSTRALIAN ATTITUDES TO DEFENCE

REPORT ON COMMUNITY CONSULTATIONS

by the External Panel of Experts on the 2015 Defence White Paper

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Defence White Paper 2015 Expert Panel

A Ministerially-appointed external advisory panel

The Hon. Kevin Andrews, MP
Minister for Defence
Parliament House
Canberra ACT 2600

March 2015

Dear Minister,

We are pleased to present to you the outcomes of our community consultation on defence policy issues. Our report to you, *Guarding against uncertainty: Australian attitudes to defence*, sets out issues raised by Australians at meetings held around the country between July and November 2014 and from submissions written in response to *Defence issues: a discussion paper to inform the 2015 Defence White Paper*.

The expert panel found a wide diversity of views but a shared interest on the part of many Australians in defence and security policy, a strong desire to be consulted and a broadly positive view about Australia maintaining a well-funded, capable Australian Defence Force.

As part of the community consultation, the expert panel conducted an extensive industry liaison process, which is also summarised for you in the report. We also include our input to the draft Defence Industry Policy Statement prepared by panel members Davies and Kalms for consideration by Senator Johnston in late 2014, which expands on many of the defence industry recommendations contained in the community consultation report.

We want to draw to your attention to matters that may fall outside the scope of the Defence White Paper but which were raised in the consultations and are sufficiently important to warrant Government consideration. First there was strong support for the principle that Government needs to consider the need for proper resourcing of the treatment and reintegration of combat veterans, including to minimise the impact on relationships and society.

Secondly, there was wide public recognition of the increasing importance of the cyber domain and the way in which it is becoming a new area of warfare. There was general support for greater investment in this area, although much less certainty about how Australia and Defence in particular should organise for it, given that there are so many dimensions. Most accepted that this is a 'work in progress' but emphasised that a whole-of-Government approach, of which the Defence effort would be only a part, was essential. Our view is that in an appropriate policy document, Government identify a lead agency to steer a whole-of-government focus on cyber security.

We commend our report to you.

Yours sincerely,



Mr Peter Jennings, PSM (Chair)



Dr Andrew Davies



Dr Stephan Frühling



Rear Admiral (Retd) James Goldrick, AO, CSC



Mr Mike Kalms



Prof Rory Medcalf

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EXPERT PANEL RECOMMENDATIONS

Based on its public and industry consultation, the Expert Panel recommends that the Australian Government should consider the following matters as it finalises the Defence White Paper.

Defence and the community

- Increase Defence's engagement with the community as a way to deepen public understanding of the modern Defence organisation and how it contributes to Australia's security.
- Facilitate inclusive recruiting from a more diverse population.
- Continue support for cultural reform in the ADF.
- Use the Cadets and Reserves to deepen community engagement and lift the Defence profile across the country.
- Support programs for the engagement and recruitment of indigenous communities, especially in regional Australia.
- Support more flexible arrangements for personnel exchanges between industry and Defence.

Australia's security—key threats and opportunities

- Endorse the view that Australia has a strong interest in maintaining a rules-based global order and that, when strategic circumstances require it, deploying the ADF can make an important contribution to stability.
- In continuity with the 2013 Defence White Paper, stress the importance of the Antarctic Treaty Regime.
- Ensure that the White Paper encompasses approaches to a broad and increasing range of potential security challenges, ranging from: the risk of conflict between states, including conflict arising from miscalculation; to internal instability in weak states; threats to cyber security; terrorism; and the impacts of extreme weather events and environmental degradation.
- Ensure that Defence's role in Australia's counter-terrorism strategies is appropriately explained in the White Paper.
- Seek to deepen our strategic defence engagement with Indonesia in particular and with other countries in the Indo-Pacific as an important way to promote stability.

Defence policy settings

- Ensure that the White Paper clearly and coherently explains defence policy settings.
- Ensure that Defence remains able to operate at the ‘high end’ of military capability and also has the capability to lead in regional stabilisation missions.
- Put priority on enhanced defence engagement, particularly but not exclusively in the Indo-Pacific.
- Give adequate consideration to Defence’s role in supporting Australia’s interests in Antarctica and the Southern Ocean.

Australia’s alliance with the United States

- Keep the US alliance strong, sustainable and responsive to Australian interests in the years ahead.
- Offer a detailed public explanation of Australia’s interest in enhanced cooperation with the United States, including in the US ‘force posture initiative’.
- Explore options to enhance trilateral and multilateral cooperation in the Indo-Pacific, involving forces from Australia, the United States and other countries, such as Indonesia, China, India and Japan.

International engagement

- Develop Australia’s defence engagement, aligned with its strategic interests.
- Actively enhance defence engagement with key friends and allies.
- Increase the overall level of defence engagement significantly to ensure that Australian interests are secured in a more complex and challenging strategic environment.

Capability and the Defence organisation

- Use the Defence White Paper to explain how key capability acquisitions, in the context of the overall ADF, are the most cost-effective way to maximise ADF capability.
- Strengthen the ADF’s capability for maritime operations, including maritime surveillance.

- Identify an opportunity to explain the ‘pros and cons’ of nuclear propulsion for submarines.
- Ensure that the Defence White Paper or a related document sets out a strategy for defence fuel security in the context of national energy policy.
- Ensure that appropriate priority is given in the White Paper to Defence’s people, both service and civilian.
- Ensure that the implementation of the recommendations of the First Principles Review make it possible for Defence to deliver the policies set out in the forthcoming White Paper, and that the implementation of the First Principles Review and the Defence White Paper align.
- Ensure that appropriate priority is given to defence science as a critical enabler of innovation and military capability.

Defence industry

- Develop a Defence Industry Policy Statement that has a clear path to implementation. A statement that makes modest but realisable undertakings is preferable to one that makes big but generalised promises.
- Consider the aim of defence industry policy to be ensuring that the ADF gets the equipment, services, infrastructure, ICT and advice it needs to conduct its core missions.
- Ensure that defence industry policy takes into account through life support, much of which will perforce be done locally, and ensure that the relevant industry sectors are healthy and able to provide the required services.
- Explain how the wider government definition of ‘value for money’ will be applied to defence purchases in a way that takes into account the costs and benefits of the investments required to raise and sustain enduring in-country capabilities.
- Publish a Defence Capability Plan that clearly communicates the scope, budget and, most importantly, schedule information of projects. The Plan should allow industry to reliably plan for investment decisions in the 3-5 year timeframe, and for indicative planning out to at least 10 years.
- Develop a set of clearly articulated market intervention criteria, perhaps with examples from existing initiatives, to replace the current list of 17 strategic and priority defence industry sectors.

- Rationalise the many defence industry cooperation programs administered by the Department of Defence and the Department of Industry and Science.
- As part of (defence) industry policy, coach Australian industry to participate and compete effectively in the global defence marketplace.
- Make targeted consultation of defence industry a part of the community consultation processes for future White Papers.

INTRODUCTION

The Australian Government intends that its 2015 Defence White Paper should provide realistic long-term guidance for national defence policy. To ensure that the White Paper's development is of the highest rigour, the government appointed an external White Paper Expert Panel to provide challenging and independent perspectives. The Expert Panel was asked to:

- contribute input to White Paper and Force Structure Review analysis and drafting;
- lead targeted consultation processes with the public and industry; and
- provide independent views to government at the request of ministers.

Our report, *Guarding against uncertainty: Australian attitudes to defence*, meets the second of these directives.

Extensive public consultations were conducted by three members of the Expert Panel, Rear Admiral (Retd) James Goldrick, Dr Stephan Frühling and Prof Rory Medcalf, between July and November 2014. Meetings were held in each state and territory, complemented by many targeted discussions to gather considered views from a wide range of individuals, community organisations, research institutions and the business community. A full list of these meetings and interactions is provided in Appendix 1. Members of the panel heard views directly from more than 500 individual Australians in this way.

At the same time, written submissions were invited and the process was promoted in social media to ensure an opportunity for Australians in any location and from any background to have their say. A total of 269 eligible submissions were received, most of which are publicly available, with their authors' consent, on the Defence Department website at www.defence.gov.au/Whitepaper. The submissions are listed in Appendix 2.

In some cases, panel members held detailed follow-up discussions with individuals and institutions. Throughout, the panel made a special effort to ensure that it received viewpoints not only from the country's established pool of defence experts but also from the wider community. The meetings conducted around the nation proved particularly useful, since they allowed the airing and exchange of a multitude of views and recommendations.

This process helped the panel to harvest a diverse range of ideas and insights from Australians about how they see the future of their country's defence needs. To add a quantitative measure of fidelity to these qualitative impressions, the panel also commissioned a study from Professor Ian McAllister of the Australian National University (ANU) on public opinion polling in Australia on defence and security issues. This study did not include any new surveys, but drew on a wide range of past results in the ANU's Australian Data Archive and other surveys such as the Lowy Institute Poll. Professor McAllister's report is included as Appendix 3. We thank him for his excellent study.

A parallel process was run by two members of the panel, Dr Andrew Davies and Mr Mike Kalms, to consult with defence industry. Their findings are included in Chapter 7 of this report, and will be a major input to the Government's forthcoming Defence Industry Policy Statement as well as to the White Paper.

To assist the community consultation process, the Government issued a Defence Issues Paper, authored by Peter Jennings, Andrew Davies and officials from Defence, in July 2014. Without being prescriptive, the paper identified a range of concerns that the White Paper would need to consider, based on these key questions:

- What are the main threats to, and opportunities for, Australia's security?
- Are Australia's defence policy settings current and accurate?
- What defence capabilities do we need now and in the future?
- How can we enhance international engagement on defence and security issues?
- What should be the relationship between Defence and defence industry to support Defence's mission?
- How should Defence invest in its people and how should it continue to enhance its culture?

The community consultation meetings and discussion were structured around these themes, although participants were invited to raise other issues of their choice, and often usefully did.

Members of the panel were struck by the quality of community responses to the consultation process. A range of individual Australians brought informed, considered and original views to this vitally important national

conversation, and took time and trouble to do so. We thank them for their participation. This report attempts to summarise these views from the Australian community. We have sought to fairly represent the range of views presented to us, drawing on the comments received by the Expert Panel at meetings and in all the eligible written submissions.¹ It follows that the Expert Panel does not necessarily endorse all the views reported here—it would be impossible to do so, given the diversity of opinion that we canvassed.

The consultation helped to inform the panel members' own judgements about Australian defence policy matters. This has in turn strengthened our ability to provide contestability to the 2015 Defence White Paper process. Based on our public consultations, we make a number of recommendations in the report that we believe the Government should incorporate in the White Paper. These are unanimous recommendations of the Expert Panel, for which we take responsibility. We stress that they do not necessarily reflect the views of the Defence Department or other individuals.

Finally, we wish to thank officials from the Department of Defence who provided unfailingly high-quality support to the Expert Panel during the public consultation.

Mr Peter Jennings, PSM (Chair)
Dr Andrew Davies
Dr Stephan Frühling
Rear Admiral (Retd) James Goldrick, AO, CSC
Mr Mike Kalms
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¹ Minor changes were made to the included quotes from written submissions to standardise spelling.



DEFENCE AND THE COMMUNITY

1. DEFENCE AND THE COMMUNITY

'It would be helpful if the preamble to the White Paper clearly and unequivocally stated who we are as a nation, what we stand for, and what we aspire to.'

(Michael Flynn, submission 1)

'The average person would have little interaction with people working for the Army.'

(Tanveer Ahmed, submission 253)

'As it is currently communicated, defence policy is ambiguous ... The Australian public ... lacks an understanding of ADF capabilities, and there is a gap between uniformed personnel and the general civilian population. We believe that this may be remedied through more opportunities for interaction between ADF personnel and the Australian public.'

(Gabiella Andrews et al., submission 116)

The consultations delivered some consistent messages about the relationship between the Australian Defence Force (ADF), the Defence Department and the community they serve. The Australian community is well-disposed towards Defence. What the panel encountered was generally a high degree of respect for the ADF and pride in the professionalism, operational record and achievements of its personnel—a finding that is consistent with polling data of recent years. Across the spectrum of people heard by the panel, there was a consensus about the need for Australia to have a well-resourced and high-performing defence force to provide options for Government.

Improving public awareness and engagement

At the same time, the consultations revealed a clear need for enhanced efforts to raise public awareness of Defence roles and missions, how it performs these tasks and the underlying policy rationale. This point was raised with the panel in almost every meeting it held, by people from a wide range of backgrounds.

The panel heard repeated concerns that much of the Australian community did not have a good understanding of their present-day defence force. This did not reflect a lack of goodwill or interest on either side. There was a sense that much of the public would like to know more about their defence force and defence issues generally but did not feel able to obtain the insight it needed. Many people told the panel that they did not feel they received enough information or explanation about the ADF and defence policy.

A number of factors were identified as contributing to this perception that Defence was less accessible to the community than it ought to be.

A concern repeatedly expressed was that Defence was becoming increasingly invisible to those in the main population centres. The loss of local active and reserve units over the years was seen as having resulted in a lack of community awareness and understanding about defence matters. The perception was that ADF and Defence Department public relations activities could not compensate for this.

Public awareness often depended on direct contact with the ADF, and thus varied greatly depending on whether defence facilities and personnel were close by. Significantly, public awareness tended to be lowest in large population centres, such as Melbourne and western Sydney, and higher among people with family members in the ADF or among residents of centres with an established Defence presence, such as Townsville.

The small proportion of Australians with military experience or with family members in Defence tended to be very conscious of defence issues. However, much of the rest of the community, including many younger people and Australians in some of the newer migrant communities, had little awareness of defence matters. The interest of younger Australians in Anzac history and commemorations often did not correspond to an understanding of the present-day ADF and its tasks.

'Most of the population is out of touch with the military—what it does, how and why ... We need to see ADF officers on university campuses, giving lectures.'

(Professor Sarah Percy, meeting at the University of Western Australia)

'We need to be given a national interest explanation of what we are doing with the ADF and why.'

(Professor Andrew O'Neill, meeting at Griffith University)

'The ADF contributions to responding to natural disasters, border protection and counter terrorism are not well understood by the broader community ... The messaging used by the Government and by the three services should give greater emphasis on service to the nation and the contribution the ADF can and does make to domestic security and regional stability.'

(LNP Defence and Veterans' Affairs Policy Committee, submission 190)

Another reason for the awareness gap, cited by many people, was a sense that information about defence issues was too controlled. There was a general view that ADF and Defence personnel were unable to communicate with the public on matters of fact, on routine activity or to promote positive stories. Many people told the panel that they wanted to see Defence personnel engaging more directly with their community, for example through open days at bases, public talks or university lectures. Some noted that negative perceptions about internal Defence culture could be better countered if serving personnel could speak more freely about their positive experiences; Defence needed to be less 'risk-averse' and more proactive in its public communications, including through the use of social media.

Australia was compared unfavourably with some other countries, notably the United States, in this regard. Several people spoke highly of the successful community engagement by the US Marines in the Northern Territory as an example of what could be achieved. So effective has this been that the senior Marine Corps officer (a lieutenant colonel) had been named the fifth most influential person in the Territory in a recent media survey.

Many people emphasised that they were looking for more straightforward information and explanation about defence. In addition to requests for more effort to explain what the ADF and Defence Department officials do, the panel heard requests for clearer public explanation about the nature and purpose of major defence capability purchases. A small number asked for more timely notice and detailed explanation of military exercises in Australia, especially those involving foreign aircraft.

Tapping the potential of Reserves and Cadets

Many people told the panel that they would like to see enhanced roles for part-time Reserves and youth Cadets as avenues to connect the ADF with the wider community.

There was wide support for renewed efforts to develop the Defence Reserves as a national asset. Many people considered that insufficient emphasis was placed on developing or harnessing the skills of the Reserves. For instance, some people observed that it was hard to match a Reserve role with a full-time civilian career, and this reduced the ability of the Reserves to attract or keep quality personnel. There needed to be more flexibility in this regard, including creative approaches to partnerships with the private sector and broader avenues for Reserve

recruitment. Some people expressed support for the reintroduction of the Gap Year program (giving school-leavers military training without ongoing service obligations), and some others supported the return of the earlier Ready Reserve program.

Several believed that Defence does not work closely enough with the universities to encourage recruiting and should give a higher priority to the university regiments as well as considering whether equivalent naval and air elements can be established.

'Fundamental to Reserve capacity and capability is the partnership between the ADF, the Community and most importantly, the employers of Reservists ... the 2015 Defence White Paper must recognise that without strong and mutually beneficial partnerships, including the "good will" of employers in releasing their staff for training and military deployments, ADF capacity and capability will be seriously compromised.'

(Defence Reserves Support Council, submission 111)

'The ADF cadets is a good way to encourage future enlistment, but even when they came to my high school back in the day I did not sign up for it and I don't know how many from my school did. For one thing, the price was a little expensive ...'

(Nicholas Simic, submission 41)

'The French are so concerned at the lack of a military presence in parts of France ... that they are establishing Reserve units in these areas to remedy it. This ... should ... be investigated to determine its applicability to Australia.'

(Defence Reserves Association, submission 205)

The Cadet program was repeatedly identified as a vehicle for improving Defence's engagement with the community and developing potential recruits. A number of people suggested that Defence's commitment to the scheme needed to increase and that greater involvement of service personnel and resources should be considered. Even where experience in Cadets did not lead directly to recruitment, it was still seen as a way to give more Australians an enduring interest in and understanding of defence service and potentially as a useful way for Defence to engage with ethnic communities.

During the consultations, the panel encountered a small number of people who called for the introduction of some form of compulsory national service. Some suggested a civilian service option for those young Australians who did not want to serve in the armed forces. The overwhelming majority, however, supported a non-conscript, professional defence force.

A range of people, particularly from industry backgrounds, suggested more flexible arrangements for exchanges of senior and specialist personnel, such as engineers, between the private sector and the military. They also encouraged industry sponsorship of reserves and continuing active engagement to make more use of former Defence personnel who had become reservists, who were often not encouraged to keep up their skills or fitness for military service. Cyber security was identified as one area where industry and civilians could make a growing contribution to the defence effort.

Cultural reform: momentum towards an inclusive ADF

'It can be said that the armed services of a country reflect the overall culture and attitudes of the society from which its personnel are drawn. The servicemen and servicewomen of the ADF need to know that this is not their responsibility alone for them to bear; it is a problem that the whole of society must take responsibility for ... the ADF could be seen to be a leader in reforming society's attitudes in this area.'

(D. Baker, submission 70)

'There is ... an intrinsic importance in having national institutions that enjoy public legitimacy. As Australia grows ever more diverse in its composition, and as immigration continues, the stability of our liberal democracy would be well served by having an ADF that reflects our multicultural character ... To ensure that Anzac Day can speak to all Australians, every effort should be made to articulate the civic character of the occasion.'

(Dr Tim Soutphommasane, Race Discrimination Commissioner, submission 231)

'The Government needs a flexible ADF, with the standards of the best-performing private sector organisations globally—flexibility and diversity enhance capability.'

(Elizabeth Broderick, Sex Discrimination Commissioner, meeting with panel)

The panel encountered strong community support for efforts towards cultural reform in the ADF. There was general acknowledgement of progress made under the Pathways to Change program for cultural reform towards a more open ADF, representative of the contemporary Australian community that it serves. However, a range of people consulted by the panel emphasised the need to maintain momentum towards a more inclusive ADF, including growing recruitment and retention of women, Australians from recent migrant communities and indigenous Australians. This was identified as bringing long-term benefits

for defence capability (including language skills, teamwork and the ability to work with foreign cultures), as well as social cohesion within Australia.

A number of people underlined the need to ensure that women are attracted to ADF careers. Women should not need to choose between ADF careers and having families. There was a recognised need to maintain the progress of recent years towards the elimination of sex discrimination, sexual harassment and sexual abuse in the ADF.

One theme that arose regularly during the consultations was the need for the ADF to be more representative of the diversity of Australian society. This included increasing levels of recruitment from recent migrant communities, including those of Asian background and followers of Islam. This would broaden the range of talent available to the ADF and help convey the message that the ADF exists to serve the interests of Australia and all its citizens. It was recognised that this would require improved efforts to build trust and awareness of the inclusive nature of the modern ADF, particularly among migrants from countries where there is general distrust of the military. One view was that it would help if Anzac commemorations were depicted as being at least as much about the duties of citizenship as about heritage. The prospect of Australia's continued military involvement in counterterrorism and operations in the Middle East was cited as both an urgent reason and a major challenge for deeper engagement with some ethnic communities.

The need for stronger efforts to engage migrant communities was generally seen as part of the wider challenge of improving the ADF's community outreach in major metropolitan centres.

Enhanced engagement with indigenous Australians

On a number of occasions the panel heard the view that Defence should build on its success in engaging with indigenous communities. This was most strongly expressed in northern Australia, where it was suggested that the model of the North-West Mobile Force (NORFORCE)—a Reserve reconnaissance unit with a large proportion of indigenous personnel—be extended into additional regions.



'Defence could do more nation-building here at home, for example through offering opportunities to more Aboriginal people ... I would be happy to increase defence spending to help pay for this, if it was done well.'

(Participant in public meeting, Darwin)

'Additional investment in and development of current initiatives such as the Defence Indigenous Development Program (DIDP) could provide enhanced opportunities for more participants and deepen the available pool of Indigenous Australians in north Australia with capacity to contribute to the strategic goals of Defence. An extension of the DIDP that was effectively articulated with training and employment initiatives in complementary industries would contribute to broader security, social and economic development outcomes.'

(Indigenous Land Corporation, submission 101)

'Flow on [effects from indigenous recruitment in North Australia] through access to stable sources of employment as well as genuine careers pathways and tertiary education and training opportunities would greatly assist in the bipartisan approach to "Closing the Gap".'

(Shire of Derby/West Kimberley, submission 212)

'The 51st Battalion Far North Queensland Regiment ... managed a highly successful pilot project under the Defence Indigenous Development Program which produced exceptional outcomes for both the ADF and the Indigenous participants ... This is of extreme value to the region as it provides pathways to 'Closing the Gap' for our Indigenous population.'

(Advance Cairns, submission 133)

There was a related view that efforts to equip young indigenous people for ADF service need to be increased and tailored to the circumstances of remote localities. The panel was told that demand for opportunities in

Defence among indigenous Australians, especially in remote locations, was much higher than existing systems could provide for. Meeting existing required skill levels for recruitment was a challenge. A more flexible approach to indigenous recruitment was encouraged, with the potential for large pay-offs in areas ranging from improved surveillance, local knowledge and survival skills in remote areas through to community development, better health outcomes, and the creation of employment skills and role models for indigenous youth. One person described this as 'nation-building at home'. There was merit in studying the experiences and achievements of New Zealand and Canada in indigenous recruitment and youth development.

As with the proposals for a renewed priority for the Gap Year program, there was a consciousness among many of those suggesting greater support of young indigenous Australians that significant resources are involved in making such efforts work. There were suggestions that programs that have such a significant national development role should receive funding in their own right, with at least specific recognition within the Defence budget.

Care and reintegration of veterans

'The impact of war upon soldiers has become increasingly evident in recent years, especially in relation to post-traumatic stress disorder ... It is essential that the ADF put in place adequate mechanisms and resources to support returning soldiers, including after they may have been discharged.'

(Quaker Peace and Legislation Committee, submission 223)

'Post deployment ... programs [should] be developed by non-Defence organisations to provide individuals, couples and families, with information on the common psycho/social impact of exposure to threat/danger ... anecdotal evidence suggests ADF personnel are reluctant to seek assistance for psychological issues from ADF resources ...'

(Pamela Trotman, submission 155)

'Defence is in a unique position as an employer with a segment of its workforce potentially mandated to give their lives for their country, be permanently disabled, or subjected to mental health concerns. For every person with disability, mental health or frail and aged concerns there is an unpaid Carer ... While current deployment packages anticipate planning for active Defence personnel to not return from duty; there are no parameters for recognition of Carer duties.'

(Pillbeam/Carers Australia, submission 180)

Concerns were repeatedly raised about the effect of operational deployments on the psychological and physical wellbeing of service personnel and their families. This sentiment is one that was shared by many contributors, regardless of their general views on defence policy priorities. Several people, particularly from health and social work backgrounds, emphasised the need for proper resourcing of the treatment and reintegration of combat veterans, including to minimise the impact on relationships and society. A number of contributors commented that adverse effects of the posting cycle on defence personnel and their families exacerbated these concerns. Policy on veterans falls outside of the Defence White Paper's remit, but there is a strong community view worth noting that considers Government should put a priority on assisting veterans.

Recommendations

As part of the Defence White Paper process, the Expert Panel recommends that the Government:

- increase Defence's engagement with the community as a way to deepen public understanding of the modern Defence organisation and how it contributes to Australia's security.
- facilitate inclusive recruiting from a more diverse population.
- continue support for cultural reform in the ADF.
- use the Cadets and Reserves to deepen community engagement and lift the Defence profile across the country.
- support programs for the engagement and recruitment of indigenous communities, especially in regional Australia.
- support more flexible arrangements for personnel exchanges between industry and Defence.



AUSTRALIA’S SECURITY – KEY THREATS AND OPPORTUNITIES

2. AUSTRALIA'S SECURITY—KEY THREATS AND OPPORTUNITIES

'The intent of countries can change quickly, therefore we need to focus on military capabilities in our region.'

(Participant in public meeting, Sydney)

'With a million Australians overseas at any time, we have to think about what we can do to help the security of a global Australia.'

(Elena Douglas, Research Fellow, Perth USAsia Centre and former CEO, Advance—Australia's Global Community, meeting at University of Western Australia)

'It is hard to think of a Defence White Paper which has been prepared against such a backdrop of actual or threatened conflict.'

(Navy League of Australia, submission 123)

The panel encountered a wide range of views about the challenges to Australia's security over the period to 2035. Many people recognised that not all of these problems could be addressed by armed force.

Consistent with what we know from polling data, the panel found a widely perceived sense that the risk of a major military attack on Australian territory was remote. Some people attributed this to Australia's geographical isolation; others to a long-term decline in war generally in favour of economics as a preferred route for states to advance their interests; others to Australia's lack of immediate security disputes with other countries; and some to the deterrent power of Australia's military and especially of the US alliance.

Some people said it was wrong to assume that the world is becoming more dangerous, pointing out that wars in recent decades have been less frequent and involved fewer casualties. However, many other potential security problems were identified, including risks involving the threat of armed force against Australian interests, such as the possibility of terrorist attack.

On the other hand, many people pointed to what they saw as worsening instability, disorder and uncertainty in the world and the risks this posed to Australia's interests. A recurrent theme was Australia's dependence on global order and on our connections to the world. Many people identified areas of potential fragility in the international system, such as energy supplies, financial markets, the cyber domain and legal regimes.

Australia's global links and vulnerabilities

'Defence should have a pivotal role in creating a regional and global security environment conducive to the enjoyment of human rights and freedoms and the prevention of instability and crisis. Such an enabling environment is critical for Australia's national security, given the interconnectedness between Australia's security interests and increasingly complex regional and global threats and challenges.'

(Australian Council for International Development et al., submission 198)

'As a retired interstate truck driver I have been concerned for a while about the possibility of our liquid fuel supplies being cut suddenly to force us into submission and I am not certain our allies would be able to help us.'

(Eddy Barnett, submission 2)

'Australia must understand that its stakes in the maintenance of a liberal world system are of the highest order of importance; simply put, it is essential to our own security and national interests. There is no viable alternative to the existing order; indeed, the most likely actual alternative would be a system which is far less orderly, and thus less economically prosperous and inherently more dangerous.'

(Dr Chris Rahman, submission 203)

'Australia has a deepening energy security vulnerability associated with its reliance on oil imports for critical transport fuels, and both recent and planned closures of domestic refineries. This risk is exacerbated by the publicly-acknowledged non-compliance with our International Energy Agency treaty obligations to hold 90 days of supply.'

(Professor Robert Clark, former Australian Chief Defence Scientist, meeting with panel)

'Global investor confidence remains extremely fragile. Perceptions of risk remain high. In addition the competition from other countries (such as in South America, Africa and Central Asia) to attract the same type of investors that Australia wants is rising. A significant investment in the defence infrastructure in The Pilbara would send very positive signals to such global investors.'

(Regional Development Australia—Pilbara, submission 93)

'The South Pacific region reaches over 30 million square kilometres, 98 per cent of which is ocean, through which cross the air and sea approaches that link Australia to vital trading and defence partners in North America and Northeast Asia. Although Australia is making sizeable Australian Defence Force deployments to the Middle East, the Defence White Paper should not neglect our near neighbourhood, the South Pacific.'

(Dr Joanne Wallis, submission 92)

There was very wide awareness that Australia's security is linked to that of the wider region and rest of the world. Comments generally highlighted concerns about Australian vulnerabilities rather than any particular sources of threat. In this context, sea lines of communication were a recurring theme. Australia needed to pay close attention to the security of the Malacca Strait and other straits in Southeast Asia, as well as the Strait of Hormuz. There was a wide awareness in the community of Australia's dependence on imports of fuel through Southeast Asia, the lack of reserve stocks, and the potential for this situation to make Australia vulnerable to disruption or coercion by a foreign country. Ideas were suggested for non-military ways to build national resilience, for instance by increasing the use of domestically produced gas instead of imported petroleum products.

It was generally perceived that Australia's security is based on a rules-based global order that is facing pressure from many directions. People variously identified these challenges as including extremism in the Middle East, Russian-backed use of force in Ukraine and China's actions to assert its maritime claims. The benefits of globalisation, growing economic connectedness and the flow of information were frequently cited, but many people saw them as under threat from tensions within and between states, often linked with 'identity' issues of nationalism, ethnicity and religion, as well as the unequal spread of development and economic opportunity. Polling highlights that Australian's security perceptions of important regional countries, such as Indonesia and China, are increasingly complex and informed by perceived interactions with non-traditional and economic factors.

Managing strategic change in Asia

Many people commented on how they saw Australia's security as increasingly bound up in the strategic and economic dynamics of a changing region. Many people saw Australia's wider region—which they described variously as Asia, the Asia-Pacific or the Indo-Pacific—as playing an increasingly important role in the world economy, in Australia's economic relationships, in the emergence of non-military security risks, and in the power relations among countries. Polling results highlight that Australians increasingly recognise the economic enmeshment of the country with Asia. In almost every consultative meeting, people identified as a priority for Australia the need to find a coherent way to contribute to the maintenance of peace and stability in this region, using Defence and other instruments, such as aid and diplomacy. Some people also said that they thought Australia's deepening economic ties to the region could have strategic benefits and reduce incentives to use force against

Australia. Others noted that economic enmeshment with the region made Australia more vulnerable to regional security crises.

The rise of China and the changing power balance in Australia's wider region was mentioned in many meetings as having major security implications, but was not generally identified as an issue that should directly shape Australian defence policy. Many people saw China's growing power as having multiple indirect effects on Australia's security, but not amounting to a direct military threat to Australia. Some referred to risks from cyber espionage or economic influence rather than armed force. Although some people pointed to the possibility that internal problems would interrupt China's rise, and that a weaker China could cause greater regional disturbance than a stronger China, most assumed a more powerful China to be a given in Australia's security future.

Many participants highlighted tensions arising from China challenging the existing Asian regional order, for example in maritime territorial disputes with Japan, Vietnam and the Philippines. There was broad concern about an increasing risk of conflict arising through miscalculation. Nonetheless, most people involved in the consultations did not consider an outbreak of a major war to be likely.

Some suggested that any threat to a stable, rules-based order or to the principles of non-use of force was also a threat to Australia's interests. Others said that Australia could get drawn into a conflict between China and other countries, notably Japan and the United States. Opinion was divided about whether Australia should actively take sides in a regional confrontation. Some people said that it was important for Australia to work to avoid a conflict, given the extent to which our interests are engaged, while others said it would be beyond Australia's ability to do so. Some said that Australia should signal to China, Japan and the United States that it would seek to avoid being forced to make a 'choice'. Others emphasised that it was about 'taking stands, not taking sides'; that it was in Australia's interests to stand up for principles supporting international order and oppose the use of force or coercion. Many people identified the US strategic presence in Asia as a major factor in preventing conflict, although some challenged that view. A few warned that a decline in the US role could raise the risk of a crisis that would harm Australia.

The panel encountered only low levels of concern about Indonesia as a possible source of future military risk to Australia. A small number of people speculated about the kinds of unlikely negative change that would

need to occur for Indonesia to become a focus of military concern for Australia. A few warned that, notwithstanding Australia's commitment to Indonesian territorial integrity, there were circumstances in which West Papua could become a focus of tension between Australia and Indonesia.

'Conflict between the United States and China in the East China Sea is plausible: a low probability but high impact risk.'

(Professor Nick Bisley, meeting at Grattan Institute)

'The changing power dynamics to the immediate north, involving China, Japan and ASEAN, will affect Australia's relative power and its secure access to sea lanes.'

(Participant in public meeting, Darwin)

'Australia [should] strengthen its security ties with India and Indonesia to hedge against the risk of strategic overdependence on the United States.'

(Centre for Independent Studies, submission 115)

'By recent polls, it is evident that Australians' view of Indonesia is one-sided and ill-informed, as many consider Indonesia either a threat or a state that Australia can ignore. This is neither a holistic nor accurate representation of Indonesia ... We recommend that the 2015 Defence White Paper address Australians' general lack of understanding of Indonesia and its significance in the Indo-Pacific.'

(Gabiella Andrews et al., submission 116)

Many people placed a strong emphasis on the need to engage with Indonesia as a valued security partner. Indonesia's economic growth, democratic system and status as the world's largest Muslim-majority state all resonated as reasons for seeking good security relations. So did the prospect that Indonesia's military power would grow along with its economy. Another important factor repeatedly identified was Indonesia's strategic location astride the maritime approaches to Australia, through which vital commerce and naval forces must pass. Some made the point here that Indonesia's security interests and Australia's are fundamentally the same.

Many people said that economic and strategic trends, especially in Asia, would make it increasingly hard for Australia to maintain a technology edge over other countries in its military capabilities. Some emphasised that defence budgets were growing in the region, especially in China. The growth in Chinese maritime capabilities received particular attention.

Some people emphasised that certain areas of technology with military applications were advancing fast, such as cyber capabilities, drones, and ballistic and 'hypersonic' missiles. This meant that Australia would need to consider new capabilities in the future, such as missile and cyber defences. A few people pointed out that some countries, notably China and the United States, would explore ways to augment human performance for military purposes.

Many risks, many perspectives

The public perception of the range of risks to Australia's security was diffuse. The rise of the terrorist entity calling itself 'Islamic State' in the Middle East was one of the most frequently cited threats. Concerns about terrorism were raised in almost every meeting the panel conducted. Some people warned of the possibility of the rise of Islamic State and its international recruiting networks leading to a resurgence of terrorism in Southeast Asia, including Indonesia. The risk of terrorist attacks on people or infrastructure in Australia was mentioned repeatedly. Some, however, including a number of defence scholars and former officials, cautioned against treating terrorism as a strategic force on a par with powerful nation states.

Another issue frequently referred to was the security consequences of climate change, extreme weather events and environmental pressures. Many people suggested that those factors would lead to an increased need for humanitarian and disaster relief activities, including by armed forces. Some people also noted that climate change and resource stresses, such as food and water shortages, could drive unregulated cross-border movements of people. Overfishing in the South Pacific and Southeast Asia was repeatedly mentioned as a major security issue for regional countries. The spread of pandemic disease was also mentioned as a security risk a number of times.

Geographical proximity had an influence on people's awareness of potential security risks and opportunities in different parts of Australia. For example, many people at meetings in Queensland were concerned about internal security challenges facing Papua New Guinea and the South Pacific, and how such instability could directly affect Australia. People in the Northern Territory emphasised challenges related to Timor-Leste and Indonesia. Consultations in Tasmania revealed a strong focus on the Antarctic and the risks from Australia potentially failing to manage or

monitor our Antarctic Territory and southern waters. Particular concerns were expressed about the need to preserve the Antarctic Treaty regime and its bans on resource exploitation and military activity.

Meetings in Western Australia repeatedly focused on the security of Australia's energy exports and resources sector, the risks of a strategic crisis in North Asia, and the potential for the Indian Ocean to become a zone of strategic tension, especially between China and India. Western Australians, particularly those involved in the resources industry, often highlighted the massive infrastructure of the Northwest Shelf as a national asset that needed to be protected, as well as the requirement to ensure the uninterrupted movement of international shipping.

'How can a Boeing ... jet liner with transponders turned off reportedly travel thousands of kilometres parallel to our north western coastline without being discovered by the Australian authorities?'

(Robert Bond, submission 56)

'Australia cannot be cordoned from the ISIS threat ... this will reach into Southeast Asia.'

(Gary Hogan, Director Defence and National Security at KPMG Australia, meeting at Grattan Institute)

'For Australia, PNG is the critical security challenge—the place where things could most go wrong.'

(Richard Tanter, Nautilus Institute, meeting at Grattan Institute)

'A marked build-up of long range attack submarine capabilities ... in Australia's region of strategic concern is occurring now—and will continue over the next 20 to 30 years. Unfortunately this coincides with a period of poor and decreasing relative Australian submarine and anti-submarine warfare effectiveness.'

(R. Richardson, submission 12)

'Australia has direct strategic interests in Antarctica and the Southern Ocean. ADF assets and capabilities are critical in supporting Australia's interests and fulfilling Australian obligations in this region. The Defence White Paper 2015 should note Australia's interests and reaffirm Australia's unequivocal commitment to the values and principles of the Antarctic Treaty.'

(Professor Marcus Haward, submission 16)

Some people emphasised that Australia had expanding global interests that would inevitably encounter security hazards. For example, the fact that more than a million Australians are overseas at any time was repeatedly noted. A few people referred to the shooting down of Flight MH17 over Ukraine as the kind of unexpected crisis that can occur. The growth of Australia's business presence in Africa was mentioned, along with risks of terrorism and being caught up in internal conflicts.

Nuclear weapons

'There are no nuclear threats to Australia ... ending extended nuclear deterrence would not lead to a rupture in the alliance with the United States.'

(Representative of the International Campaign to Abolish Nuclear Weapons, public meeting, Melbourne)

Some people voiced concerns about nuclear weapons. Some noted fears about the spread of nuclear arms to North Korea and Iran. A few wondered about the possibility of terrorists acquiring a nuclear weapon or other weapon of mass destruction. A few also noted that recent tensions involving Russia were bringing about a return to nuclear threats in great-power relations. Notably, some individuals and issue groups expressed strong concerns to the panel that future conflicts could involve the devastating use of nuclear weapons, and that Australia should therefore reject any role for US nuclear weapons in defending Australia. People expressed different views about whether Australia should increase its defence spending to offset this. And some people explicitly endorsed the opposite—that Australia should rely openly on US 'extended nuclear deterrence'.

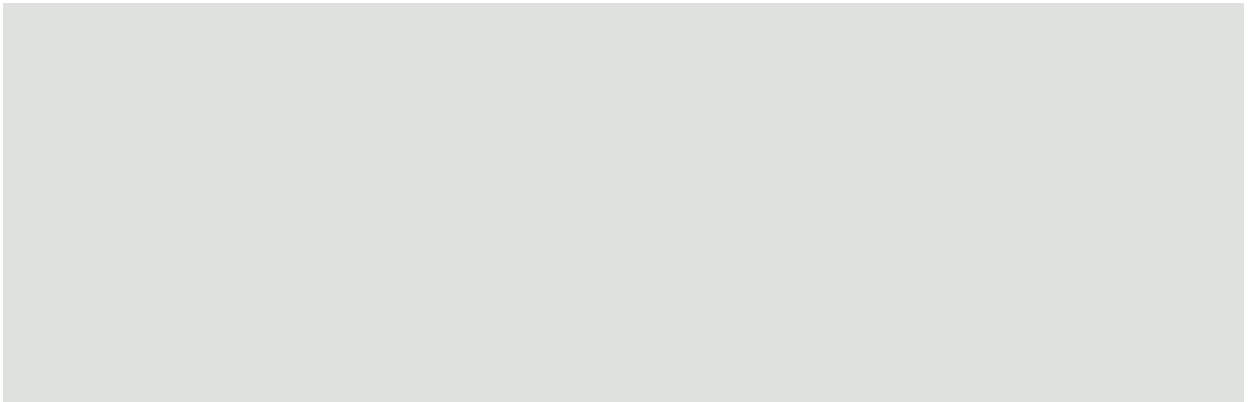
Recommendations

As part of the Defence White paper process, the Expert Panel recommends that the Government:

- endorse the view that Australia has a strong interest in maintaining a rules-based global order and that, when strategic circumstances require it, deploying the ADF can make an important contribution to stability.
- In continuity with the 2013 Defence White Paper, stress the importance of the Antarctic Treaty Regime.
- ensure that the White Paper encompasses approaches to a broad and increasing range of potential security challenges, ranging from the risk of conflict between states, including conflict arising from miscalculation; to internal instability in weak states; threats to cyber security; terrorism; and the impacts of extreme weather events and environmental degradation.
- ensure that Defence's role in Australia's counter-terrorism strategies is appropriately explained in the White Paper.
- seek to deepen our strategic defence engagement with Indonesia in particular and with other countries in the Indo-Pacific as an important way to promote stability.



DEFENCE POLICY SETTINGS



3. DEFENCE POLICY SETTINGS

'The primary objective of Australia's defence policy must be to maintain and enhance peace and security both in our region and worldwide. Consequently, another major objective must be to build and maintain stronger mechanisms of collective security, in conjunction with our allies and international organizations such as the United Nations and NATO.'

(World Citizens Association (Australia) and Institute for Global Peace and Sustainable Governance, submission 96)

'The priority thrust of Australia's defence policy should be to prevent war rather than merely having the ability to successfully fight it if prevention should fail.'

(Norman Ashworth, submission 7)

'There ... needs to be a clear and public strategy against which ADF activities can be measured, the efforts of other departments integrated and the public brought on side.'

(Dr Andrew Carr, submission 255)

'The timing of ... the Defence White Paper 2015, and the creation of the new Australian Border Force (ABF) next July, co incident with a build of a new class of patrol boat ... provides a unique and once in a generation opportunity for Government to consider the implications ... on the protection of Australia's borders and offshore maritime interests.'

(AUSTAL, submission 94)

The panel encountered widespread opinion in the community that the next Defence White Paper should provide a clear framework of defence policy settings to guide decisions on what kind of defence force Australia should have, what it should reasonably be expected to be able to do, and the circumstances in which it should be deployed. Many people expressed firm views on these matters.

The panel noted a broad spectrum of support for the idea that Australia should have a substantial and highly capable defence force. This covered diverse constituencies and political orientations. It was also widely recognised that defence capabilities are costly and that trade-offs are involved in deciding what kind of forces Australia should have. Interestingly, very few people had a problem with the general scale of Australia's defence spending.

Not many queried the target of 2 per cent of Gross Domestic Product (GDP), set by both the Government and the opposition. People occasionally queried how a government could be sure that this target is

the right one. A few suggested that it was too high and risked spending at the expense of domestic policy priorities regardless of the existence of a defence strategy. A few suggested that it was too low, especially if Australia were seeking greater independent capabilities or wanted to pay a premium for domestic production of defence capabilities. Many recognised that defence spending had recently dropped to historic lows. Overall, the level of comfort with defence spending levels that the panel encountered is consistent with recent polling.

In almost every meeting, the panel was reminded of the importance that the public places on a bipartisan approach to defence policy. Reasons given for this included that defence policy is ultimately about the national interest, and that developing modern, effective defence capabilities is necessarily a long-term task, requiring some consistency across many terms of government.

Very few people drew a clear distinction between a defence posture limited to the immediate protection of Australian territory and a posture focused largely on ‘expeditionary’ operations overseas. The idea that Australian defence policy is based on a clear choice between those two poles had little traction. Instead, there was support across a broad spectrum of community opinion for Australia having a defence force capable of operating overseas. Where views often differed was on the nature and purpose of those operations.

General expectations of the White Paper

Many people expressed the view that the next Defence White Paper needs to avoid mismatches between defence objectives, intended capabilities and available funding. This was often described in terms of Australia needing a clear defence strategy, which needed to begin with an articulation of the national interest. Many people said that they expect the White Paper to explain what the ADF is for, what it does and why, and how this is linked to the choices and costs of new capabilities. Priority tasks needed to be identified and information on funding needed to be provided. There were requests for less ‘spin’ and clearer language in the text of the White Paper.

'We need a grand strategy as a country.'

(Participant in public meeting, Adelaide)

'Money without a strategy is not a strategy.'

(John Daley, CEO Grattan Institute, meeting at Grattan Institute)

'... a stocktake would be the first step to developing a clear strategy for Australian defence diplomacy and its place in national strategic policy.'

(Dr Brendan Taylor, submission 248)

'The Pentagon takes climate change risks "very seriously" and is integrating climate change considerations into planning, operations and training. So too should the Australian Defence Department and the Defence White Paper.'

(Green Institute, submission 136)

'Defence of Australia and planning for major Asia-Pacific contingencies cannot be discounted, but similarly due focus in the next White Paper should be given to outlining the risks, costs and benefits of basing our troops and assets in the region where we operate the most, that being the Persian Gulf and Middle East.'

(Michael Thomas, submission 200)

What is Defence for?

Although the panel heard a wide range of views about what the ADF should be expected to do, it was striking that some expectations were voiced repeatedly. Most participants in the consultations recognised a need to identify realistic objectives and limits in this regard.

The panel heard frequent aspirations for Australia to have military capabilities that could give the Australian Government the option of operating without reliance on other countries, including the United States, even against more significant levels of threat. This was most often stated in relation to Australia's capacity to operate in our immediate neighbourhood. Even so, some of the same people saw this as an unrealistic goal in the foreseeable future without substantially higher defence spending.

Many people emphasised a need for flexibility and resilience. Australia could expect to have to deal with shocks and surprises. It would need an advanced military that could be built up further if the strategic situation deteriorated. However, nobody imagined that the ADF could independently do 'everything everywhere'. Almost every perspective heard by the panel placed emphasis on the need to partner with other countries.

Although flexibility was a common theme, the panel also heard the point made repeatedly that the ADF needed to be designed principally for deterring or, if need be, fighting the military forces of other states, even though the need for such action remained unlikely. An ADF with such ‘high-end’ combat capabilities could be assigned other tasks in areas such as disaster relief or peacekeeping, but a force designed mainly for non-warlike missions could not readily step up to warfighting if military threats arose.

‘We need to be seen as well-organised and willing to defend ourselves.’

(Participant in meeting at the Grattan Institute, Melbourne)

‘While a large-scale attack or even invasion of Australia by a regional power may be assessed as being highly unlikely in the near to medium term, the ability to respond to and defeat such an attack must remain a core capability of the ADF.’

(S. Raaymakers, submission 260)

‘The League believes that Australia can be defended against attack by other than a major maritime power and that the prime requirement of our defence is an evident ability to control the sea and air space around our island and to contribute to defending essential lines of sea and air communication with our allies.’

(Navy League of Australia, submission 123)

‘Papua New Guinea and the Pacific island countries comprise ... an area in which Australia’s allies and partners ... expect Australia ... to accept particular responsibility for security and stability. The Australian Defence Force should therefore possess the capability of effective independent action in PNG and the Pacific island countries when the interests of security and stability require it.’

(John Trotter, submission 17)

‘40% of Australia’s exports emanate from Western Australia’s North-West and are an economic asset to the nation worthy of increased security. While we are aware of current strategies to protect this resource rich area out of Darwin, staging training exercises in the North-West would send a much clearer message to the world that Australia highly values its economic generators and will defend them—the principle being “presence equals deterrence”.’

(Australian Industry and Defence Network WA, submission 199)

At the same time, the panel was told repeatedly that Australia should be prepared to play the lead role in future security operations in our immediate neighbourhood (the South Pacific, Papua New Guinea and Timor-Leste), such as disaster relief, humanitarian assistance or helping to bring stability. Sometimes those activities would be civilian-led,

sometimes military, in which case Australia would need to be able to deploy and sustain a substantial force for long periods.

There were mixed views about how much Australia should be able and willing to do in deploying the ADF in the wider Indo-Pacific or globally. Most people saw such missions as contributions to US-led or United Nations (UN) - mandated operations rather than as Australia acting alone. A small number of people from divergent parts of the political spectrum argued that Australia should be willing to use force in other countries in the name of the 'responsibility to protect' innocent civilians.

A common theme was the need to develop and use the ADF to help prevent or manage conflict before it places Australia's interests at risk. There was a wide range of views about how this might be done.

Some people suggested that Australia could use a capable military as an adjunct to our diplomacy to 'shape' the regional security environment as a 'middle power'. Others emphasised a contribution to the US alliance and the credibility of the United States as a stabilising force in Asia and globally.

Some focused on defence engagement and partnership with Asian countries, especially Indonesia and China. Australia could also use its defence force for 'capacity building' — using training or other assistance to help other countries improve their own ability to manage security problems. For example, the Pacific Patrol Boat program, under which Australia provides patrol boats to small island states to secure and monitor their maritime territory, was repeatedly identified as a success story that needed to continue.

Some people emphasised that Australian military and civilian personnel should be trained and deployed to work in conflict prevention, conflict resolution and UN peacekeeping in regional and global hotspots. In general, many people said that it was important that there be a maximum of integration of defence, foreign policy and wider national security policy.

Roles for the ADF in securing Australia from non-military challenges

The panel heard a range of views about the role of the ADF in border protection and the interception of illegal maritime arrivals. Some people saw it as necessary and unavoidable, especially because Australia's maritime surveillance necessarily involved an overlap of military and civilian capabilities. Others expressed concern that border protection diverted military resources from what should be the core tasks of the ADF. While

there was relatively limited opposition to the principle of naval involvement in civil maritime security, the deployment of larger and more sophisticated naval combatants for civil patrol and response was not seen as a good use of defence resources. A general view was that there needed to be more explicit definition of the respective roles of what will be the 'Border Force' and the ADF in border protection, including the allocation of capabilities to each force. The panel did not encounter criticism of the way Defence handles its border protection tasks. For some, another driver for increasing civil capacity was the need to resume patrols in the Southern Ocean, which have received a lower priority in recent years.

'Given Australia's significant vulnerability to climate risks, the increasing severity of potential climate impacts and the significant steps that have already been taken by our allies to address climate security issues, we recommend that, at a minimum, the 2015 Defence White Paper incorporate a Climate Security Strategy. This section of the paper would outline how climate change could potentially affect homeland and regional security, ADF capabilities and procurement.'

(Centre for Policy Development, submission 169)

'... the ADF will ultimately become directly involved in undertaking humanitarian disaster relief operations on an unfortunately increasing frequency and the ability of the ADF and wider defence community to react, deploy and undertake specific humanitarian relief operations will be paramount to Australia's participation in both operational and technical assistance to both domestic and off-shore disaster relief operations into the future.'

(Wayne Wanstall, submission 15)

'In 2012 the Australian Government produced a National Action Plan on Women, Peace and Security, 2012–2018 (NAP) ... By choosing to demonstrate its commitment to the goals, strategies and actions of the NAP in the 2015 Defence White Paper, the Australian Defence Force will be able to clearly and succinctly explain the priority and commitment given to gender equality and long-term sustainable peace.'

(Women's International League for Peace and Freedom Australia, submission 158)

'The White Paper needs to remind people of what Australia is already doing (through the Pacific Sea Level Monitoring Project and so on) and propose new initiatives by which the ADF can assist in climate change adaptation.'

(Stewart Firth, submission 234)

A number of people proposed that Defence should focus more on Australia's Antarctic Territory and the Southern Ocean. In this view, if Australia were to maintain authority in its very large Antarctic Territory, it would need a greater capability in such areas as search and rescue and

scientific research, and this should involve the development of dedicated assets such as ski-equipped transport aircraft. Australia also needed capacity to work with others, notably France, in patrolling the Southern Ocean against challenges such as illegal fishing. Concern was expressed about the diversion of resources from the Southern Ocean to border protection operations in northern waters.

During the panel's discussions in Perth, Karratha and Darwin, there was repeated mention of expectations of a role for the ADF in securing the energy and resources sector infrastructure in Australia's northwest. A Defence presence, especially maritime patrols, was seen as desirable as part of a wider security and surveillance effort involving civilian agencies and cooperation with the private sector. This would help send the signal that Australia is serious about monitoring and protecting this vital economic infrastructure.

Many of the consultations also involved discussion about a growing role for the ADF in wider efforts to maintain national resilience. Many people said that they expect the ADF to be available to assist civil authorities, when asked to do so, in domestic emergencies such as natural disasters and terrorist attacks. Defence was also identified as playing a major part in the expansion of infrastructure and population in northern Australia, which some people saw as essential to Australia's long-term development and security. A few people also suggested that, as a major landholder in Australia, Defence could demonstrate best practice in sustainable land management, such as by maximising carbon sequestration.

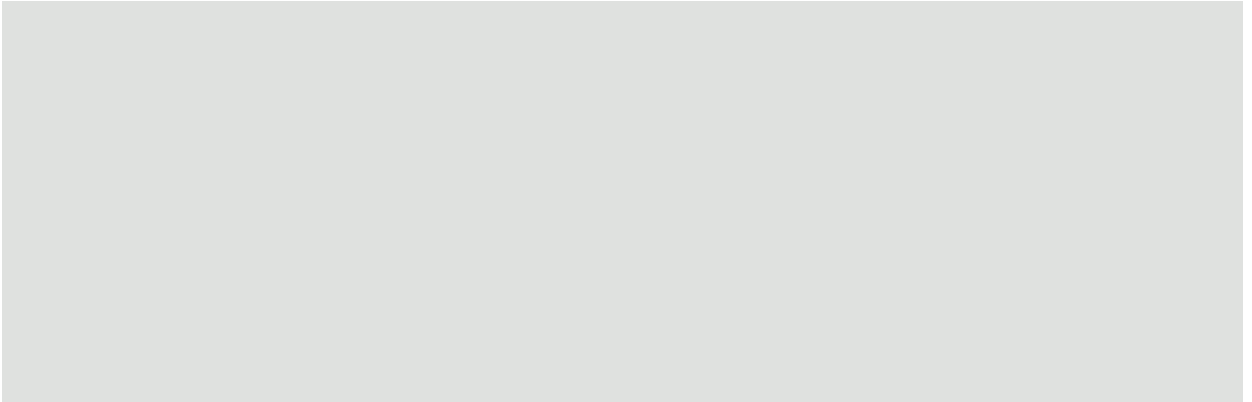
Recommendations

As part of the Defence White paper process, the Expert Panel recommends that the Government:

- ensure that the White Paper clearly and coherently explains defence policy settings.
- ensure that Defence remains able to operate at the 'high end' of military capability and also has the capability to lead in regional stabilisation missions.
- put priority on enhanced defence engagement, particularly but not exclusively in the Indo-Pacific.
- give adequate consideration to Defence's role in supporting Australia's interests in Antarctica and the Southern Ocean.



AUSTRALIA'S ALLIANCE WITH THE UNITED STATES



4. AUSTRALIA'S ALLIANCE WITH THE UNITED STATES

'... in a more uncertain strategic environment, in the face of a rising China and possibly a further decline in United States influence in the region, to what extent would it still be prudent for Australia to rely on the ANZUS Treaty for our defence against major power conflicts in our region? A key test of the White Paper will be how rigorously it assesses this question.'

(Royal United Services Institute NSW, submission 110)

The community consultations found that Australia's alliance with the United States continues to draw widespread community support as a pillar of Australia's defence and security. This finding is consistent with longstanding trends in polling data. Not a single participant in the consultation meetings—including individuals critical of a US military presence—called for the termination of the alliance. Even the voices most negative about the alliance did not frame their views in 'anti-American' terms: they proposed that it be adjusted to suit what they saw as Australian interests. A number of written submissions from community groups and individuals took a stronger line against the continuation of the alliance, but most submissions emphasised the need for a continuing friendship with the United States.

At the same time, the panel encountered a broadly held range of reservations about the impact of alliance policy on operational deployments in recent years and the need to better explain current policy settings. Some people also expressed wariness about the direction of alliance policy more generally.

Benefits of the alliance

There was wide recognition of the critical defence and security advantages for Australia as a consequence of the alliance. People referred to privileged access to superior military technology and intelligence, as well as the deterrent effect of having the United States as an ally.

The panel repeatedly heard the view that it would be impossible for Australia to retain a military capability edge in our changing region if it were not for the alliance. Participants said that Australia would need to radically increase its defence spending if the alliance did not exist, or accept a situation in which the ADF could not provide credible force options to the Government. A few people also pointed out that access

to US intelligence helped Australia anticipate changes or threats in the region, which helped to reduce the need for higher defence spending.

Some people also said that Australia's interests were broadly consistent with those of the United States, including in maintaining a global rules-based order, a democratic and open society, freedom of navigation, and a balance of power in Asia. A few observed that formal statements about the alliance, such as the 2014 Australian-United States Ministerial (AUSMIN) Consultations communiqué, reflected Australia's interests and priorities as much as America's.

'We need the US alliance for access to military technology. Ending that would be tantamount to suicide.'

(Participant in public meeting, Sydney)

'America can help us only if we help them to help us.'

(Participant in public meeting, Adelaide)

'The US alliance will remain a central pillar for Australian defence policy.'

(Participant in meeting at Griffith University, Brisbane)

'It is crucially important we maintain the alliance with the US. This will remain our most important alliance for decades to come. Many people tend to see the US these days as a declining power, but one should never write off the US. It is still the most powerful country in the world and has the potential to remain so for many years to come. However, it is also apparent that we cannot in the future rely on the US to do everything to protect us.'

(Bill Stefaniak, submission 91)

Some people observed that the United States remained the world's most powerful country, and in particular that it continued to play the dominant role in protecting the sea lanes of Australia's region. In this view, it was wrong to assume that the United States was in permanent decline—the question was whether it chose to continue to show global leadership, and allies needed to work to influence that choice.

There was also the view, put by a range of people, that Australia's alliance with the United States needed to be seen in the context of wider US commitments in Asia, including alliances with Japan and others. This view was that many countries in Australia's region still want a strong US presence and that the US provided deterrence that prevented crises coming to a head. Some said that Australia was well placed to do more to ensure stable US military engagement in Asia because Australia had no direct security differences with other Asian powers.

While there was a strong sense across the country of support for and acceptance of the alliance in broad terms, there was less support for the alliance on specific issues related to potential operations or conflict in Asia.

Issues with the alliance

'Nations act only in their interests. We need to keep some distance from the United States and do what's best for us.'

(Participant in public meeting, Hobart)

'The public needs to see Australia being more forthright in pushing our case with the United States.'

(Participant in public meeting, Adelaide)

'What is the point of defence integration—the benefits are not convincingly explained. Does it make it harder for us to say no?'

(Participant in Australian Institute of International Affairs meeting, Sydney)

'BaseWatch are not opposed to an alliance with the USA—it is right and proper that our strong cultural ties, business, family and friendship links with America be reflected in all sectors. However we do believe that the balance has shifted too far from self reliance; that the alliance should not be allowed to dominate strategy and dictate policy; that good relationships with the USA should not come at the price of good policy, and effective relationships in our region. We see the growing foreign military presence in Australia as an indicator that those policy settings are off target.'

(BaseWatch, submission 168)

'The overall decline of the political and military influence of the US over time coupled with the rise of China makes it imperative that Australian forces have the tools needed to protect our interests in the event US support is unavailable.'

(D. Baker, submission 70)

'We should be thankful for the friendship of the US but not assume that all the US strategic interests align with ours. The vital clause that Australia and the US should consult, must remain in our thinking. We should consult, but also be willing to and create the space to sometimes say no.'

(Stephen Tansing, submission 233)

Polling shows that past and continuing strong support for the alliance coexists with shifting perceptions of its benefits. In the consultation meetings, there was a widely held sense—including among strong supporters of the alliance—that Australia needed to play a stronger and in some respects more demanding role within this security relationship.

The argument was made that our relations with the United States had become closer in recent years without thorough explanation or sufficient public debate. Some noted that this may be a matter of appearance as much as reality, since Australian Government decisions not to provide forces or other support to an ally were likely to be conveyed in private, while agreement was inherently a public matter. There was a recurring view that Australian governments need to more carefully explain decisions on alliance cooperation and on operational matters and to show how they advance our national interests.

The panel encountered mixed views about the rotational presence of US Marines in the Northern Territory. Some people, particularly in meetings in Sydney and Melbourne, identified this as an example of a strategically significant decision that had not been sufficiently explained or justified to the wider public by the Government. Questions were asked about what knowledge or say Australia would have about possible future operational deployments by the Marines into the region.

On the other hand, the panel heard a range of positive views about the role of the Marines' presence as a marker of a closer alliance, as a way of encouraging the United States to remain engaged in the region, and as an opportunity for closer training and cooperation, including with third countries such as Indonesia and China. Discussions in the Northern Territory also indicated that the Marines are generally welcomed by the local community, and have an excellent record of positive community engagement.

Questions were raised about Australia's willingness to commit military forces to US-led operations, the practice of embedding Australian personnel in US military structures, and reliance on US nuclear weapons as part of the security guarantee that the United States provides to Australia under the alliance. A few people also suggested that, if Australia ever found itself in a security crisis with Indonesia, it would not necessarily be able to rely on military support from the United States.

A number of participants in meetings noted that US policy and power in Asia could not always be taken for granted: US policy could change with different presidential administrations, and there was a risk that isolationist sentiment in the United States, or US preoccupation with problems elsewhere in the world, could limit US ability and willingness to help Australia and other allies in Asia.

Other people argued that these were reasons for Australia to do more by way of active diplomacy and 'burden-sharing' with the United States, to help encourage and maintain the US 'rebalance' of forces and diplomatic attention to Asia. This was cited a number of times as a good reason to continue to increase US defence access to Australia. A few people emphasised that Australia could make a strong contribution to the alliance by hosting shared intelligence and surveillance facilities, including for space tracking, and by ensuring that Australia continues to have advanced regional maritime surveillance capabilities.

Challenges and opportunities ahead

Many people identified as a priority for Australian defence policy the need to keep the US alliance strong, sustainable and responsive to Australian interests in the years ahead. This would require clearer public explanation of and discussion about issues, such as the US 'force posture initiative', involving increased access of US forces to Australia.

In many meetings, the panel encountered concerns that support for ANZUS might not be equally deeply rooted in all parts of Australian society. Recent migrant communities and younger Australians were often mentioned in this regard, although polling indicates that support for the alliance in recent decades has strengthened over time within each generational cohort.

Many people argued that Australian Governments would need to be more open and agile in the public management of the relationship if they wanted to maintain a strong constituency for close military cooperation with the United States. They said that the Government would need to be active in explaining both the value of the alliance and the national interests involved in any decisions about the joint use of military force or the greater coordination and enmeshment of US and Australian defence postures in Asia.

Many people expressed views about the desirability of Australia having the ability to conduct military operations on its own while also benefiting from interoperability with the United States. Some said that the challenge for Defence was to find ways to reduce trade-offs between these two positive goals, and that Australia needed to get the balance between interoperability and independence right.

A few people suggested that one challenge would be in seeking to ‘drive harder bargains’ in the defence industry relationship with the United States, although others noted that it would be difficult if not impossible to overcome US defence trade restrictions on critical software and classified data.

‘There needs to be a public conversation about Australian and American expectations of the alliance.’

(Participant in discussion at Lowy Institute)

‘Within the Islamic community particularly there is always considerable angst about excursions to the Middle East which consistently look primarily related to an alliance with the US and not any strategic or moral perspectives directly tied to the domestic situation. This may have merit to the broader strategic and security position of Australia but the missions themselves can appear uninspiring or worse irrelevant.’

(Dr Tanveer Ahmed, submission 253)

‘Should the Federal Government consider formal approaches to the US inviting a broader footprint by US Armed Forces in Northern Australia, particularly around training and exercising, the Northern Territory Government would strongly support such an expanded presence.’

(Northern Territory Government, submission 114)

‘The challenge for Australia is to shape United States’ and regional thinking in such a way as to create space for China within the region, while incentivising engagement.’

(CMAV Advisory, submission 210)

‘Australia’s commitment alongside US forces in the Middle East is largely about alliance imperatives ... Yet most members of the ADF only have experience with the “sandpit”. Few nowadays have much more than paper-thin understandings or experiences of South East Asia and the South Pacific, and their knowledge is getting thinner.’

(Dr John Blaxland, submission 109)

‘Of course this [strategic independence] would involve greater cost. Possibly 3% of GNP. We have had defence on the cheap, hiding under the American machine, but at too great a cost to Australian nationality and respect. At the end of the day, we need to ask ourselves what is Australia’s independence, Australia’s integrity, worth to Australians.’

(Malcolm Fraser, former Prime Minister, submission 127)

Some people also pointed to a need for Australia to manage expectations of what it can realistically contribute to the United States in a military sense. In their view, US expectations of Australia are likely to grow.

One opportunity identified in a number of the meetings was for Australia to work closely with the United States on improving defence links with third countries in Asia. Several people made the point that Australia did not need to choose between its status as a US ally and its regional role and interests in Asia. They pointed out that the United States should especially value Australia's close attention to and good relations in Asia as a major asset to the alliance.

Recommendations

As part of the Defence White paper process, the Expert Panel recommends that the Government:

- keep the US alliance strong, sustainable and responsive to Australian interests in the years ahead.
- offer a detailed public explanation of Australia's interest in enhanced cooperation with the United States, including in the US 'force posture initiative'.
- explore options to enhance trilateral and multilateral cooperation in the Indo-Pacific, involving forces from Australia, the United States and other countries, such as Indonesia, China, India and Japan.



INTERNATIONAL ENGAGEMENT

5. INTERNATIONAL ENGAGEMENT

'The importance of Australia's defence diplomacy program should be considered as being virtually on par with its hard power capabilities and should be funded accordingly.'

(Dr David Brewster, submission 100)

'... it is unlikely that Australia will be entirely self reliant in our defence needs anytime in the near future; however Australia can contribute to regional self reliance, encouraging our closest neighbours to work together for a mutual strategic benefit of increased regional security.'

(N.J. Phillips, submission 59)

People consulted by the Expert Panel expressed a range of views about the international defence and security partnerships Australia needs in a complex and uncertain future. There was strong and widespread support for an increased role for Defence in international engagement, as Australia needed deeper and closer defence and strategic partnerships than in the past. This was seen as a way to improve the international security environment in favour of peace, stability and Australia's interests. Others made the point that defence engagement could do little to prevent conflict if nations' fundamental interests clash.

Apart from the relationship with the United States, the range of defence relationships identified in meetings and submissions as worth priority attention included those with New Zealand, Indonesia, China, Japan and India. Papua New Guinea, South Pacific island states and Timor-Leste were also identified as countries Australia should work with closely, especially to build those countries' own security capacity. Other defence relationships recognised as worth building or maintaining included those with South Korea, Singapore, Malaysia, Vietnam and France. At the global level, the United Kingdom, the 'Five Eyes' partnership of the United States, United Kingdom, Canada, Australia and New Zealand, and the North Atlantic Treaty Organization (NATO) were identified as obvious partners. Some people said that Australia should be careful not to allow our traditionally close links with the New Zealand Defence Force to drift.

Defence engagement

Proposed areas and channels of defence engagement varied widely, from close cooperation in advanced technology with Japan or cooperation in maritime surveillance with Indonesia, through to dialogue and training exercises with China.

Many people suggested that Australia increase its use and resourcing of defence engagement as part of a wider strategy to influence regional security dynamics. A few observed that a doubling or tripling of the funds spent on defence engagement would barely dent other parts of the Defence budget but could achieve significant effects. Such engagement would improve relations with other countries more generally and in specific areas such as technology sharing, while also improving the ability to prevent or respond to security crises.

'Australian defence diplomacy programs need to have realistic ambitions. Its promise is greatest in practical activities providing foundations for improving specific bilateral relationships that are part of a larger strategic picture.'

(Professor Nick Bisley, submission 250)

'... the inclusion of foreign students in defence education and training is an essential component of international engagement and the development of a "soft power" for Australia.'

(Returned & Services League of Australia, submission 125)

'The preparation and deployment for peace operations provides many opportunities for the ADF to develop good relationships, trust and understanding with regional neighbours in the Asia Pacific and with our traditional allies ... Consideration should be given to assisting individuals and components from regional nations to deploy alongside Australian contingents and to draw upon our training and support systems.'

(UN Association of Australia, submission 261)

Some people also referred to the need to build defence engagement through regional organisations, such as the Association of Southeast Asian Nations (ASEAN) Regional Forum, and many-nation exercises, such as the US-convened Rim of the Pacific Exercise (RIMPAC) naval drills, in addition to bilateral ties.

The role of building personal links through exchange visits, such as to staff colleges, was emphasised. This was especially so in relation to Indonesia, where the role of defence 'alumni' in informal channels of trusted communication was repeatedly mentioned. Some people also

suggested that Australia would benefit from a defence dimension to the Australian Government's New Colombo Plan, under which young Australians receive scholarships to work or study in Asia.

Many people emphasised the need to invest more in Asian language skills and cultural awareness for the ADF, although some also noted that the ADF was far ahead of Australian society generally in sustaining Indonesian language skills.

Defence relationships

Many people underlined the opportunity to improve our relationship with **Indonesia** based on common interests, and that now was the time to do 'as much as we can'. It was recognised that stronger ties with Indonesia need a mix of civilian and military engagement. Some people said that the risk of resurgent terrorism provided a reason and an opportunity to engage. Others pointed to maritime security issues, including fisheries management and the need to help Indonesia improve its awareness of all the kinds of traffic passing through its archipelagic waters. In this view, a weak Indonesia was not good for Australia and we needed to demonstrate that we want to help ensure that Indonesia is a capable power. Several people emphasised that Australia should help Indonesia build up its navy.

Some people said that Australia needed to retain our position, with New Zealand, as the defence partner of choice for **Papua New Guinea (PNG) and other South Pacific countries**, and that it was in Australia's interest to support and develop the professionalism of the PNG Defence Force and other regional forces. A few said that Australia also needed to re-engage with the Fijian military, which was developing training links with China. The Pacific Patrol Boat Program was repeatedly highlighted as worth continuing and building on.

A range of views was expressed about Australia's increasingly close defence and security relations with **Japan**. Some people put these in a very positive light, noting the need to help Japan contribute more to regional security. Some expressed concerns about Japan's reliability as a partner. Some thought that memories of World War II hindered regional acceptance of a stronger Japanese security role in Asia. Others disagreed and thought that stronger Japanese engagement would be welcomed in the region and was something Australia should encourage and support. They saw the Australia–Japan bilateral relationship as a model for how two former adversaries can overcome their past and develop a highly successful relationship. Some people noted that China

could be concerned about Australia–Japan defence links, but few suggested that this alone was a reason not to deepen them. A frequently expressed view about Japan was that Australia should work to improve relations in a cautious and pragmatic way, with clear understandings about expectations on both sides. Some people said that Australia should seriously consider cooperating with Japan on military technology, including in acquiring submarines, but that it would be important that future submarine sustainment is done in Australia.

Some people suggested that Australia should do more military engagement with **China**, including working closely with the Chinese on disaster relief. The valuable experience of cooperating with the Chinese air force in searching for the missing Flight MH370 was noted. Some described Australia as a country that could help bridge regional tensions by conducting dialogue and training with China and others. It was repeatedly said that Australia already had some strong achievements in defence engagement with Southeast Asian countries and that this could be replicated with China.

China's interest and activities in Antarctica were identified as an obvious avenue for engagement. A few people said that closer Australian defence communication with China might be welcomed by the United States as an alternative channel for dialogue. Some said that closer defence interaction with China need not be at the expense of Australia being forthright about its values or its stance on international rules and norms. However, several people said that there was no need for Australia to be confrontational or 'inflammatory' in the way our next White Paper depicts China.

Many described **India** as an important partner and believed that India–Australia defence cooperation should be increased. Their reasons included India's growing military capabilities, its naval reach in the Indian Ocean, New Delhi's positive relations with countries friendly to Australia, and the absence of conflicts of interest with Australia. Little downside was seen to an enhanced relationship. Some people questioned how much India could really do for Australia's security, and emphasised the obstacles to India's emergence as a powerful country. They said that India would at times be challenging to deal with. On balance, the consultations supported a long-term priority to work with India, especially in maritime security.

A focus for defence ties with **Southeast Asia**, according to a range of participants in the consultations, should be building up the capacity of Southeast Asian countries such as Indonesia and Vietnam to protect

their own interests. This could involve sharing information and expertise about maritime issues. Some people said that Australia should actively help Southeast Asian countries to achieve ‘strategic autonomy’ and avoid being dominated by China.

‘It is in our interests to work closely with Indonesia in defence and help develop the Indonesian navy.’

(Hamish McDonald, former foreign correspondent, public meeting in Sydney)

‘Australia and Indonesia share common democratic values and a commitment to international maritime law. Shared democratic identities and common security goals should be reflected in defence narratives on Indonesia.’

(Dr Greta Nabbs-Keller, submission 229)

‘[The] biggest strategic plus for Australia in 2014 has been the speed of the upgrading of our relationship with democratic Japan.’

(Paul Jeffery, submission 9)

‘Australia should expand its [Defence Cooperation Program] with PNG, because the planned expansion of the PNGDF to 5,000 by 2017 and 10,000 by 2030 might well lead to a splintering of the force into factions supported and financed by politicians ... ADF assets, including AP-3C Orions and Royal Australian Naval Ships are dedicated to Operation SOLANIA tasking on a periodic basis. But more is needed, because maritime security is the key issue for the majority of small Island states in the Pacific, in particular the economic defence of their EEZs.’

(Stewart Firth, submission 234)

‘We must put a greater emphasis on our South Pacific Islander neighbours. We should regularly base ADF assets and have more military cooperation with those small and micro states. They look to us and want us to be involved rather than outside great powers who are and will continue to push in if we don’t lift our game.’

(Bill Stefaniak, submission 91)

‘Increasing security ties with South East Asian partners and being a more proactive contributor to a stable regional order reduces our dependence on the bilateral US alliance for our security. It allows Australia to become self-reliant not in the narrow and reductionist sense of independently defending the continent against a future enemy, which conjures an image of waiting for an enemy to arrive at the gates. Instead, it boosts Australia’s self-reliance in protecting its broader strategic interests in the wider region, mitigating the risk of a military threat well before it reaches Australia’s neighbourhood.’

(Ruob Yan, submission 80)

Recommendations

As part of the Defence White paper process, the Expert Panel recommends that the Government:

- develop Australia's defence engagement, aligned with its strategic interests.
- actively enhance defence engagement with key friends and allies.
- increase the overall level of defence engagement significantly to ensure that Australian interests are secured in a more complex and challenging strategic environment.







CAPABILITY AND THE DEFENCE ORGANISATION

6. CAPABILITY AND THE DEFENCE ORGANISATION

'... the ADF's force structure needs a contingency plan in place if the C4ISR networks, GPS systems and other technologies are made inoperable. These technologies are vulnerable and difficult to defend. In a serious crisis these capabilities may be some of the first to be made inoperable by an opposing state.'

(Jacob Mark Simpson, submission 81)

Contributors expressed a wide range of views about specific capabilities that Defence will require in the future. There was largely consensus about the need for Defence to be flexible and responsive to government requirements. The divergence of ideas about the nature of threats to national security and the responses that would be required meant that there was not the same level of agreement about specific military capabilities.

The majority view was that, in addition to being able to meet newer challenges such as cyber security, Defence must continue to structure for high-intensity operations. This included the need to preserve a technology edge within the region, although there was increasing understanding that maintaining this advantage will be critically dependent on the expertise and training of ADF and Defence civilian personnel. In this regard, repeated concerns were expressed about the 'hollowness' of the ADF, as were suggestions that some areas were functioning at or below a minimum level of capability.

Most accepted that Australia's strategic environment is maritime and that the force structure should be configured accordingly. This included a recognition that land forces have critical roles to play, but in the context of overseas operations and not continental defence. Only a minority expressed a desire for larger land forces, and such suggestions were often expressed in terms of more capable reserve forces. Some people emphasised the need to develop Australian amphibious capabilities across the spectrum of operations.

Some uncertainty was evident about what the ADF's capabilities should be for humanitarian assistance and disaster relief operations both within Australia and overseas. Some people emphasised the role of the Canberra class Landing Helicopter Dock (LHD) as a key platform. There was a desire for a clearer enunciation of what the Government expects of the ADF in this area.

Maritime and air capabilities

Two possible acquisitions in particular were proposed by individuals from a wide range of backgrounds. The first was the new submarine class. Only a few did not accept the need for a submarine capability, although there were many different ideas about the total number needed. While there was wide agreement about the need to sustain the vessels in Australia, and a reasonably sophisticated understanding of the implications of that requirement, there was much less consensus about where the boats should be built.

'I would like to request that the White Paper process gives an unbiased, objective and comprehensive comparison of all of the options for replacing the Collins class submarines ... if the Virginia class is not to be an option, can the White Paper please tell us why?'

(Tony Bernard, submission 68)

'Ocean-going robotic devices such as Wave Gliders and Sea Gliders can be deployed on autonomous or semi-autonomous missions for up to twelve months, continuously gathering and transmitting data from the ocean surface and below, while remaining virtually undetectable ... The skills and expertise are available in Australia to support the technology and add value to it through enhanced sensor and communication integration, so that Australia can establish a position of leadership in the use of marine robots for defence, environmental, scientific and industrial applications.'

(Fastwave Communications, submission 256)

'... the acquisition of 28 F-35Bs should be comprehensively examined and should form an integral part of answering questions posed in the Defence Issues Paper.'

(David Baddams, submission 82)

The capability suggestion most often made in the public meetings and included in many submissions was for the acquisition of nuclear-propelled submarines, particularly the *Virginia* class of the US Navy, whether by outright purchase or through a leasing arrangement. A few people suggested that, even if Australia was committed to a conventional submarine to replace the Collins class, work should begin soon on the national infrastructure to support a subsequent nuclear-powered submarine by mid-century. The potential operational advantages of nuclear propulsion were emphasised repeatedly, while some felt that a more comprehensive justification for any decision not to acquire nuclear-powered submarines needs to be provided to the public.

The second capability proposal made repeatedly was the purchase of F35B short take-off, vertical landing (STOVL) aircraft as the final tranche of the planned F35 fleet, and the modification of the Canberra class amphibious ships to operate them. This recommendation was usually made in the context of providing close air support to forces ashore, but there were a few proponents of the employment of the Canberra class as small aircraft carriers, focused on an F35B air group, rather than as part of an amphibious force.

There was also wide interest in the use of unmanned vehicles, and many believe that this technology has great potential for Australia. The potential acquisition of the Triton long-range maritime unmanned aerial vehicle (UAV) received support in many areas, while there were repeated recommendations that Australia pursue the development of other types of UAVs, as well as unmanned underwater vehicles.

Land forces

'... having the capability and advantages of self-propelled guns will provide the Army with an advantageous "edge" and asset in our geographical region and in any future contingencies, and bring our land forces abreast with the 21st century.'

(Manny Rivera, submission 181)

'... our army seems to be the only modern Western army that does not have a tracked self propelled 155 mm howitzer. For heaven's sake, just go ahead and buy the German PZH-2000 and make the excaliber rounds in Australia.'

(Rod Couch, submission 49)

'... the role of the SAS, traditionally long range patrolling and reconnaissance, has changed dramatically to include aggressive infantry activity, to the degree that the traditional role appears to have been superseded in practice ... One adverse result of this policy has been to de-emphasise the importance of ... infantry battalions and to prevent them from gaining ... valuable operational experience ... For the sake of the fighting capability of the army this over emphasis should cease.'

(A. Clunies-Ross, submission 67)

There was considerable support for Australia's special forces capabilities and for ensuring that our special forces continue to be well equipped and resourced, particularly with emergent technologies. On the other hand, some concerns were expressed about the potential under-resourcing of conventional land forces, which have the potential to conduct many operations that have been allocated to special forces in recent years.

One area that received attention was the need for the Army to have more firepower, not only for narrowly defensive purposes, such as surface-to-air missiles, but also for striking a range of other targets. In addition to artillery, weaponry mentioned in this context included anti-ship and other surface-to-surface missiles. A few thought that the Army should have self-propelled artillery and more tanks.

A number of contributors suggested changes to the Army Reserve to increase capability, for example in armoured reconnaissance units. Some advocated reviving the Ready Reserve scheme. They thought that in the short time it operated, it had clearly provided not only military capability in its own right, but also a steady stream of high-quality personnel into the permanent force.

Cyber capabilities

'The ability to conduct effective offensive and defensive cyber operations is a capability that Australia must have for defence and broader national security reasons.'

(Ian Dudgeon, submission 156)

'In the absence of any other suitable instrument ... the Defence White Paper could be the catalyst for a National Cyber Resilience Blueprint. This would be developed by a combined government–industry–academia group using the Cooperative Research Centre (CRC) Program as its business model—and it would not necessarily be led by a Government official. The Blueprint would dissect and scrutinise the roles, functions and structure of our existing national cyber security institutions and infrastructure, including policy and regulatory frameworks. It would lay the foundations for a world leading, tripartite collaboration to build cyber resilience for all Australian interests.'

(Tim Scully, submission 142)

There was wide recognition of the increasing importance of the cyber domain and the way in which it is becoming a new area of warfare. There was general support for greater investment in this area, although much less certainty about how Australia and Defence in particular should organise for it, given that there are so many dimensions. Most accepted that this is a 'work in progress' but emphasised that a whole-of-government approach, of which the Defence effort would be only a part, was essential. Some held that the Defence White Paper might not be the best vehicle for setting out the Government's policy in this area. Several people suggested that Australia needed a dedicated 'Cyber Command' that went beyond the Defence portfolio. The Department of the Prime Minister and Cabinet was suggested several times as the appropriate lead for cyber matters. At the

same time, there was considerable interest in the potential of offensive cyber capability and a belief that Australia should not neglect this aspect.

Sustaining capability and enablers

Some contributors suggested that the acquisition cycle for systems needed to be speeded up and that a much faster 'refresh rate' was needed for computer-dependent elements, in particular, to take advantage of the continuing advances in hardware and software. They made the point that many major ADF platforms have very long lives but that their sensors, weapons and command and control systems could be expected to change several times over their lifecycles.

There were also suggestions that more emphasis needs to be given to sustaining operations, particularly through the provision of better weapon and fuel stocks. A number of comments were made about the need for increased investment in facilities and enablers in this regard. Particular points of concern related to Australia's lack of national reserve fuel stocks, the state of Defence's fuelling arrangements and the relative lack of capability in northern Australia.

'The size of the submarine force within the Australian Defence Force is a serious matter of both investment and of sustainment costs and benefits ... However of even greater importance is the assurance of continuity of the investment in both infrastructure, in submarines themselves and in the development and sustainment of the workforces for operations and sustainment.'

(Submarine Institute of Australia, submission 264)

'... given the potential disastrous impact on Australia's sovereign defence operational capability with disruption of sea oil supply chains the 2015 Defence White Paper should address development of a Coal to Liquid Fuels Strategy to ensure Sovereign ADF Liquid Transport Fuels Security for Australia's Defence.'

(Manufacturship, submission 103)

There was considerable interest in evolving the ADF to reduce its greenhouse gas emissions and manage its environmental impact. That interest was not confined to environmental groups, and such efforts were viewed as being not only good management of resources but also likely to improve the ADF's operational flexibility and survivability (for example, through signature reduction).

People

The 'people' aspect of Defence received wide attention and much comment. A repeated assertion was that the idea of 'people as capability' needed to be taken seriously by the Defence organisation and the Government, and that this understanding had to extend not only to uniformed and Australian Public Service (APS) personnel, but to supporting elements outside the Defence organisation. There was some agreement that Defence may be top heavy, but also some support for the idea that service and civilian personnel need to be adequately recognised and properly compensated for their skills and commitment if they are to be retained.

Those interested in this subject emphasised the need for continuity in workforce management and planning and the need to take a long-term approach in the development of skills, particularly among the procurement and engineering workforce.

'The APS has a crucial role to play in risk management, planning and scheduling and the provision of advice and guidance, both internally to government and externally to contractors. An APS that lacks the necessary technical skills to perform these functions will inevitably lead to poorer risk management, poorer matching of needs and capabilities, poorer management of work and assets and generally poorer defence outcomes with additional costs.'

(Australian Manufacturing Workers' Union, submission 138)

'Technical expertise across many critical engineering disciplines is already paper-thin. Too many areas of expertise are effectively one or two deep with a significant gap in expertise between senior and early career technical experts. This has been exacerbated by the limited capacity to recruit, promote and recognise expertise from within.'

(Professionals Australia, submission 216)

Several people saw a need to dissociate rank from remuneration. This suggestion was made in reference to Reserve specialists, particularly health and legal officers, to provide more avenues for their employment where they are most needed, but is one that may have wider application in the permanent forces.

On the other hand, there were frequent suggestions that there needs to be much more flexibility in lateral recruitment and movement between

the ADF, the Defence civilian workforce and industry, as well as new approaches to shared employment and part-time work. This needed to be applied in the regions as well as in Canberra and other major cities where there is Defence activity.

The Defence organisation

There was support, particularly in Canberra, for the view that the Defence organisation is top heavy and that there are too many Groups within it. The continuing need for the Services (Army, Air Force and Navy) to maintain their individual identities was generally accepted. Some asserted that the various non-Service Groups also have very specific individual cultures but less justification for them, given the difficulties that they could create for cooperation within Defence. Many believed that there need to be better mechanisms to manage capabilities and activities that do not fit naturally within the domain of an individual Service (or Group). Inherently joint and cross-departmental programs, such as space, cyber capabilities, ballistic missile defence and amphibious warfare, were all mentioned in this context.

'When projects like the sea sprite and AWDs are mismanaged and taxpayers funds are wasted, one good manager is worth ten bad ones. Instead of looking internally for project managers and decision makers, headhunt quality managers with sound risk practice management and get experience into the government. The government should not be afraid to fire managers that are not up to the challenge.'

(Alex Davis, submission 182)

The Defence Materiel Organisation (DMO) was the subject of much comment, although there was reasonably wide understanding of its complex and broad range of responsibilities. Many criticised what was perceived as an adversarial relationship between DMO and industry, an excessive emphasis by DMO on 'competition for competition's sake', and a lack of DMO understanding of the relationships between risk acceptance and cost in developing contracts with industry.

There were isolated recommendations for the replacement of the 'diarchy' in Defence (the shared leadership by the Secretary of the Defence Department and the Chief of the Defence Force) with some alternative system, possibly involving the complete separation of the ADF from the Defence Department. However, most accepted the logic of the overall Defence arrangements and the necessity for the interaction of ADF and APS elements.

Science and technology

In submissions and meetings, people often expressed concern about the need to protect and enhance the role of science in supporting Australia's defence. There was wide recognition of its importance and potential to help maintain technological and operational advantages, but less agreement about how it should be organised for those purposes. More clarity was considered necessary in the role of the Defence Science and Technology Organisation (DSTO) and its relationship with CSIRO and with academia. Some pointed out that the sensitivity of some defence-related research is such that Defence must maintain an internal capability to ensure that the research can be given appropriate security protection. Several people specifically said that it was essential to protect DSTO's budget, capacity for research and integrity as an organisation.

Scientific research was an important element but not the only consideration in frequent declarations of the vital role of innovation in providing for Australia's defence. The panel's attention was often drawn to areas in which Australians have demonstrated the capacity to innovate, particularly in technology, but there was less confidence in Defence's ability to innovate successfully as an organisation.

'Effective defence policy and practice must be future proofed and under-pinned by a vibrant innovation ecosystem. The role of defence in stimulating innovation and economic growth in both the public and private sector and in dual use technologies is well proven in the USA.'

(Australian National University, submission 173)

'An Australian equivalent to the US Defense Advanced Research and Projects Agency would be worthwhile, but it should be a funding agency for high-risk transformational technology, not an alternative to existing structures.'

(Australian Academy of Technological Sciences and Engineering, submission 154)

An underlying point was the extent to which achievements in innovation have depended on sustained long-term commitments based on a real understanding of the requirement, rather than being driven only by the need to save money. This theme was one that appeared in many contexts, suggesting that there is a national appetite for a much more systematic approach to innovation within Defence and some acceptance—provided that there are clear explanations to the public—that this will involve risk and possible failure. Another aspect of this was a concern that Australia's national commitment to education in engineering and science is insufficient and that we are too dependent on skilled immigrants to make up the deficit.

Defence and national development

There were many suggestions at the meetings in the Northern Territory, Queensland, Western Australia and Tasmania for an increased Defence presence in those areas, and those suggestions were repeated in submissions by a number of regional councils and business groups. Many of the latter clearly had a much sharper focus on the potential side-benefits of such a presence for local and national development than on military requirements. There was some awareness of the implications for the Defence budget in such an approach, and there were suggestions that in such cases the government should allocate resources specifically on the basis of national development rather than from the Defence budget.

'The 1976 Australian Nimmo Royal Commission into Norfolk Island suggested that one of the key reasons Australia should retain Norfolk Island was its strategic positioning and its potential to be a key link in a "future defence chain" ... It is in the best interests of the Australian Defence Force to ensure that facilities in Norfolk Island that would support the Australian Defence Force during emergencies or day to day operations are in a condition that could be utilized by it immediately.'

(Government of Norfolk Island, submission 99)

'It is essential that the ADF is actively engaged in the development of future Port Master Plans to ensure that port infrastructure is capable of supporting strategic ADF capabilities in the region. [The Port of Townsville] and ADF have demonstrated a successful history of developing shared infrastructure that ensures operations are economically feasible, operationally sensible and strategically valuable.'

(Port of Townsville, submission 254)

'Strategic Australian Defence Force logistics would no doubt be aware of load width and height limitations of the Burdekin River Bridge, built in 1957, between the coastal towns of Ayr and Home Hill (Burdekin Shire).'

(Burdekin Shire Council, submission 19)

In Western Australia, in addition to a number of recommendations for the establishment of a fourth Army maneuverable brigade and a 'Western Command' or 'Indian Ocean Command', there was particular interest in the development of joint training ranges. It was suggested that this could support the US alliance, given the potential benefits for the United States in having access to them. Australia's suitability as a training ground was also suggested in relation to other countries and partners, including NATO.

Naval basing was the subject of a number of submissions, which included recommendations for moving Fleet Base East from Sydney to another east coast port. Most were from local groups or authorities with an interest in local development.

Recommendations

As part of the Defence White Paper process, the Expert Panel recommends that the Government:

- use the Defence White Paper to explain how key capability acquisitions, in the context of the overall ADF, are the most cost-effective way to maximise ADF capability.
- strengthen the ADF's capability for maritime operations, including maritime surveillance.
- Identify an opportunity to explain the 'pros and cons' of nuclear propulsion for submarines.
- ensure that the Defence White Paper or a related document sets out a strategy for defence fuel security, in the context of national energy policy.
- ensure that appropriate priority is given in the White Paper to Defence's people, both service and civilian.
- ensure that the implementation of the recommendations of the First Principles Review make it possible for Defence to deliver the policies set out in the forthcoming White Paper, and that the implementation of the First Principles Review and the Defence White Paper align.
- ensure that appropriate priority is given to defence science as a critical enabler of innovation and military capability.





DEFENCE INDUSTRY

7. DEFENCE INDUSTRY

'Ensuring that stakeholders understand Defence requirements, and are working to help industry meet the required benchmarks, will go a long way to encouraging the development of an internationally competitive Australian defence industry. State and federal government departments ... with input from Defence, can facilitate business clusters and capability development to meet the needs of the Defence Force at a local and regional level.'

(Regional Development Australia—Townsville and North West QLD, submission 247)

'Industry is currently not included as a Fundamental Input to Capability (FIC), and consequently has often been treated as an after thought in defence planning. A common refrain from Defence sources is that "Defence is not here to support Industry; Industry is here to support Defence". This view omits or ignores the symbiotic relationship that exists between the parties.'

(Australian Business Defence Industry, submission 47)

The Expert Panel encountered a range of views about defence industry in meetings and in written submissions. There were two parallel processes for gathering views on defence industry. During the community consultation, the panel heard from a wide range of stakeholders, including individual employers and employees in defence industry and union representatives. In addition, the panel also conducted a more focused set of direct engagements with defence industry through various industry associations and conferences. The panel was thus able to hold a large number of direct discussions on defence industry with a broad cross section of prime defence contractors, Small and Medium Enterprises (SME), non-equipment service providers, consultants, and Information and Communication Technology (ICT) and infrastructure providers, as well as the general public.

Observations from the public on defence industry policy

Drawing upon the input from Australians at large, there was practically universal recognition of the importance of having a national ability to sustain ADF operations. However, consensus on industry issues did not extend further than this principle, especially where major capital acquisition was concerned.

There was notable disagreement over the economic benefits of domestic manufacturing, particularly shipbuilding. Some accepted the economic logic of the view that the increased overheads of such projects would be better expended on other national requirements, while the workforce

involved would be available for more economically worthwhile activities. Others strongly rejected this, however, and emphasised the flow-on benefits of the money being spent in Australia, as well as gains through technology transfer. A number suggested a middle-ground view, that Australia should be prepared to pay ‘a small premium’ for Australian content in defence capabilities. Testing the exact boundaries of a small versus large premium in the minds of stakeholders was beyond the capacity of this consultation.

The debate on those issues was nuanced and usually sophisticated. Many people were well aware of the globally interconnected nature of much of the world’s manufacturing sector, including producers of sensors and weapon systems. Several participants and submissions drew attention to the importance of understanding the working of, and Australia’s dependence upon, global supply chains, with some suggesting that the ADF’s critical capabilities could be impacted by political or other events elsewhere in the world. There was also recognition of the significant problems from the lack of economies of scale of Australian industrial efforts compared to countries such as the United States.

‘Sustainment should be Australian at all costs, whereas capability acquisition should be based on value for money.’

(Participant in public meeting, Adelaide)

Many of those supporting production of defence materiel in Australia were clearly anxious over the perceived atrophy of national engineering and manufacturing skills, the revitalisation of which through defence procurement policies was seen as a potential remedy to the perceived vulnerability of global supply chains. This view was by no means confined to South Australia or Victoria, the states most affected by recent developments in the manufacturing sector. There was a degree of dissatisfaction, even frustration, with the most recent problems with domestic production, particularly the Air Warfare Destroyer, given the perceived success of the ANZAC frigate build and LHD consolidation in Australia. There was a strong view that many of these problems could have been avoided with better planning and management.

Sustainment was a subject over which there was much greater unanimity of opinion and a greater general acceptance of the need for a level of domestic support for industry in key areas, provided that such support

is well-managed and transparent to competitors. Many noted the need for Australia to be an ‘informed customer’ of support services. There was a high level of understanding of the need to have access to the necessary intellectual property involved in any system or platform which Australia acquires, delivering an ability to evolve and modify them to meet changing Australian requirements. This was viewed as being a very important reason for the maintenance of sufficient Defence (and wider national) expertise in science and engineering.

General observations from defence industry

‘Every major statement of Defence policy since 1976 has emphasised that a healthy and dynamic Australian Defence industry is an integral component of national security. To give effect to such statements, there needs to be clear links between the strategies set out in the White Paper and the statement and implementation of Defence Industry policy.’

(Australian Industry and Defence Network, submission 143)

The industry groups and individuals spoken to were noticeably weary and there was no strong sense of optimism about defence industry. As a group they were also cynical about the prospect of what they saw as yet another government defence industry policy that would promise much but deliver, at best, modest outcomes. The non-delivery of the substantial additional funding promised in the 2009 Defence White Paper—which actually became a series of deep cuts felt mostly in the major capital acquisition budget—was seen as having been deeply disillusioning. The result was that many companies (especially SMEs) have diversified away from relying solely on defence projects, which some saw as possibly an unintended positive outcome.

The interface between industry and defence was generally seen to be fragmented and opaque. The myriad of small initiatives that have accumulated over the years could do with consolidation and simplification, with a single gateway for industry to access. As it stands, there was little understanding among industry of the dozens of industry programs operating in the portfolio. While many companies knew of the Skilling Australia’s Defence Industry, Global Supply Chain, Capability Technology Demonstrator, Rapid Prototyping, Development and Evaluation and Defence Materials Technology Centre programs, very few knew more than a handful of the Programs available, or less still how they interact with each other and the Department of Defence.

Planning certainty

By far the most consistent message received in discussions with industry was the need for transparency, consistency and predictability in defence acquisition (and, to a lesser extent, support) planning. The environment for defence industry after the 2009 Defence White Paper was doubly disappointing due to the mismatch between expectations created and actual delivery.

'Industry is ... acutely aware that this will be the third DWP to be released in six years. This has driven an increasingly sceptical view of the value the DWP holds as a valid strategy and policy setting instrument—not least through the lack of Industry involvement ... in previous DWP developments.'

(duMonde Group, submission 85)

'A viable and sustainable defence industry is predicated on a reliable and continuous flow of work resultant from a long-term, strategic defence acquisition plan that industry trusts and will invest against. Long-term commitment from Governments and investment by industry fosters innovation and develops efficiencies which will assist an indigenous defence industry to be competitive in the global marketplace. Good examples are the Danish Government's defence agreement which sees all parties of Parliament agreeing to a binding, five year plan that is, in effect, a combination of their Defence White Paper, Capability Plan and Industry Policy Statement.'

(Defence Teaming Centre, submission 129)

There was general support for a return to a 10 year public Defence Capability Plan, but there also were reservations about its usefulness if it followed the pattern of recent years of being obviously oversubscribed and underfunded. This feedback reflected a lack of confidence in scope and budget guidance, but most particularly the failure to deliver on the schedule of acquisition and sustainment contracts planned for market. The time taken from first to second pass approval of acquisitions by Cabinet, to contract award, to mobilisation and re-tender was universally seen as unpredictable and unreliable. The panel came away with the view that this, more than other factors, most impacted industry and degraded confidence.

Priority and Strategic Industry Capabilities

The Priority Industry Capabilities (PICs) and Strategic Industry Capabilities (SICs) were criticised by a number of industry respondents. There was a broad consensus that the list of priority industry areas was too long, with some obviously unnecessary inclusions, and that simply naming a sub-sector as a priority without taking steps to ensure its health was unhelpful.

One, but not the only, sector mentioned in this regard was naval shipbuilding. Concerns about shipbuilding was heard most clearly in South Australia, but were also raised in Victoria, NSW and Western Australia. The ‘valley of death’ effect was cited as an example where a sector identified as a strategic priority had nonetheless been allowed to reach a parlous position, without steps being taken to ensure its longevity.

‘There is the belief that Defence appears to currently work with the assumption that supply chains for what appear to be ‘common’ [textile, clothing and footwear] products ... can just be ‘turned on like a tap.’ ... One example of this supply/ demand assumption is the Modacrylic fibre component in no-melt, no-drip fabrics. This is currently part of the [ADF’s combat uniform] and is only made by Lenzing in Austria—no-where else. There is therefore, a permanent exemption to the Berry Amendment for this provision in the United States. These Austrian fibres used in the ADF supply chain are presently spun into yarn in the US. ... Australian suppliers can’t spin the yarn, so if that yarn processing supply chain is cut off, the rest of the PIC is irrelevant.’

(Council of Textile and Fashion Industries of Australia, submission 184)

The regular negative feedback on PICs and SICs led the panel in later industry engagement sessions to discuss what approach should be taken if the current one was seen to be failing. It was through this conversation that the panel found more support for an approach built around market intervention criteria. Using this type of approach, Government would not list industries that are a priority for Defence, but rather would list criteria that it would use to assess future intervention business cases.

If Government were to step away from explicit lists, stakeholders believed it desirable to use some exemplars (over-the-horizon and the phased array radar, for example) to illustrate how the new policy criteria would be applied.

DMO and procurement processes

The panel encountered several recurring comments from defence industry about the DMO. There was a perception of too much process and an over-reliance on price based competition. A considerable overhead experienced by firms bidding for work, especially in the case of SMEs, was a consequence of this.

Industry did not see DMO as a smart buyer. In particular, it lacked savvy where ‘trade space’ was concerned in project specifications. There was a frequently expressed view that DMO sometimes pursued

competition for the sake of competition. The panel also spoke with companies that approached DMO to ask about bidding for work and said they had been turned away, leading to the perception that DMO is not open to new players entering the defence market. As well, the mechanism for approaching DMO with innovative ideas was unclear, especially for new players.

'Value-for-money considerations in procurement should take into account the value of skills and capacity developed and retained within Australia and particularly within regions.'

(Tasmanian Government, submission 165)

'The tendering process has become very complex, totally risk averse, and unnecessarily costly and needs to be simplified where possible e.g. for off the shelf projects and minor projects.'

(Sydney Aerospace and Defence Interest Group, submission 6)

'DMO errors and inconsistencies when documented are rarely acknowledged or refuted by DMO. In the 600 page DMO procurement procedure the word "appeal" does not appear.'

(Protected Transport Systems, submission 157)

The panel makes no claims regarding the veracity of this feedback, and we accept that processes with losing bidders are bound to produce a level of disaffection. However, perception of poor performance by DMO was the norm, rather than the exception. Rarely did an industry representative make positive comments about DMO processes. It was more common to hear that good project outcomes were the result of DMO personnel delivering them despite the constraints placed upon that individual by internal processes.

Broader government guidance on the assessment of value for money in acquisition process was seen as a significant part of the challenge. Recent policy publications from other nations, especially Canada's Value Proposition Guide, published as part of their new Defence Procurement Strategy, were highlighted as approaches worth exploring by Australia.

The panel came away from the consultation with the view that building industrial and broader national confidence and trust in Defence's acquisition and sustainment systems will be a long and difficult process.

Global market factors and supply chains

Many comments were received from industry about the desirability of Australia moving towards a 'level playing field'. There is a strong (but not unanimous) view that other countries pursue a range of practices designed to assist their domestic defence industry sectors while Australia does not. A related complaint was that the Australian Government did not act as a sales agent for its own defence industry in the way that other governments did. The UK Government's active support of its defence industry was cited as an example Australia could usefully follow.

'We believe that a meaningful and enforceable commitment to local content in Defence Policy would produce benefits across whole of project life to not only regional economies, but Victorian and National economies.'

(Geelong Manufacturing Council, submission 224)

'A prerequisite to international competitiveness is that the Australian defence industry sector must have a domestic market which offers some level of guarantee of future work (and schedule) that will enable industry to plan its investments. It has shown itself to be internationally competitive given a neutral environment and conditions (i.e. one not biased toward domestic players in foreign markets) and the opportunity to apply economies of scale. The sector is also creative and innovative but Government assistance may be necessary to raise the Technology Readiness Level (TRL) from prototype to production-ready status and allow insertion into global supply chains.'

(BAE Systems, submission 128)

'Australian industry is often discriminated against because Australia doesn't have offsets. If an offshore manufacturer has a choice between sourcing products from Australia or a country that has offset obligations, the manufacturer will favour the country with offset obligations before it will source from Australia.'

(Australian Industry and Defence Network, submission 143)

The panel was also told by some industry participants that foreign acquisitions had advantages in the short term and to the immediate budget bottom line, but ultimately ended up costing more or delivering less than locally sourced, even innovative alternatives. While there was broad acceptance of the need for value for money in defence purchasing, it was thought by some that through-life support costs were inadequately weighted in defence decision making. It was suggested that factoring such costs into acquisition options presented to government would help

level the playing field for Australian industry. Many thought that this would see more projects approved with high levels of local involvement, with a resultant positive effect on the long term health of local industry and its ability to support the ADF. However, the panel also heard a contrary view—put mainly but not exclusively by representatives of multinational firms—that foreign acquisitions offered opportunities for economies of scale through global supply chains that local acquisition would struggle to compete with.

‘Foreign Military Sales’ and other foreign acquisitions

‘In recent times, there has been a trend to centralise the purchase and support of platforms and there has been little or no technology transfer eliminating the opportunity for industry to participate in the acquisition and sustainment. Recent purchases of C-17s and Super Hornets have highlighted this. Will this happen to the F-35, if something is not done now?’

(HunterNet Defence, submission 84)

There was much concern about the perceived trend towards Foreign Military Sales (FMS) purchases, where Australia acquires defence materiel from a foreign government rather than from industry directly. Attempts to determine whether there was a difference between acquisition and sustainment elicited no consensus response—just a general sense of the government moving away from local suppliers. The current government’s repeated comment that decisions will be made on the basis of defence capability rather than industry interests was seen as having fuelled this concern about FMS. In South Australia, these were accentuated by the rumours of a Japanese submarine purchase.

Innovation

The panel encountered a widely held sense that Australian industry was not being encouraged or supported to be innovative. This concern broke down into a number of components, chiefly that the DMO was seen as insufficiently flexible to look closely at innovative solutions and that the systems that support innovation had become too complex to navigate. Industry saw no strategic direction or national focus for defence innovation, and defence innovation was not seen to sensibly

nest within the broader national innovation ecosystem. FMS (without offsets to provide local work) was stifling local innovation, which was problematic because not all technologies were shareable with Australia as an export customer.

'[The intensification] of technologies creates opportunities and new niches for Australian businesses to create world expertise in, as for example Australian based companies have done in the moveable trailing edges of aircraft. Defence industry policy ... needs to be focused more on identifying, nurturing and growing these areas of niche capability, including supporting the public research base on which this niche competitiveness is based.'

(ACT Government, submission 146)

'To remain relevant, [Australian] defence industry ... needs to be involved in leading edge innovation in areas where Australia can deliver a competitive or strategic advantage, and where local defence capability priorities dictate, particularly with respect to sustainment. ... Government should consider establishing an environment such that the defence industry sector is encouraged to conduct innovation in Australia. Ensuring that the taxation system for R&D credits is competitive is a necessity ... The Government should also consider continuing to foster innovation through the Capability Technology Demonstrator (CTD) programme, and the PIC Innovation programme (PIC IP). Research and development needs to be ongoing across the sector, bot at the Primes and SME level, and should be further encouraged as a core element of the defence industry sector policy development.'

(NorthropGrumman Australia, submission 26)

'One area ... Defence may wish to examine is for a way to assist new market entrants into the defence industry. For example, as a first step, before attempts are made to connect the small-to-medium enterprises to the global supply chain through the GSC program or other initiatives, Defence may consider ways to incentivise universities to increase their early outreach to nurture defence innovators and entrepreneurs to assist these innovators on the path to industry applicable commercialisation.'

(Lockheed Martin Australia, submission 131)

Recommendations

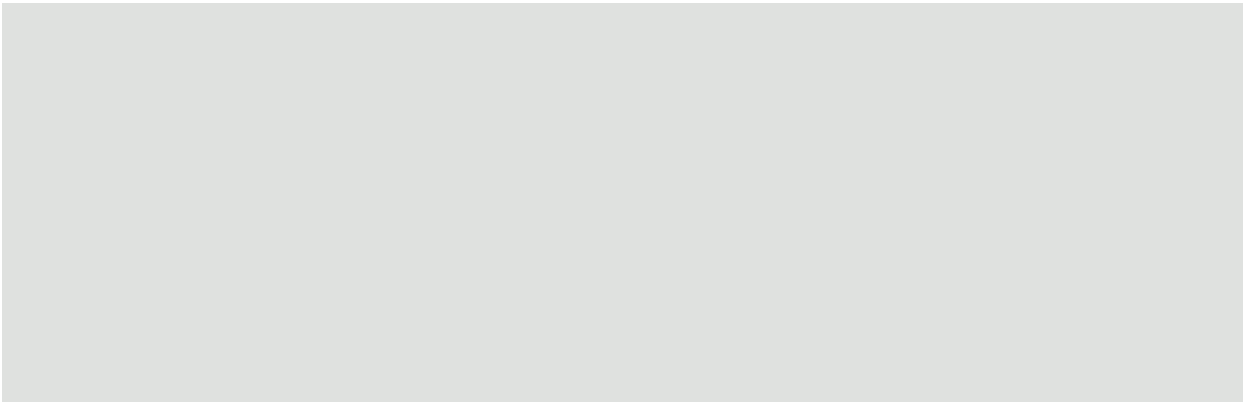
As part of the Defence White Paper process, the Expert Panel recommends that the Government:

- develop a Defence Industry Policy Statement that has a clear path to implementation. A statement that makes modest but realisable undertakings is preferable to one that makes big but generalised promises.
- consider the aim of defence industry policy to be ensuring that the ADF gets the equipment, services, infrastructure, ICT and advice it needs to conduct its core missions.
- ensure that defence industry policy takes into account through life support, much of which will perforce be done locally, and ensure that the relevant industry sectors are healthy and able to provide the required services.
- explain how the wider government definition of ‘value for money’ will be applied to defence purchases in a way that takes into account the costs and benefits of the investments required to raise and sustain enduring in-country capabilities.
- publish a Defence Capability Plan that clearly communicates the scope, budget and, most importantly, schedule information of projects. The Plan should allow industry to reliably plan for investment decisions in the 3-5 year timeframe, and for indicative planning out to at least 10 years.
- develop a set of clearly articulated market intervention criteria, perhaps with examples from existing initiatives, to replace the current list of 17 strategic and priority defence industry sectors.
- rationalise the many industry cooperation programs administered by the Department of Defence and the Department of Industry and Science.
- as part of (defence) industry policy, coach Australian industry to participate and compete effectively in the global defence marketplace.
- make targeted consultation of defence industry a part of the community consultation processes for future White Papers.





CONSULTATION MEETINGS



APPENDIX 1: CONSULTATION MEETINGS

2nd Annual Northern Australia Defence Summit, NT

Austal, WA

Australian Defence Information and Electronic Systems Association (ADIESA), ACT

Australian Industry and Defence Network (AIDN), VIC

Australian Industry Group Defence National Executive, SA

Australian Information Security Association, VIC

Australian Institute of International Affairs, ACT

Australian Institute of International Affairs, NSW

Australian National University, ACT

Australian Petroleum Production & Exploration Association, WA

Australian Strategic Policy Institute, ACT

Australian Submarine Corporation, SA

C4ISR Working Group

Capability Development Advisory Forum, QLD

CEO Defence Material Organisation roundtable with industry, SA

Chifley Research Centre, ACT

Civmec Engineering, WA

Committee for Economic Development of Australia (CEDA) - Northern Australia: policy for prosperity conference, QLD

Defence and Industry Conference, SA

Defence Teaming Centre, SA

Department of Commerce, WA

Dr Tim Soutphommasane, Race Discrimination Commissioner, Australian Human Rights Commission, NSW

Elizabeth Broderick, Sex Discrimination Commissioner, Australian Human Rights Commission, NSW

Flinders University, SA

Grattan Institute, VIC

Green Institute, ACT

Griffith Asia Institute, QLD

Hunternet, Hunter Business Chamber, NSW

Kokoda Foundation, ACT

Land Environment Working Group

Lowy Institute, NSW

Maritime Environment Working Group

Military Communications and Information Systems (MilCIS) Conference, ACT

Ms Randa Kattan, CEO Arab Council Australia, NSW

Ms Yassmin Abdel-Magied, President and Founder, Youth Without Borders, NSW

Northern Australia Development Office - Public Event, NT

Northern Territory Chamber of Commerce, NT

Perth USAsia Studies Centre, WA

Peter Collins, NSW

Pilbara Ports Authority, WA

Rapid Prototyping Development and Evaluation Biennial Meeting of Participants, QLD

Royal United Services Institute – Public Event, NSW

Royal United Services Institute – Public Event, QLD

Royal United Services Institute – Public Event, SA

Royal United Services Institute – Public Event, TAS

Royal United Services Institute – Public Event, VIC

Royal United Services Institute – Public Event, WA

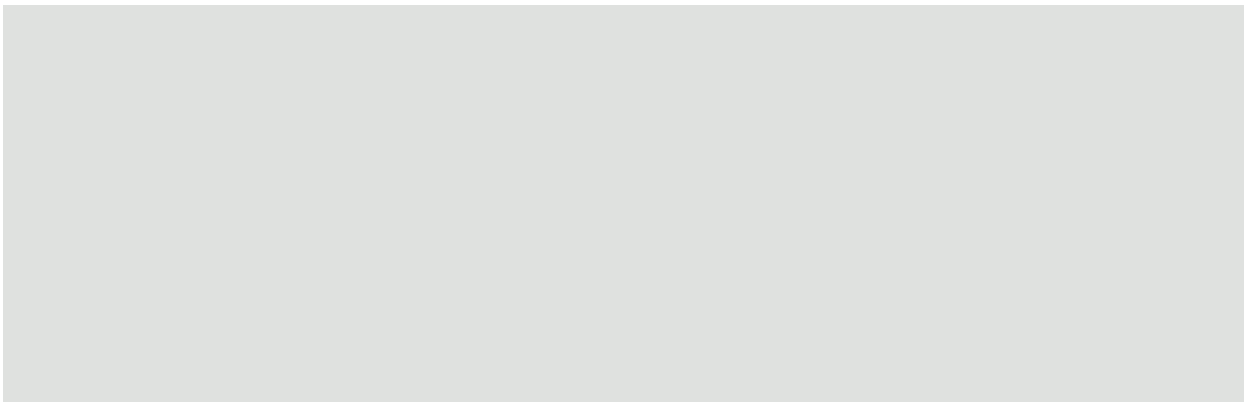
SA Government Defence Industry Policy Summit, SA
SimTecT (Simulation Training Conference and Exhibition), SA
Submarine Institute of Australia Conference, WA
Sydney Aerospace and Defence Interest Group, NSW
Townsville Enterprise - Public Event, QLD
United Services Institute – Public Event, ACT
United States Studies Centre, NSW
University of Tasmania, TAS
University of Western Sydney, NSW





APPENDIX
02

WRITTEN SUBMISSIONS



APPENDIX 2: WRITTEN SUBMISSIONS

The full text of submissions is available, where authors gave permission for publication, at www.defence.gov.au/Whitepaper.

001 — Flynn

002 — Barnett

003 — McDonald

004 — Consent to publish not provided

005 — Consent to publish not provided

006 — Sydney Aerospace & Defence Interest Group (SADIG)

007 — Ashworth

008 — Leaudais

009 — Jeffery

010 — Dewhurst

011 — Consent to publish not provided

012 — Richardson

013 — Name withheld by request

014 — Young

015 — Wanstall

016 — Haward

017 — Trotter

018 — Brown

019 — Burdekin Shire Council

020 — Business Bundaberg

021 — Consent to publish not provided

022 — Consent to publish not provided

023 — Consent to publish not provided

024—Consent to publish not provided
025—Adam
026—Northrop Grumman
027—Consent to publish not provided
028—Austin
029—Reynolds
030—Consent to publish not provided
031—Recordkeeping Innovation
032—McWhinnie
033—Consent to publish not provided
034—McLennan
035—Submission Considered but not Published
036—O’Keefe
037—Consent to publish not provided
038—Ireland
039—Spork
040—Davies
041—Simic
042—Carey
043—Richards
044—Jennings
045—Consent to publish not provided
046—Institute for Open Systems Technologies
047—Australian Business Defence Industry
048—Consent to publish not provided
049—Couch
050—Shire of Exmouth

051 — Clough
052 — Consent to publish not provided
053 — Brett
054 — Consent to publish not provided
055 — Little
056 — Bond
057 — Hutcheson
058 — Moore
059 — Phillips
060 — Consent to publish not provided
061 — Consent to publish not provided
062 — Consent to publish not provided
063 — Consent to publish not provided
064 — Consent to publish not provided
065 — Consent to publish not provided
066 — Consent to publish not provided
067 — Clunies-Ross
068 — Bernard
069 — Littlewood
070 — Baker
071 — Marrickville Peace Group
072 — Consent to publish not provided
073 — Consent to publish not provided
074 — Submission considered but not published
075 — Consent to publish not provided
076 — Submission considered but not published
077 — Selway

078—Consent to publish not provided

079—Submission considered but not published

080—Yan

081—Simpson

082—Baddams

083—Jones

084—HunterNet

085—duMonde Group

086—Consent to publish not provided

087—John

088—McClelland

089—Consent to publish not provided

090—Weathers

091—Stefaniak

092—Wallis

093—Regional Development Australia—Pilbara

094—AUSTAL

095—Submission considered but not published

096—World Citizens Association Australia and the Institute for Global
Peace and Sustainable Governance

097—Submission considered but not published

098—International Campaign to Abolish Nuclear Weapons

099—Government of Norfolk Island

100—Brewster

101—Indigenous Land Corporation

102—The Working Journey

103—Manufacturship

104—McLean Management Consultants
105—Farran
106—Consent to publish not provided
107—Australian Anti-Bases Campaign Coalition
108—Consent to publish not provided
109—Blaxland
110—Royal United Services Institute NSW
111—Defence Reserves Support Council
112—Consent to publish not provided
113—Submission considered but not published
114—Northern Territory Government
115—The Centre for Independent Studies
116—Andrews et al. (ANU Asia-Pacific Security Students)
117—Parker
118—Submission considered but not published
119—Wunderlich
120—Villanti
121—Computer Sciences Corporation
122—Submission considered but not published
123—Navy League of Australia
124—Consent to publish not provided
125—Returned & Services League
126—Consent to publish not provided
127—Fraser
128—BAE Systems
129—Defence Teaming Centre
130—Jennings

131 — Lockheed Martin Australia

132 — Mulherin

133 — Advance Cairns

134 — Business SA

135 — SA Government

136 — Green Institute

137 — Williams

138 — Australian Manufacturing Workers' Union

139 — Community and Public Sector Union

140 — Australian Certified UAV Operators

141 — Australian Human Rights Commission

142 — Scully

143 — Australian Industry and Defence Network

144 — Medical Association for Prevention of War

145 — Consent to publish not provided

146 — ACT Government

147 — Australian Nuclear Science and Technology Organisation

148 — Consent to publish not provided

149 — Schaffer and Wagstaff

150 — McLaren

151 — Hawke, Warren, Pilbrow and Schultz

152 — Submission considered but not published

153 — Submission considered but not published

154 — The Australian Academy of Technological Sciences and Engineering

155 — Trotman

156 — Dudgeon

157 — Protected Transport Systems

158—Women's International League for Peace and Freedom Australia
159—Consent to publish not provided
160—Consent to publish not provided
161—Consent to publish not provided
162—Consent to publish not provided
163—Consent to publish not provided
164—Consent to publish not provided
165—Tasmanian Government
166—Consent to publish not provided
167—archTIS
168—BaseWatch
169—Centre for Policy Development
170—Submission considered but not published
171—Lord
172—Submission considered but not published
173—The Australian National University
174—Environment Centre Northern Territory
175—Consent to publish not provided
176—Australian Maritime College
177—Pacific Small Arms Action Group
178—Rockhampton Regional Council
179—Submission considered but not published
180—Pilbeam/Carers Australia
181—Rivera
182—Davis
183—Consent to publish not provided
184—Council of Textile and Fashion Industries Australia

- 185—AsiaWorld Shipping Services
- 186—City of Karratha
- 187—Submission considered but not published
- 188—Mackay Regional Council and Diversify Mackay Leadership Alliance
- 189—Hackett
- 190—Liberal National Party Defence & Veterans’ Affairs Policy Committee
- 191—Universities Australia
- 192—Commonwealth Science and Industrial Research Organisation
- 193—Australian Academy of Science
- 194—Australian Industry and Defence Network Northern Territory
- 195—University of Sydney
- 196—University of New South Wales
- 197—Bruck Textiles
- 198—Australian Council for International Development, the Australian
National Committee for UN Women and the Women’s International
League for Peace and Freedom
- 199—Australian Industry and Defence Network West Australia
- 200—Thomas
- 201—Engineers Australia
- 202—Skinner
- 203—Rahman
- 204—Kiah Consulting
- 205—Defence Reserves Association
- 206—Fierravanti-Wells
- 207—Victorian Government
- 208—Regional Development Australia—Gippsland
- 209—Kinetic Recruitment

210—CMAX Advisory

211—Save the Children

212—Shire of Derby/West Kimberley

213—Northern Territory Greens

214—Rubber Ducky Defence

215—Submission considered but not published

216—Professionals Australia

217—Marlow

218—Carnival Australia

219—Consent to publish not provided

220—Consent to publish not provided

221—Kemble

222—NSW Government

223—Quaker Peace and Legislation Committee

224—Consent to publish not provided

225—Consent to publish not provided

226—Consent to publish not provided

227—Walter

228—Australian Red Cross

229—Nabbs-Keller

230—Fozzard

231—Race Discrimination Commissioner

232—Name Withheld by Request

233—Tansing

234—Firth

235—Submission considered but not published

236—d3 Medicine

237—Consent to publish not provided

238—Kirkpatrick

239—Consent to publish not provided

240—Submission considered but not published

241—Submission considered but not published

242—Consent to publish not provided

243—Consent to publish not provided

244—Consent to publish not provided

245—Townsville City

246—Consent to publish not provided

247—Regional Development Australia Townsville and North West Queensland

248—Taylor

249—White

250—Bisley

251—Leahy

252—Tan

253—Ahmed

254—Port of Townsville

255—Carr

256—Fastwave Communications

257—Consent to publish not provided

258—Consent to publish not provided

259—Long

260—Raaymakers

261—United Nations Association of Australia

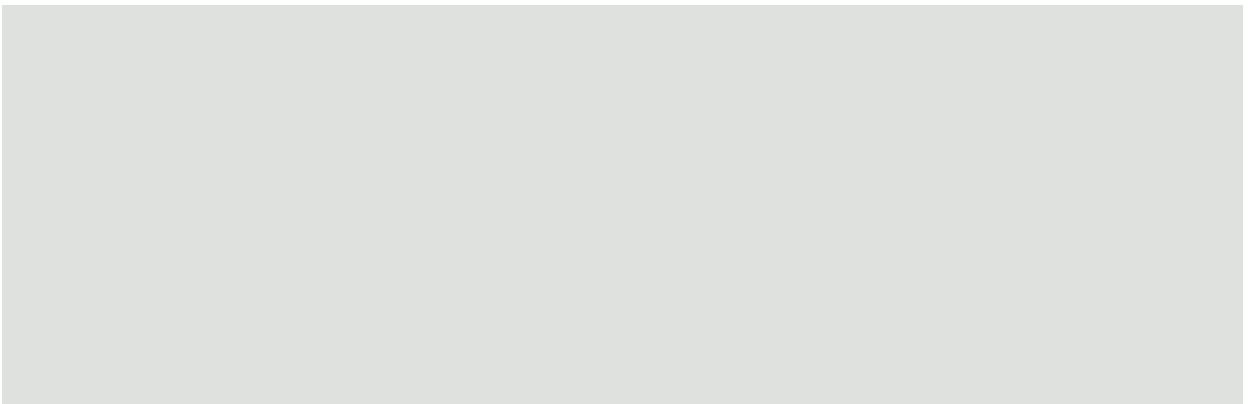
262—Submission considered but not published

263—Queensland Government

264—Submarine Institute of Australia
265—Consent to publish not provided
266—Consent to publish not provided
267—Consent to publish not provided
268—Consent to publish not provided
269—Consent to publish not provided



POLLING REPORT



APPENDIX 3: POLLING REPORT

PUBLIC OPINION IN AUSTRALIA TOWARDS DEFENCE AND SECURITY

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A report prepared for the Defence White Paper Expert Panel. The academic surveys used in this report are publicly available from the Australian Data Archive (<http://ada.edu.au/>). The views expressed in this report are those of the author and should not be taken as being endorsed by either Defence or the Expert Panel.

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Executive summary

Defence spending

Public support for increased defence spending has been gradually declining since the 1970s. There were two short-term reversals in this trend, the first following the 1979 Soviet invasion of Afghanistan and the second following the 1999 Timor-Leste crisis and the 9/11 attacks.

The main drivers behind this trend are, first, a wider societal view that more government money should be spent on social services and, second, a long term decline in the public's perception that there is a security threat to Australia.

Confidence in Defence

Public confidence in the Australian Defence Force has increased significantly over the past two decades, making it easily the highest ranked institution in society, followed by the police and universities.

One explanation for this increase in public confidence in defence is the public's positive views about its performance in a variety of overseas operations, starting with the Timor-Leste crisis in 1999 and more recently the ADF's role in Iraq and Afghanistan.

Threat perceptions

With the end of the Cold War in 1990, the public's perception that there is a security threat to Australia from another nation-state has declined significantly. Currently, fewer see a threat existing than at any time since the mid-1960s.

Concerns that Indonesia will represent a security threat gradually increased during the 1980s and 1990s, peaking in 2001 following the 1999 Timor-Leste crisis; thereafter there has been a decline. In contrast, concerns about China have gradually increased since the early 2000s.

The United States alliance

The public's support for the alliance with the US is consistently strong and has varied little over the past 20 years. Trust in the US to defend Australia is also high, although it varies with the willingness of the US to engage in overseas conflicts.

There is little evidence of generational effects in support for the US alliance, suggesting that generational replacement will not cause any weakening in public support for the alliance.

Attitudes to other countries

Public opinion towards closer engagement with Asia has gradually become more favourable during the 1990s and 2000s. Education appears to be the most important driver behind the public's views of Asia.

Attitudes to Indonesia and China

About half of the public sees Indonesia as an ally but not a friend. A closer relationship is marred by concerns that Indonesia has not done enough to assist on people smuggling and terrorism. Few have confidence in security agreements with Indonesia.

Around two-thirds see the economic growth of China as a positive development, but half see China as a potential economic threat.

The conflicts in Iraq and Afghanistan

In the lead-up to the Iraq war, public opinion was divided on support for the war; once hostilities began, those in favour formed a majority for the first time. However, as the war dragged on, that support dissipated and by the end of 2007 almost three quarters of the respondents believed that it had not been worth going to war.

As with Iraq, support for military involvement in Afghanistan has become weaker as the likelihood of success has diminished. The public has also shown an increasing lack of confidence in government policy towards Afghanistan.

Terrorism

There is widespread concern about being the victim of an attack, with almost half of respondents in 2007 and 2009 being 'very' or 'somewhat' concerned. Similar proportions also believe that there will be a terrorist attack in Australia in the future. There is general support for legislative measures to combat terrorism, notably imprisoning terrorist suspects indefinitely, which is supported by almost three in four respondents.

Introduction

Until relatively recently, the study of Australian public opinion towards defence and foreign affairs was an under-researched area. One reason for this neglect was the absence of empirical data on relevant topics. Until the advent of regular academic surveys of political opinion in the late 1980s, defence topics rarely emerged in commercial polls and when they did, coverage was sporadic. Another reason for this neglect was that defence and foreign affairs have rarely—with a few notable exceptions such as the Vietnam War or conscription—emerged as national political issues. An imperative to see what public opinion thought of these questions was therefore lacking.²

Since 1987 and the introduction of the Australian Election Study survey, and since 2005 the introduction of the annual Lowy Institute survey on foreign affairs, such a database on public opinion has now become available for secondary analysis. At the same time, the conflicts in Iraq and Afghanistan, relations with Indonesia and China, and the threat of domestic terrorism are all topics of contemporary importance. In these and many other areas, the views of the public have come to form an important component in the development of policy. For the first time, the systematic study of longitudinal trends in public opinion on defence and related issues is now possible.

This report provides an overview and analysis of the main findings of these opinion surveys. The criteria for including a set of results in the report is threefold. First, the topic must be defence or defence-related³ although the choice of topics is necessarily dictated by what is available in the surveys.⁴ Second, there must be some longitudinal element to the data, so we can see the broad trajectory of public opinion and provide some explanation for the observed trends. Very occasionally, in discussions of China or Iraq, for example, single surveys are used in the absence of longitudinal data. Third, the surveys must be nationally representative samples of the adult population. The surveys used in the analyses are described in the Appendix; almost all are publicly available as unit record files through the Australian Data Archive at the ANU.

² Results from early survey work is covered in McAllister and Makkai (1992), and also in Campbell (1986) and Marshall (1990).

³ There are obvious limitations in the extent to which conclusions can be drawn about the relationship between public opinion on defence and foreign policy issues.

⁴ An examination of community relations and defence is an important topic, but no data currently exists in the major surveys. Similarly, the public's tolerance for casualties in different types of conflicts was a topic in the 2000 Survey of Defence Issues, but has not been replicated. There are also other obvious gaps in public opinion topics in the report.

The analyses rely, for the most part, on aggregate trends or on percentage distributions.⁵ On some topics, multivariate analysis is used in order to examine the socioeconomic factors that underlie particular opinions. These models consistently use gender, age, education (measured as tertiary education), birthplace, marital status, employment status, family income and whether or not the person is an urban resident. Preliminary analyses which used more complex measures of education (for example, separating out primary and second education from tertiary education) added little and in the interests of parsimony were excluded. Similarly, including variables for the states in the models also added little by way of explanation and they, too, were excluded.

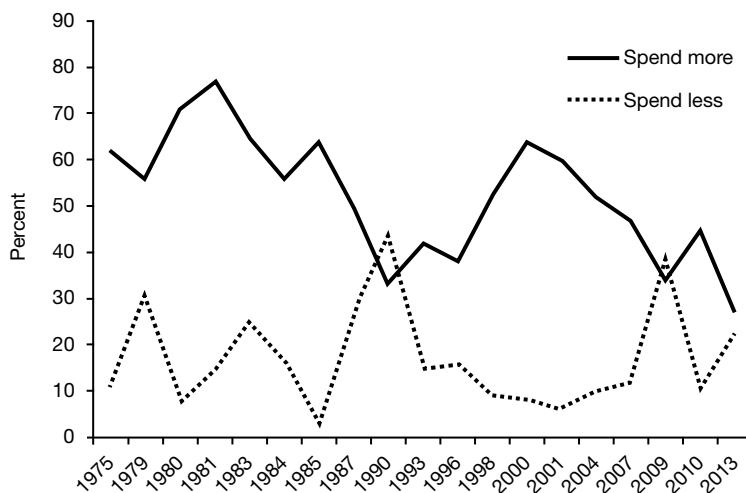
The first three sections of the report examine the broad context of public opinion towards defence, focusing particularly on views of defence spending compared to other areas of government expenditure, confidence in defence compared to other institutions, and perceptions of a threat to Australia from other countries. The next three sections shift the focus to particular countries, through an examination of the alliance with the United States, attitudes towards Indonesia and China, and attitudes to other countries more generally. The final two sections cover public opinion towards the conflicts in Afghanistan and Iraq, and views about terrorism. The conclusion draws out some broad themes from the patterns of public opinion and identifies some areas for future polling.

⁵ For consistency, don't know or missing figures are usually excluded from the estimates, particularly if they are trend estimates. In some cases, don't know responses are shown in the tables.

1. Defence spending

Public opinion towards defence spending is a particularly sensitive barometer to the public's general views about defence. During periods of international tension or when there is a potential security threat to Australia, defence and security issues will necessarily have a higher profile among the public than would otherwise be the case. In that circumstance, it would be reasonable to expect the public to be more receptive to increased defence spending. Equally, when threat perceptions are low and government expenditure is being reduced, defence may become one of the first areas in which that the public would favour cuts.

Figure 1: Public opinion towards defence spending, 1975–2013



'Do you think that the government should spend more or spend less on defence?' Exact question wordings vary between surveys conducted prior to 1987. The 2013 question was: Please say whether there should be more or less public expenditure in each of the following areas. Remember if you say 'more' it could require a tax increase, and if you say 'less' it could require a reduction in those services.

Sources: McAllister and Makkai (1992); AES 1987–2013; Survey of Defence Issues 2000; ANUpoll 2009.

Measuring public opinion towards defence spending is difficult without any obvious trade-offs in other areas; for example, increased defence spending might result in less spending on health or education. However, measuring the broad trend without any trade-offs can tell us much about the relative standing of defence in the eyes of the public. Fortunately, such a trend exists from 1975 onwards in the public opinion surveys and the results are presented in Figure 1.

The almost 40 year trend in Figure 1 shows that there were two peaks in support for increased defence spending. The first peak occurs just after the Soviet invasion of Afghanistan in December 1979 when 77 percent supported increased spending, compared to just 15 percent who wanted less. The second peak occurs after the Timor-Leste crisis in 1999 and the 9/11 attacks in the United States in 2001; at this point around six in every 10 respondents wanted an increase in defence spending. The two lowest points for defence spending come in 1990, following the collapse of communism and the end of the Cold War, and in 2009, after Australian military forces were withdrawn from Iraq. At both points there is marginally more support for reduced spending than for an increase.

The long-term trend across the 1975 to 2013 period is for a gradual decrease in defence spending. Drawing a trendline through the almost four decades of survey results suggests that the rate of the decline in public support for defence spending is around 0.75 percentage points per year, or just over 7 percentage points per decade. In the absence of a major international crisis that could influence the public's views of the necessity of defence, we would expect that decline to continue for the rest of the decade. Certainly the figure for 2013—the lowest in the series—suggests a strong reversion to the general downward trend.⁶

Table 1: Priorities for public expenditure, 2013

	Much more	Somewhat more	Same as now	Somewhat less	Much less	Total	(More -Less)
Health	32	46	19	1	2	100	(+75)
Education	26	43	27	2	2	100	(+65)
Old age pensions	22	43	31	2	2	100	(+61)
Police and law enforcement	16	36	41	4	3	100	(+45)
Business and industry	8	27	48	13	4	100	(+18)
Defence	7	20	50	16	7	100	(+4)
Welfare benefits	7	20	45	18	10	100	(-1)
Unemployment benefits	5	14	48	22	11	100	(-14)

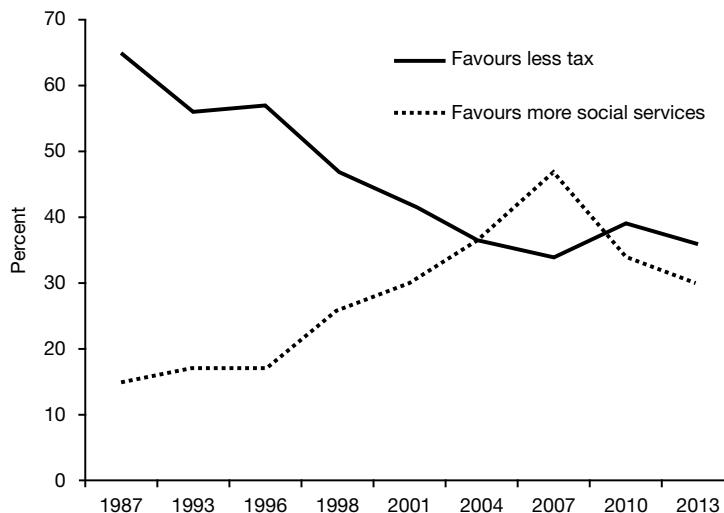
'Please say whether there should be more or less public expenditure in each of the following areas. Remember if you say 'more' it could require a tax increase, and if you say 'less' it could require a reduction in those services.'

Source: AES 2013.

⁶ The 2013 question on defence spending was, however, worded slightly differently from earlier questions, as noted at the bottom of Figure 1. This rewording may have influenced the results, although we would not expect the difference to be not significant.

A second approach to gauging the public's views of defence spending is to place defence alongside other areas of government expenditure. The survey respondents are then asked to say whether more or less funds should be spent on each area. The 2013 Australian Election Study (AES) survey asked the respondents for their views about public expenditure across nine major areas of government spending, ranging from health and education to welfare and unemployment benefits. The results in Table 1 show that the public is strongly supportive of more government spending in health, education and pensions. Indeed, in the case of health, only 3 percent of the respondents want less spending, and only one in five want the same amount of spending as now; just over three in every four want to see increased spending.

Figure 2: Public opinion towards government spending, 1987–2013



'If the government had a choice between reducing taxes or spending more on social services, which do you think it should do?' For favours less tax, the response categories are 'strongly favour reducing taxes' and 'mildly favour reducing taxes'. For favours spending more on social services, the response categories are 'mildly favour spending more on social services' and 'strongly favour spending more on social services'.

Sources: AES 1987–2013.

At the other end of the scale, the least popular areas for government expenditure are unemployment benefits, welfare benefits, and defence. In the case of defence, half of the respondents opt for the same spending as now, and opinions are evenly balanced between more or less expenditure. Defence is, therefore, the sixth least popular area of

government expenditure out of the nine areas covered in the survey.⁷ Nor are these findings concerning public support for different areas of government expenditure restricted to the last decade; surveys conducted in the 1990s show much the same patterns, with defence being an unpopular choice for spending relative to health and education (Grant, 2004: Figure 2). In particular, a 2000 survey conducted as part of the then white paper process found that when notionally allocated \$100 to be spent on four areas, the mean for health was \$32, while education was allocated \$29, defence \$20, and social security, \$17.

Public support for substantially increased government expenditure in health, education and pensions is in line with a long-term trend towards more government spending on social services, as opposed to reduced taxation (Grant, 2004; Wilson and Breusch, 2003). Figure 2 shows the broad trend in government spending, from 1983 to 2013. At the start of the period, in 1987, a large majority of the public wanted to see less tax and only a small minority instead opted for more spending on social services. The majority in favour of less tax gradually declined, and by 2004 had been surpassed by those wanting more spending. Since 2004, the proportion in favour of less tax has stabilised, at around one in three, while those wanting more spending has declined from the peak of 47 percent recorded in 2007. The relative lack of support for increased defence spending therefore has to be placed in the context of a broader change in public support for increased government spending on social services.

What socioeconomic factors are associated with views about public expenditure? To answer this question, a multivariate analysis was conducted, using a range of independent variables to predict support for increased public expenditure. In addition to defence, a model is also estimated predicting health spending in order to provide a comparison.⁸ Two models are estimated for defence spending. The first model includes the standard range of socioeconomic variables. In the second model, a measure of threat perceptions is included, since we would expect that increased expenditure would be substantially based on whether or not the respondents thought there was a threat to Australia from another country.

Comparing model 1 for defence and the model for health shows a consistent set of predictors (Table 2). Being female, older and Australian born are significant predictors of support for increased defence and

⁷ ANUpoll results from late 2013 which asked this question are almost identical to the AES and for that reason are not reported in detail here.

⁸ The results for health spending are substantially similar to those for spending on education and pensions, so in the interests of parsimony only health is included in Table 2.

health spending, net of other things. In addition, not possessing a tertiary education is a significant predictor of support for defence spending. However, the estimates in the second model for defence show that views about defence spending are strongly associated with concerns about threats from other countries. It would appear, therefore, that one of the drivers behind the decline in public support for defence spending that we observed in Figure 1 is the view that there are fewer potential threats to Australia. Perceptions of threats from other countries are examined in more detail in the section 3.

Measured over nearly four decades, there has been a long-term decline in public support for defence spending. That decline was arrested only twice in that period: by the Soviet invasion of Afghanistan in 1979; and by the 1999 Timor-Leste crisis which was followed by the 9/11 attacks in the United States. Once these events receded from the public's memory, the decline in public support for increased defence spending returned to trend.

Table 2: Explaining support for defence and health public expenditure, 2013

	Defence, model 1		Defence, model 2		Health	
	b	beta	b	beta	b	beta
Gender (male)	-.14*	-.07*	-.13*	-.07*	-.22*	-.13*
Age (decades)	.10*	.18*	.10*	.18*	.04*	.09*
Tertiary education	-.38*	-.18*	-.36*	-.17*	-.04	-.02
Australian born	.15*	.07*	.15*	.07*	.14*	.07*
Married	-.03	-.01	-.02	-.01	.05	.03
Employed	.06	.03	.04	.02	.04	.03
Family income (quintiles)	-.02	-.03	-.01	-.01	.01	.01
Urban resident	-.01	-.02	-.01	-.01	-.01	-.01
Threat perceptions (number)	—		.14*	.14*	—	
Constant	2.72		2.59		2.20	
Adj R-squared	.08		.10		.03	

*, statistically significant at $p < .01$.

Ordinary least squares regression equations predicting public support for increased public expenditure, scored from 1 (much less) to 5 (much more). The independent variables are all scored zero or one unless otherwise noted.

Source: AES 2013.

The drivers behind this long-term decline in public support for defence spending are diverse, but two factors appear to be important. First, there has been a shift in public opinion towards favouring more government expenditure on social services. This change has come at the expense of government expenditure on defence, which is regarded by the public as being of lesser priority compared to other areas. Second, views of defence spending are closely correlated with perceptions of a security threat, which itself is in long-term decline. Without a tangible physical threat, the public sees other priorities for government spending.

2. Confidence in Defence

Confidence in the major institutions of a society is usually considered to be an essential pre-requisite for a stable democracy. The major institutions cover the political system (such as parliament, political parties and the electoral system) and extends to civil society (such as universities and trade unions). International research suggests that confidence declined during the 1980s and 1990s in many public institutions, especially those related to the operation of democracy, while confidence in many private institutions remained stable or even increased (Newton and Norris, 2000). Recent research shows that since the 1990s, there has been something of a resurgence in confidence, albeit from relatively low levels (Blunsdon and Reed, 2010).

Table 3: Confidence in institutions, 1983–2014

	1983	1995	2001	2005	2008	2012	2014
Australian defence forces	22	15	26	25	32	32	40
Universities	-	-	11	-	24	17	26
Police	27	18	13	24	22	28	31
Churches, religious institutions	21	12	-	7	13	6	11
Courts, legal system	12	5	5	11	12	14	14
Federal parliament	9	4	5	5	10	5	6
Unions	4	3	3	3	7	4	6
Public service	6	4	3	3	7	4	14

'I am now going to read out a number of organisations. For each one, could you tell me how much confidence you have in them. is it a great deal of confidence, quite a lot of confidence, not very much confidence, or none at all?' Questions wordings vary slightly between surveys. Estimates are for percent who say 'great deal.'

Sources: World Values Study, 1983, 1995, 2012; AES 2001; Australian Survey of Social Attitudes 2005; ANUpolls on Governance, 2008 and 2014.

Opinion surveys have been conducted in Australia on public confidence in institutions from the 1980s onwards. There is also survey evidence on the honesty and integrity of the main professions covering the same period, but unfortunately these surveys have not covered the military as a profession.⁹ Table 3 shows the proportion who express a 'great deal' of confidence in eight institutions that have been regularly included in the surveys. In 1983, 22 percent said that they had a great deal of confidence in the defence forces. That figure declined to 15 percent in 1995, and thereafter has increased significantly, reaching 40 percent in 2014. In this latter survey, just 13 percent expressed little or no confidence in the defence forces.

⁹ See <http://www.roymorgan.com.au/findings/5531-image-of-professions-2014-201404110537>. The trends for the major professions produce substantially the same results as is shown in Table 3.

One explanation of the changing levels of confidence in defence is that views have changed within particular social groups. For example, Blunsdon and Reed (2010) argue that generational factors are important, with older generations responding in a different way to particular events when compared to younger generations. A simple test of this hypothesis is to analyse the factors that affected confidence in defence in 1983, the first year for which survey data is available, and to use the same measures to predict confidence in the most recent—2014—survey. These results are presented in Table 4.

Table 4: Explaining support for confidence in Defence, 1983 and 2013

	1983		2014	
	b	beta	b	beta
Gender (male)	.01	.01	.06	.04
Age (decades)	.09*	.18*	.05*	.12*
Tertiary education	-.31*	-.14*	-.16*	-.10*
Married	.00	.00	.09	.06
Employed	.01	.00	.10	.06
Family income (quintiles)	.01	.01	.01	.03
Urban resident	-.14*	-.07*	-.10	-.06
Constant	2.57		2.93	
Adj R-squared	.06		.03	
(N)	(1,228)		(1,388)	

*, statistically significant at $p < .01$.

Ordinary least squares regression equations predicting confidence in defence, scored from 1 (none at all) to 4 (great deal). The independent variables are all scored zero or one unless otherwise noted.

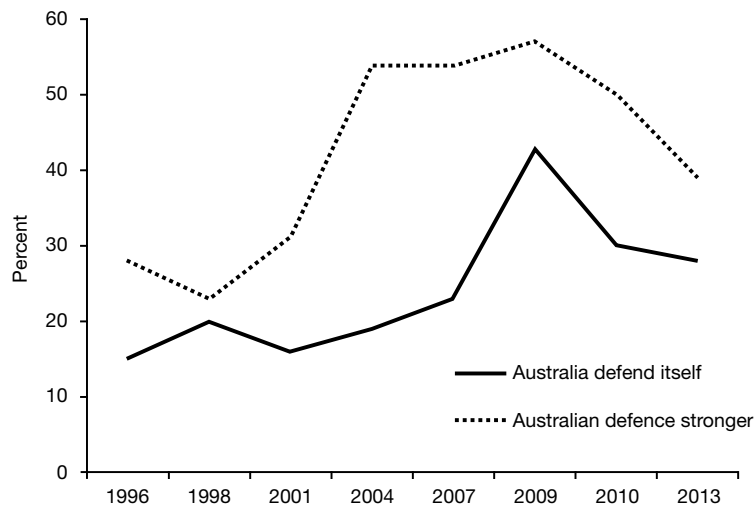
Sources: World Values Study (Australia) 1983; ANUpoll on Governance 2014.

The results in Table 4, spanning four decades, suggest that we know relatively little about what underpins confidence in defence, at least based on the socioeconomic background of the survey respondents. In 1983, older respondents have more confidence, as do those without a tertiary education and those living outside cities. In 2014 just age and education are important. However, the change in the size of the partial (b) coefficients between the two equations does suggest that both age and education are about half as important in 2014 in predicting confidence in defence as they were in 1983. In principle, then, generational explanations may well go some way to explaining opinions about defence.

An additional explanation for increasing confidence in defence may be the performance of the defence forces in various operations during the

2000s, starting with the Timor-Leste crisis in 1999. In a 2000 survey, 69 percent of the respondents said that they thought that the defence forces performed 'very well' in the Timor-Leste operation, and a further 29 percent said that they performed 'well'; just 2 percent expressed a negative view.¹⁰ In the subsequent operations in Afghanistan and Iraq, while there were partisan differences over Australia's involvement, in general the military was broadly viewed as having performed well.

Figure 3: Public opinion towards defence capabilities, 1996–2013



'Please say whether you agree or disagree with each of the following statements ... Australia's defence is stronger now than it was 10 years ago ... Australia would be able to defend itself successfully if it were ever attacked.' Estimates combine 'strongly agree' and 'agree.'

Sources: AES 1987–2013; ANUpoll on Defence 2009.

The effect on the public of the success of the Timor-Leste deployment, and the subsequent involvements in the conflicts in Afghanistan and Iraq, can be seen in Figure 3. The estimates show the proportions who said that Australia could defend itself if attacked, and who believed that Australian defence was stronger now than 10 years ago. For both questions there is a significant increase in positive responses after 2001, most notably for the view that Australian defence had become stronger; in 1998 just 23 percent took this view, increasing to 31 percent in 2001 and peaking at 57 percent in 2009. While it is not possible to definitively link involvement overseas campaigns to these significant changes in public opinion—panel surveys would be required, rather than the cross-sectional

¹⁰ The survey was the 2000 Survey of Defence Issues and the question was: 'Overall, how do you think Australia's defence forces performed during the East Timor operation? Would you say they performed very well, performed well, performed badly, or performed very badly?'

surveys relied on here—it is a reasonable hypothesis that the publicity surrounding the overseas deployments has had a strong effect on public perceptions of the ADF's capabilities.

Confidence in the ADF has increased significantly over the past two decades, making it easily the highest ranked institution in society. This is in contrast to many other public institutions, where confidence has either remained stable or declined. At least part of the explanation for this increase in public confidence in defence would appear to be the public's positive views about its performance in a variety of overseas operations, starting with the Timor-Leste crisis in 1999 and more recently the ADF's role in Iraq and Afghanistan. Since 2001, the proportion of the population who hold a positive view of defence's capabilities has doubled, albeit with some decline after 2009.

3. Threat perceptions

The public's perceptions of the physical threats that may exist from other countries is a major explanation for their views about defence. In turn, these perceptions are shaped by the information that is provided to the public by the mass media and by elite discussion about the changing nature of the international environment. For most of the post-1945 period, the public's views about potential threats were shaped by the dynamics of the Cold War. With the collapse of communism in 1990 and the end of the Cold War, threats from traditional ideological protagonists have dissipated, while threats from non-traditional actors such as terrorists have increased. This section examines public opinion towards threats from other nation-states, while section 8 examines public opinion concerning terrorism.

Figure 4: Perceptions of a security threat to Australia, 1969–2013



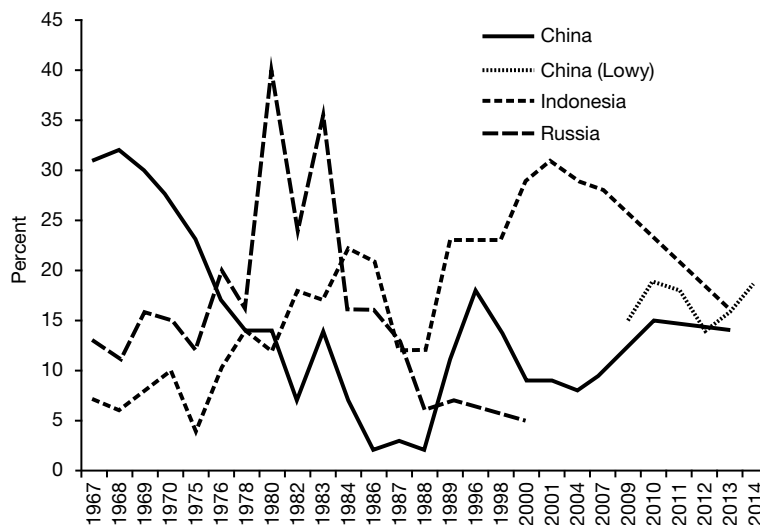
(1990–2013) 'In your opinion, are any of the following countries likely to pose a threat to Australia's security?' Estimates are based on respondents who answered 'very likely' to at least one of the countries listed in each survey. Exact question wordings and codings vary between surveys prior to 1990.

Sources: 1969–85 McAllister and Makkai (1992); AES 1987–2013; Survey of Defence Issues 2000.

In the late 1960s, Figure 4 shows that around half of the survey respondents considered that there was a threat to Australia from another country; by 2013 less than one in four took this view, a decline of more than half. The highest level of threat was recorded in 1980, when the Soviet invasion of Afghanistan in 1979 resulted in a peak of 63 percent. With the end of the Cold War, threat perceptions declined dramatically,

only to increase again with the Iraqi invasion of Kuwait in 1990 and the start of the first Gulf war. Since then, the public's view that there is a threat from other countries has gradually declined.

Figure 5: China, Indonesia and Russia as security threats to Australia, 1967–2013



1990–2013: ‘In your opinion, are any of the following countries likely to pose a threat to Australia’s security?’ 1967–1988: Exact question wordings and codings vary between surveys. The Lowy question was ‘Do you think it is likely or unlikely that China will become a military threat to Australia in the next 20 years?’ Estimates are for those saying ‘very likely.’

Sources: 1967–85 McAllister and Makkai (1992); AES 1987–2013; Survey of Defence Issues 2000; Lowy Polls 2009–2014.

The surveys have monitored the countries that the public sees as most likely to pose a security threat to Australia (Figure 5).¹¹ During the period of the Cold War the two countries of most concern were Russia and China. China was a particular concern to the public during the period of the Vietnam War; when the war ended in 1975 the proportion mentioning China gradually declined, reaching a low of 2 percent in the mid-1980s. Thereafter concerns about China have increased, although they have not returned to the levels of the Vietnam War era. For the latter part of the Cold War, Russia was seen as a major threat, especially after the Soviet invasion of Afghanistan when 40 percent viewed it as a threat to Australia. However, by the late 1980s less than one in 10 viewed Russia as a threat and since the early 2000s a question concerning Russia has not been included in surveys.

¹¹ Three countries are examined here, but the surveys also include a wider range of countries. These are covered in detail in McAllister (2005, 2008) and in the various AES survey reports available from the Australian Data Archive.

In contrast to declining concerns about traditional Cold War adversaries, the view that Indonesia posed a threat to Australia increased almost incrementally through the 1980s and 1990s. Prior to the mid-1970s, less than one in 10 viewed Indonesia as a threat. That proportion increased gradually over the next two decades, peaking at almost one of three of the public in 2001, following the events in Timor-Leste. However, since then it has declined consistently as relations between the two countries have improved. In 2013 only 16 percent mentioned Indonesia as a possible threat, the same proportion that mentioned China.

Table 5: Explaining threat perceptions, 2013

	General threats		China only		Indonesia only	
	b	beta	b	beta	b	beta
Gender (male)	.01	.01	-.04	-.03	.00	.00
Age (decades)	.01*	.05*	.00	.00	.07*	.16*
Tertiary education	-.05*	-.06*	-.10*	-.07*	-.15*	-.09*
Australian born	-.03	-.03	-.07	-.04	.02	.01
Married	-.02	-.02	-.05	-.03	.02	.02
Employed	.03	.03	.03	.02	.04	.03
Family income (quintiles)	-.03*	-.10*	-.03*	-.07*	-.04*	-.07*
Urban resident	.00	.00	.00	.00	-.01	-.01
Constant	.32		2.13		2.49	
Adj R-squared	.02		.01		.05	

*, statistically significant at $p < .01$.

Ordinary least squares regression equations predicting public perceptions of a security threat to Australia. General threats are a cumulative score based on the number of countries mentioned. China and Indonesia are scored from 1 (not likely) to 3 (very likely). The independent variables are all scored zero or one unless otherwise noted.

Source: AES 2013.

The public's view that China represents a security threat to Australia was highest during the period of the Vietnam War. Concern about China declined dramatically through the 1970s and 1980s but re-emerged again during the 1990s following the 1989 Tiananmen Square massacre. Since the early 2000s concern has again gradually increased, from 9 percent in 2000 to 14 percent in 2014. Using a slightly different question, the Lowy surveys conducted between 2009 and 2014 show the same broad pattern, with 19 percent in 2014 saying they considered it 'very likely' that China would become a military threat to Australia in the next 20 years.

Since people's experiences of conflicts between countries are largely based on events that occurred in the 1970s or earlier, we might expect that generational differences would be a primary explanation for identifying current threats to Australia. This is partially borne out by the results in Table 5, which show the social background factors that predict perceptions of general threats, and threats from Indonesia and China specifically. Those seeing a threat from Indonesia are likely to be older, net of other things, although there is no comparable effect for views of China. The only other factors that are consistently significant are not possessing a tertiary education and having a lower family income. However, in general, the variance explained by each of the three models is very low, suggesting that factors other than social background serve to explain the public's perceptions of security threats from other countries.

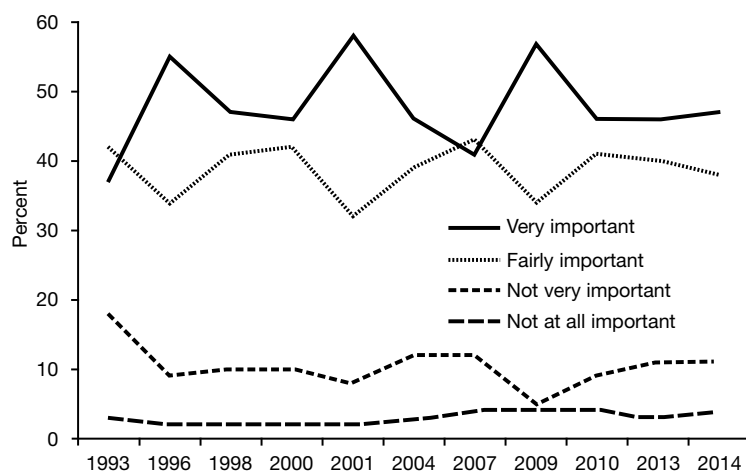
Since the high point of the early 1980s, perceptions of a security threat to Australia from another nation-state have declined. Currently less than one in four see a security threat to Australia, the lowest figure recorded since the question was first asked in an opinion poll in 1965.¹² During the period of the Cold War, Russia and to a lesser degree China were viewed as the major potential threats; during the 1990s, Indonesia largely displaced Russia as the main focus of the public's concern. In the 2000s a new pattern has emerged, with concerns about Indonesia declining and concerns about China gradually increasing. Currently, the potential threat from China and Indonesia are rated by the public at around the same level.

¹² Early survey questions asked about threats within specific time horizons, usually five or 15 years (see McAllister and Makkai, 1992). This is similar to the question asked in the Lowy survey. The AES question does not ask about the time period for a threat.

4. The United States alliance

Since 1951, when the security treaty between Australia, New Zealand and the United States (ANZUS) was signed, the alliance with the US has represented the cornerstone of Australian defence policy. From the public's perspective, it is one of the best recognised and understood aspects of contemporary Australian defence. The Alliance receives regular public visibility through the annual AUSMIN meetings that take place between Australian and US officials. The ANZUS Treaty itself gained considerable visibility after 9/11 in the United States, when it was invoked for the first time by the then prime minister, John Howard, who was visiting the United States at the time of the attacks.

Figure 6: Support for the ANZUS alliance with the United States, 1993–2014



'How important do you think the Australian alliance with the United States under the ANZUS treaty is for protecting Australia's security?'

Sources: AES 1993–2013; Survey of Defence Issues 2000; ANUpoll on Defence 2009; ANUpoll on Foreign Policy 2014.

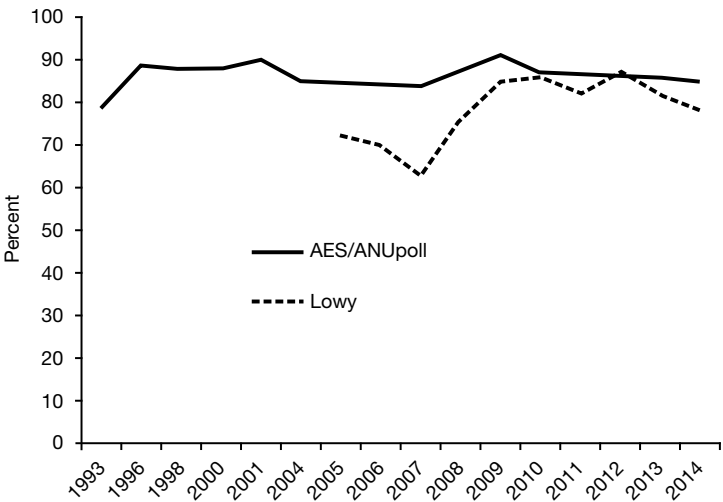
Since the early 1990s, when the question was first asked in an opinion survey, a large majority of the public has viewed the ANZUS treaty as important for protecting Australia's security.¹³ Figure 6 shows that between eight and nine out of every 10 respondents see the treaty as either 'very' or 'fairly' important to Australia's security, with peaks in 2001, immediately after the 9/11 attacks, and in 2009. By any

¹³ Earlier surveys asked about trust in US rather than the ANZUS alliance. See McAllister and Makkai (1992).

standards, the trends in opinion show strong and consistent public support for the ANZUS alliance, reflecting the bipartisan political support that it attracts.

Since 2005 the annual Lowy Institute survey has also asked a question about support for the alliance with the United States; this question uses a simpler wording than the AES by omitting explicit mention of the ANZUS treaty. The results in Figure 7 show that this amended wording produces estimates that are broadly in line with the AES, especially since 2009. In 2007, the Lowy survey estimate is 21 percentage points below that of the equivalent AES.¹⁴ However, in the four remaining years where there is equivalent data, the average variation is minor—just over 4 percentage points, a figure which is almost within the margins of sampling error. Both surveys, then, confirm the strong and consistent public support that exists for the alliance.

Figure 7: Support for the US alliance, Lowy and AES/ANUpoll



(Lowy) ‘How important is our alliance relationship with the United States for Australia’s security?’ For the AES/ANUpoll question, see Figure 6. Estimates are the percent who say ‘very’ and ‘fairly’ important.

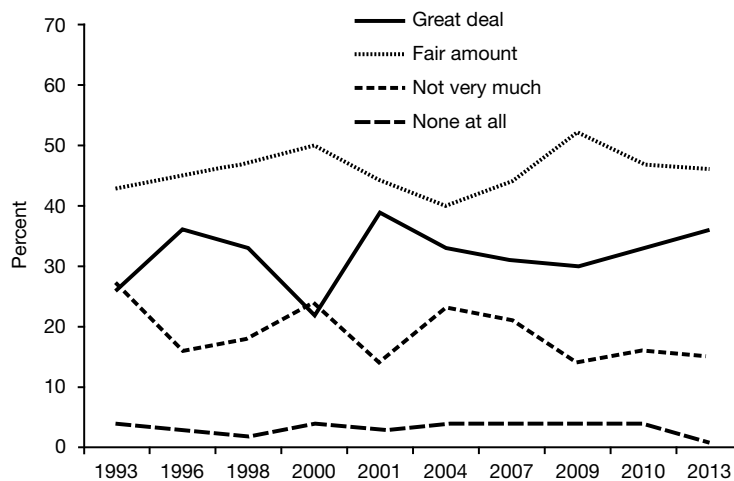
Sources: AES 1993–2013; Survey of Defence Issues 2000; ANUpoll on Defence 2009; ANUpoll on Foreign Policy 2014; Lowy Polls 2005–14.

Possessing a defence treaty with another country is one part of a security agreement; having confidence in that country to meet its obligations

¹⁴ It is unclear what the reasons for the discrepancy between the earlier surveys might be. The surveys have all used different methodologies, with the AES using a mail-out self-completion method, and the Lowy Poll and the ANUpoll a phone method.

if asked to do so is another part of the arrangement. The extent to which the Australian public has trust in the US to defend Australia if it were attacked is shown in Figure 8. In general, the public has greatest confidence when the US has demonstrated a willingness to engage in overseas conflicts. Historically, the public's trust in the US was at its highest point during the period of the Vietnam War, and lowest in the late 1980s, as the Cold War came to an end and the US began to withdraw its military forces from Europe.¹⁵

Figure 8: Trust in the United States to defend Australia, 1993–2013



'If Australia's security were threatened by some other country, how much trust do you feel Australia can have in the United States to come to Australia's defence?'

Sources: AES, 1993–2013; Survey of Defence Issues 2000; ANUpoll on Defence, 2009.

In the period since 1993, Figure 8 shows that there was greatest trust immediately after the 9/11 attacks, when the US committed to the invasion of Afghanistan and then to the invasion of Iraq. In 2001, over eight in every 10 respondents had either a 'great deal' or a 'fair amount' of trust in the US to defend Australia. The lowest level of trust occurs in 2000, and this may have been affected by the US response to the Timor-Leste crisis, when it ruled out direct military involvement. While the survey evidence to test the hypothesis does not exist, the lower levels of trust in the mid-2000s may reflect a degree of unpopularity with the Free Trade Agreement with the US, ratified in 2004.¹⁶ The most recent

¹⁵ Earlier results for trust in the US, going back to 1970, can be found in McAllister (2008).

¹⁶ The 2005 Lowy Institute Poll found that 34 percent of those interviewed thought the FTA with the United States would be good for Australia, 34 percent that it would make no difference, and 32 percent that it would be bad for Australia. This survey did not include a question on trust in the US which would have permitted a test of the link between views of the FTA and trust in the US. However, a question about the ANZUS

increase in trust may stem from the decision to rotate a detachment of US Marine Corps and US Air Force through Darwin, announced in 2012, although again this explanation remains speculative.

Using three of the AES surveys to analyse the background factors that explain the public's support for the ANZUS alliance shows that three factors are consistently important: birthplace, education, and age (Table 6). First, those who have been born in Australia are more likely to support the alliance, net of other things. The larger sample size in the 2013 survey allows us to examine the patterns of support among the broad birthplace groups in more detail. These results show that there is least support for the ANZUS alliance among Asian immigrants (the majority of them from China), followed by those born in northern Europe (mainly from the British Isles). Immigrants from southern and eastern Europe tend to differ little from the Australian born in their views of the alliance.¹⁷ Second, possessing a tertiary education is consistently associated with lower levels of support for the alliance, net of other things. However, the trend across the three surveys suggests that the effect may be weakening and in 2013 tertiary education has less than one-third of the impact compared to 1993.¹⁸

The third factor that is consistently important, age, has attracted considerable attention. The observation that support for the US alliance is highest among older respondents—especially those who grew up during the Second World War, and to a lesser extent during the Korean and Vietnam wars—implies that public support will gradually decline as these generations leave the population. Underlying this finding is the view that public support for the US alliance is based on generations and their associated life experiences rather than on age and the normal progression of the lifecycle. Since the newer generations do not possess the experiences of growing up when the alliance with the US was important to Australia's security, they will place less value on it.

alliance was asked in the survey and the correlation between views of ANZUS and views of the FTA was 0.33 ($p < .000$), suggesting a significant link.

¹⁷ These estimates were made by re-estimating the model in Table 6 and using dummy variables for the birthplace groupings. The reported estimates are therefore net of a wide variety of other potentially confounding factors.

¹⁸ This conclusion is reached by comparing the size of the partial (b) regression coefficients in Table 6.

Table 6: Explaining support for ANZUS, 1993, 2001 and 2013

	1993		2001		2013	
	b	beta	b	beta	b	beta
Gender (male)	.02	.04	.03	.02	.05	.03
Age (decades)	.05*	.10*	.03*	.08*	.08*	.19*
Tertiary education	-.34*	-.15*	-.27*	-.16*	-.11*	-.07*
Australian born	.13*	.07*	.10*	.06*	.20*	.11*
Married	.03	.02	.07	.04	-.01	-.01
Employed	.02	.01	-.06	-.04	-.02	-.01
Family income (quintiles)	-.03	-.06	.03	.05	.02	.03
Urban resident	.01	.01	.08	.05	.01	.01
Constant	2.14		1.89		2.32	
Adj R-squared	.05		.04		.05	

*, statistically significant at $p < .01$.

Ordinary least squares regression equations predicting support for ANZUS, scored from 1 (not at all important) to 4 (very important). The independent variables are all scored zero or one unless otherwise noted.

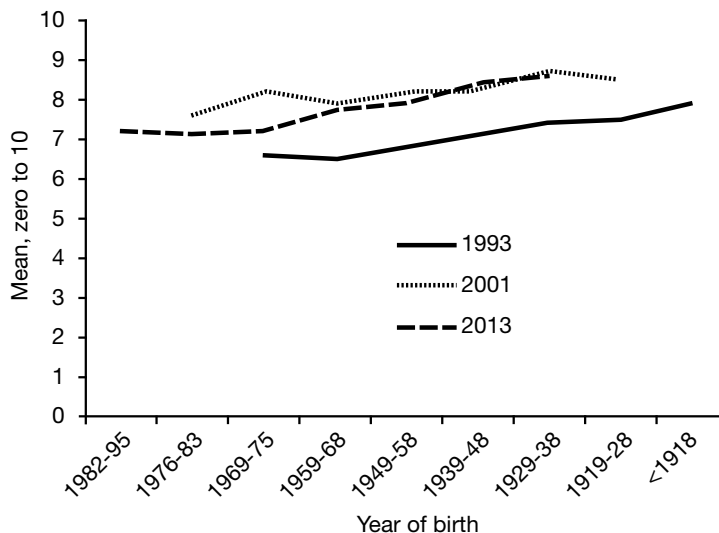
Sources: AES 1993, 2001, 2013.

Distinguishing age from generational influences in support for the alliance is possible by examining support for the alliance by the year in which the respondent was born. If generational effects are present, we would expect the same generations in different surveys (that is, respondents surveyed when they are at different stages of the lifecycle), to show broadly the same patterns of support for the alliance. If lifecycle effects are present, then the patterns of support should trend in a similar way across the surveys, regardless of when they were conducted. A third possibility is that there are period effects, that is, there are effects which are unique to the year in which the survey was conducted. These possibilities are tested by examining public support for the alliance across three surveys—1993, 2001 and 2013—and by scoring views of the alliance on a scale, in order to reduce any variations in the intensity of the responses.

The results in Figure 9 show little support for generational effects in support for the alliance. In each survey, the trend suggests an age or lifecycle effect, with support gradually increasing with age across all three surveys. There is relatively little evidence that particular generations behave in a consistent way across the three surveys. For example, those born between 1969 and 1975 have different levels of support

for the alliance across each of the three surveys; if they were behaving as a generation, then their support for the alliance should be similar, regardless of the year in which their views are measured. There is, however, some evidence of period effects, with the survey year being important, at least comparing 1993 with 2001 and 2013.

Figure 9: Support for ANZUS by generation, 1993, 2001 and 2013



Estimates are mean values in the 1993, 2001 and 2013 AES surveys on a zero to 10 scale (scored 10=very important, 6.7=fairly important, 3.3=not very important, 0=not at all important). See Figure 7 for question wording.

Sources: AES 1993, 2001, 2013.

Public support for the ANZUS alliance is consistently strong, and in aggregate has varied relatively little over the period for which comparable data is available. Trust in the US, while also strong, shows more variation overtime, and this appears to be related to the willingness of the US to become engaged in overseas conflicts. The view that support for ANZUS will slowly weaken as the generations that relied on US defence support leave the population has little empirical foundation. More important to the US alliance is the size and composition of Australia's large immigrant population, and the lower levels of support they have in the alliance.

5. Attitudes to other countries

Public opinion towards other countries is influenced by historical alliances or animosities, personal experiences derived from travel, media influences, and by knowing and interacting with individuals from those countries, among a wide range of potential factors. The surveys have paid particular attention to attitudes towards Indonesia and China, and to a lesser extent to the other Asian countries within the Asia-Pacific region. Before examining public opinion towards these countries in detail, it is worth presenting an overview of opinions towards a broad range of countries across the world.

Table 6: Attitudes towards other countries, 2006–2014

	(Means, 0–100 scales)								
	2006	2007	2008	2009	2010	2011	2012	2013	2014
New Zealand	-	81	-	83	84	85	85	-	84
United States	62	60	64	67	68	70	71	70	71
Fiji	-	-	67	63	-	66	68	64	68
Japan	64	63	64	66	64	67	70	65	67
China	61	56	56	53	54	53	59	54	60
Papua New Guinea	63	57	60	-	62	-	64	60	59
South Korea	56		50	53	-	57	61	-	59
Timor-Leste	57	54	56	50	-	-	-	-	58
India	62	55	57	56	55	56	58	55	57
Indonesia	50	47	50	49	54	51	54	53	52
Israel	55	50	-	-	49	-	-	53	51
Myanmar	-	-	-	46	-	-	50	50	50
Iran	43	34	38	38	38	35	38	38	39
Afghanistan	-	-	-	37	40	37	38	-	38
North Korea	43	-	-	30	37	34	33	31	29

'Please rate your feelings towards other countries, with one hundred meaning a very warm, favourable feeling, zero meaning a very cold, unfavourable feeling, and fifty meaning not particularly warm or cold. You can use any number from zero to one hundred: the higher the number the more favourable your feelings are towards that country. If you have no opinion or have never heard of that country, please just say so.'

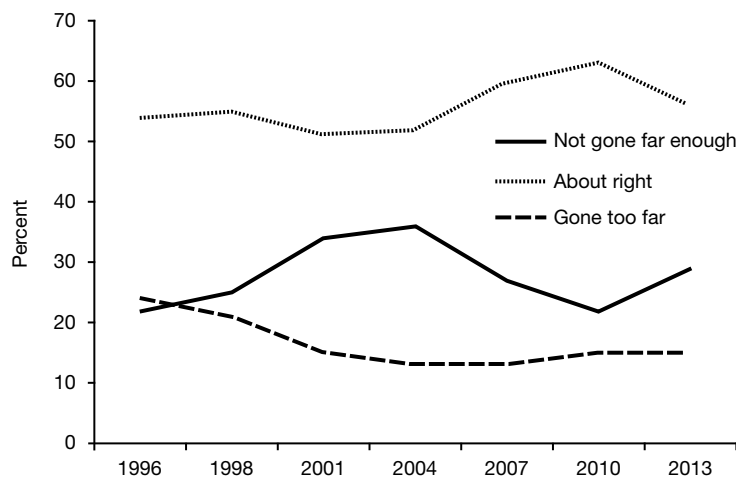
Sources: Lowy Polls 2006–2014.

Views of the World. Since 2006, the annual Lowy Institute Poll on Foreign Policy has been tracking public views of a wide range of countries using a thermometer scale. The mean scores on the thermometer scale for the 15 countries that have been included in the poll four or more

times across the nine surveys are shown in Table 6. Not surprisingly, Australians feel closest to New Zealand, which scores in the low 80s on the zero to 100 thermometer scale, with the United States coming second with a mean score since 2011 of 70 to 71. Fiji and Japan are ranked just below New Zealand and the US.

At the bottom of the scale, the respondents feel most distant from North Korea, Afghanistan and Iran, which since 2006 have all scored between 29 and 39 on the scale. Ranked just above these three countries are Myanmar, Israel and Indonesia. The results are notable for the overtime consistency in the scores for specific countries. For example, views of Indonesia vary by just seven points over the period of the surveys, and in the case of New Zealand, by just four points. Moreover, of the 11 countries which were covered in both 2006 and 2014, the mean score is 56 in 2006 and 55 in 2014—virtually no overall change, suggesting considerable aggregate stability in how the public views other countries.

Figure 10: Attitudes towards closer links with Asia, 1996–2013



'The statements below indicate some of the changes that have been happening in Australia over the years. For each one, please say whether you think the change has gone too far, not gone far enough, or is it about right? ... building closer relations with Asia.' 'Gone too far' combines 'gone much too far' and 'gone too far', and 'not gone far enough' combines 'not nearly far enough' and 'not far enough'.

Sources: AES 1996–2013.

Views of Asia. Historically, Australians have had an uneasy relationship with Asia. Geographically close but culturally distant, for most of the twentieth century government policy was focussed on engagement with Europe rather than with Asia. This pattern began to change after

1945, and postwar policies towards Asia have been marked by ever closer engagement in the areas of trade, migration, security and tourism, to name just a few. A significant change came in the 1990s when the Keating Labor government sought to promote a closer engagement with Asia (McAllister and Ravenhill, 1998; Milner, 1997).

The surveys have asked a question about engagement with Asia over an extended period, starting in the 1990s. Figure 10 shows that just over half of the respondents see the level of engagement with Asia as ‘about right.’ However, after 1996 the proportion thinking it had ‘not gone far enough’ increased from 22 percent in 1996, to a peak of 36 percent in 2004. After 2007 that proportion declined to the 1990s level.

In many ways, public opinion was ill-prepared for the shift in policy towards Asia that began under the Keating Labor government (Pietsch and Aarons, 2012). In 1996 those believing that closer engagement with Asia had ‘gone too far’ narrowly outnumbered those thinking that it had ‘not gone far enough.’ Since 2001, those wanting closer engagement have consistently outnumbered those wanting less engagement by two to one. In 2013, the proportion of respondents opposing closer engagement was just 15 percent. Public opinion now appears to be more in-tune with government policy.

To what extent does the public’s changing views about closer economic engagement with Asia apply also to defence and security policy? The available survey evidence does not permit a definitive answer to this question. However, using the question about security agreements with Indonesia reported in Table 8 below and correlating it with the question about engagement with Asia suggests, at best, a modest relationship. The correlation between the two items is a low but still statistically significant 0.07 ($p=.003$).¹⁹ It would appear, therefore, that the public makes some connection between economic and security policy with respect to Australia’s relations with Asia, but that connection is not a strong one.

¹⁹ The correlations were estimated using the 2007 AES, the last survey in which the security question was asked.

Table 7: Explaining support for closer relations with Asia, 1996 and 2013

	1996		2013	
	b	beta	b	beta
Gender (male)	.22*	.12*	.21*	.12*
Age (decades)	.01	.01	.04*	.08*
Tertiary education	.35*	.15*	.33*	.18*
Australian born	-.09	-.04	.00	.00
Married	-.06	-.03	.03	.02
Employed	-.01	-.01	-.06	-.04
Family income (quintiles)	.08*	.12*	.07*	.12*
Urban resident	.00	.00	.03*	.06*
Constant	2.58		2.42	
Adj R-squared	.06		.07	
(N)	(1,795)		(3,955)	

*, statistically significant at $p < .01$.

Ordinary least squares regression equations predicting closer relations with Asia, using the question reported in Figure 10 scored from 1 (gone much too far) to 5 (not nearly far enough). The independent variables are all scored zero or one unless otherwise noted.

Sources: AES 1996, 2013.

The survey question reported in Figure 10 can be analysed in order to determine which social groups are more likely to support closer relations with Asia. There are a variety of explanations which could account for these opinions. One potential explanation is generational, with older generations being more focussed towards Europe rather than to Asia. A second possible explanation is the shifting composition of the immigrant population, and as Asian immigrants form a greater proportion of the intake, this may gradually change opinions. Third, schools and universities include many more courses that cover Asian languages, culture and society, and this may influence opinions. Fourth, the growing number of business relationships, especially with China, may account for changing opinions.

These explanations are tested in Table 7 using the AES, which compares the factors affecting opinions towards a closer relationship with Asia in 1996 and 2013, using the same explanatory variables. The results show a strong and consistent effect for tertiary education, net of other things, and in both 1996 and 2013 this is the most important variable in the model. Family income is second in importance, and it also has a similar impact in both years; this suggests that those with greater economic resources view engagement with Asia as being more important. There is less support for generational influences on attitudes; age is important in 2013 but not in 1996. Birthplace is unimportant in both years.

Public opinion towards Asia has gradually become more favourable towards closer engagement during the 1990s and 2000s. A large majority see increased relations with Asia as being important. Only a small minority oppose this trend, and that proportion has been declining since the mid-1990s. Education appears to be the most important driver behind views of Asia, and as tertiary education expands across the population, we would expect the trend to continue. Increasingly favourable attitudes to closer engagement with Asia would appear to have some flow-on effects for opinions about defence and security engagement with the region, although the relationship is a modest one.

6. Attitudes to Indonesia and China

Indonesia. In line with its emphasis on closer engagement with Asia, the Keating Labor government signed a security agreement with Indonesia in 1995. The agreement was the fourth that Australia had signed with countries within the region, but the first agreement to be signed by Indonesia, which has had a long standing opposition to such formal association (Brown, Frost and Sherlock, 1996). The 1995 security agreement was superseded by the 2006 Lombok Treaty.

Starting in 1996, five AES surveys have asked the respondents whether they believed the security agreement would reduce the potential military threat from Indonesia. The results in Table 8 show that over the 11 year period of the surveys, the public has maintained a healthy scepticism about the agreement, with barely one in 10 believing that it would reduce any potential threat. By contrast, in each of the five surveys a clear majority—ranging from 61 to 68 percent—believe that the agreement will make no difference. The figures are also notable for the stability in attitudes over the period, which covers the Timor-Leste crisis.

Table 8: The security agreement between Australia and Indonesia, 1996–2007

	1996	1998	2001	2004	2007
Strongly agree	1	2	1	1	1
Agree	7	6	5	7	6
Neither	31	31	26	28	29
Disagree	42	44	44	48	49
Strongly disagree	19	17	24	16	14
Total	100	100	100	100	100
(N)	(1,722)	(1,840)	(1,953)	(1,716)	(1,835)

'Please say whether you strongly agree, agree, disagree or strongly disagree with each of the following statements. The security agreement between Australia and Indonesia means that we can trust Indonesia never to be a military threat.'

Sources: AES 1996–2007.

While much less economically important to Australia than China, relations with Indonesia are more delicate due to its closer proximity. Over the past decade, there have been tensions with Indonesia with respect to Islamic terrorism and people smuggling. In 2001 the results in section 3 showed that a significant minority of the public viewed Indonesia as a potential threat to Australia's security. However, in recent years that proportion has declined significantly.

A majority of the respondents in the 2014 ANUpoll viewed Indonesia as friendly to Australia but not an ally (Table 9). A further 16 percent regarded Indonesia as an ally and the same proportion saw the country as friendly. Virtually no-one regarded Indonesia as an enemy. These figures largely reflect the wariness with which the public views Indonesia. The causes of this wariness can be traced to the proportions who believe that Indonesia has not assisted with the two major issues of contention between the two countries: terrorism and people smuggling. In each case, but especially with regards to people smuggling, a majority of the public take the view that Indonesia has not assisted Australia.²⁰

Table 9: Views of Indonesia, 2014

Relationship with Australia			People smuggling	Terrorism
Ally	16	Assisted	24	27
Friendly, but not ally	55	Not assisted	59	53
Unfriendly	16	Don't know	17	20
Enemy	3			
			100	100
Total	100		(1,204)	(1,204)
(N)	(1,204)			

'Do you consider Indonesia an ally of Australia?' 'Do you think that Indonesia has assisted or not assisted Australia in combating people smuggling?' 'And do you think that Indonesia has assisted or not assisted Australia in combating people smuggling /reducing the threat of terrorism?'

Source: ANUpoll on Foreign Policy 2014.

This view is reflected in three Lowy polls conducted between 2006 and 2014, which show changing opinions about the direction of the Australia-Indonesia relationship (Table 10). In 2006, almost half of the respondents thought that the relationship was worsening, in the wake of concerns about terrorism and the Schapelle Corby case. By 2008 the public believed that relations were improving, with just 16 percent believing that they were worsening. However, by 2014 opinions had become more pessimistic once again, in the wake of allegations of Australian phone-tapping of the Indonesian president's family.

The public's views of relations with Indonesia reflect the evolution of the bilateral relationship over the past decade, with an increasing level

²⁰ These estimates are close to those recorded in the 2014 Lowy Poll, using similar questions. That survey found that 57 percent viewed Indonesia as friendly and 36 percent as unfriendly, with 7 percent saying that they didn't know.

of friendship overlying tensions over terrorism and the problem of combating people smugglers. Thus a large majority see Indonesia as either an ally or a friend, but equally recognise that more could be done on the issues that divide the two countries. In turn, this is reflected in the changing views the public has about the direction of the relationship.

Table 10: Trends in Australia–Indonesia relations, 2006–14

	2006	2008	2014
Improving	19	26	7
Staying the same	31	53	50
Worsening	47	16	40
Don't know	3	5	3
Total	100	100	100
(N)	(1,722)	(1,840)	(1,953)

'In your opinion are relations of Australia with Indonesia improving, worsening or staying about the same?'

Sources: Lowy Polls 2006, 2008, 2014.

China. Apart from survey questions about military threats to Australia, reported in section 3, China has received less attention than Indonesia in the main opinion polls. However, the growth and importance to Australia of the Chinese economy has resulted in it receiving attention in more recent surveys, particularly with respect to views about the economic rise of China and the issue of Chinese investment in Australia.

Table 11: Views of China, 2014

	Economic threat	Military threat	Economic development	
Yes	52	30	Positive	65
No	41	62	Negative	25
Don't know	7	8	Don't know	10
Total	100	100		100
(N)	(1,204)	(1,204)		(1,204)

'Do you consider China to be an economic/military threat to Australia, or not?' 'Do you think the growth of China as a major economy is a positive or a negative development for Australia?'

Source: ANUpoll on Foreign Policy 2014.

In general, the public views the economic rise of China as a positive factor for Australia, but these views are tempered by the belief that

China could pose both an economic and a military threat (Table 11). Almost one in every three see the growth of the Chinese economy as a positive development, although just over half see China as a possible economic threat and three in 10 see it as a military threat as well.²¹ Of those who see the economic growth of China as a negative factor, no less than 85 percent also see China as an economic threat, and 81 percent see China as a military threat. There is, then, a degree of scepticism about the long term implications for Australia of the rapid economic development of China.

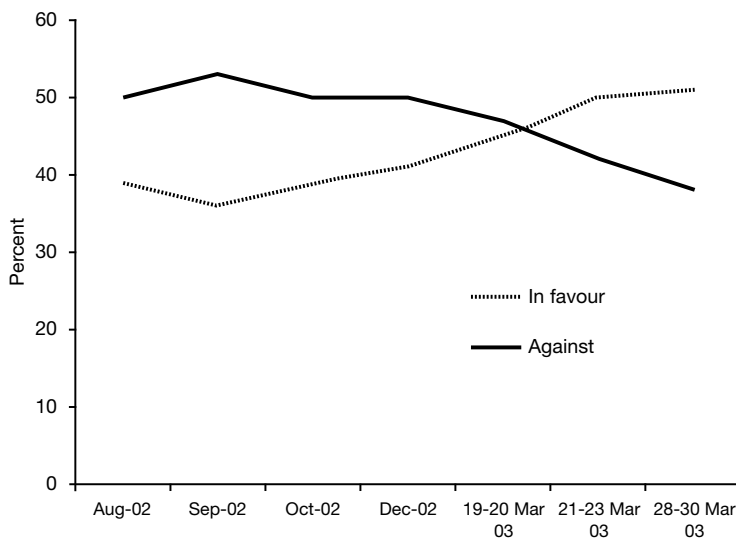
Public opinion towards China represents something of a paradox. On the one hand, there is a widespread recognition that continued Australian prosperity is contingent on the performance of the Chinese economy. On the other hand, there is also a view that Chinese economic power represents a potential threat. However, views about China as an economic and a military threat do reinforce one another: the correlation between the two items is 0.34 ($p < .000$). As with the analysis of attitudes towards Indonesia reported earlier, this does suggest that views concerning trade have flow-on effects for views about defence and security.

²¹ These figures are larger than those for threat perceptions, because the question here was dichotomous, while the question used earlier was based on a threefold category. The mean correlation between the three items in Table 7 is 0.32 ($p < .000$).

7. The conflicts in Iraq and Afghanistan

Australia's involvement in the Iraq War which began in 2003 has divided the public. Perhaps more importantly, public opinion towards Iraq has shifted overtime, as the circumstances in the country have changed. The lead-up to the war produced considerable publicity, as the military forces of many countries gathered in the Gulf. In a speech to the United Nations General Assembly in September 2002 US President George W. Bush characterised the Iraqi regime led by Saddam Hussein as a 'grave and gathering danger.' Following a UN Resolution in November, weapons inspectors began searching for weapons of mass destructions (WMDs), but by January 2003 none had been found. These events were widely reported in Australia and while the government had not yet taken any decision on participation in any future invasion of Iraq, as elsewhere the media bracketed Iraq with the threat from international terrorism (Entman, 2004).

Figure 11: Support for the Iraq War, August 2002–March 2003



(August-December 2002): 'Thinking now about Australia's involvement in possible US-led military action against Iraq with the objective of deposing Saddam Hussein. Are you personally in favour or against Australian forces being part of any US-led military action against Iraq?' (March 2003): 'Thinking now about Iraq and Australia's involvement in military action against Iraq. Are you personally in favour or against Australian troops being involved in military action against Iraq?'
Source: Newspann.

During the military preparations for the invasion of Iraq, those favouring participating in the war with the US were in a minority. Figure 11 shows that in September 2002, for example, just after Bush delivered his speech

to the UN, 36 percent favoured involvement in the war while 53 percent opposed it. Just 11 percent had no opinion, a relatively small proportion; this indicates that the vast majority of the respondents had formed a view on the issue. As war became seemingly more inevitable, the proportion opposing it gradually declined. In a poll conducted just as the attack on Iraq began, opinion was evenly balanced, with 45 percent in favour and 47 percent against. In two subsequent polls conducted in the days immediately after the invasion, when the coalition forces were clearly in the ascendancy, those in favour reached a majority for the first time.

One reason for the shift in public opinion may have been the extensive government publicity about the reasons behind Australia's military involvement in the war. In part, too, the change in public opinion was most likely a classic example of the 'rally around the flag' effect first advanced by John Mueller (1973). In Mueller's model, US presidents could expect surges in short-term public support during periods of international crisis or war. Mueller's three preconditions for this to occur are that the crisis is international; directly involves the president; and is 'specific, dramatic, and sharply focussed.' At least in principle, the Australian case appears to fit this model.

Table 12: Support for military action Against Iraq, 2003

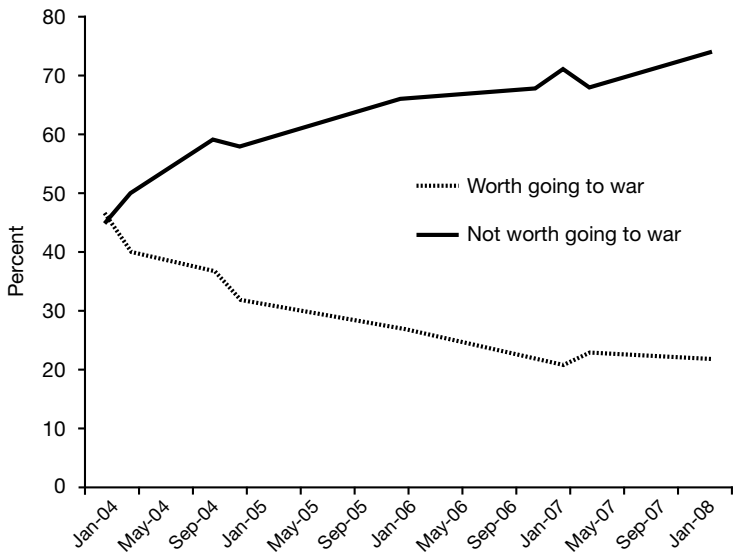
	With UN support		Without UN support	
	Feb 03	Mar 03	Feb 03	Mar 03
Strongly favour	23	27	8	9
Somewhat favour	34	29	10	13
(Total favour)	(57)	(56)	(18)	(22)
Somewhat against	11	11	18	16
Strongly against	28	26	58	55
(Total against)	(39)	(37)	(76)	(71)
Uncommitted	4	7	6	7
Total	100	100	100	100
(N)	(1,200)	(1,200)	(1,769)	(1,873)

'Thinking now about Iraq and Australia's involvement in military against Iraq. Are you personally in favour or against Australian troops being involved in military action against Iraq if the United Nations supported such action? And if the United Nations did not support military action, are you personally in favour or against Australian troops being involved in military action against Iraq?' Fieldwork for the February survey was 31 January-2 February; for the March survey, 28 February-2 March.

Source: Newspann.

One contentious issue in support for the war was the role of the United Nations. Table 12 shows that the public clearly preferred involvement in the Iraq war with UN support rather than without it.²² In February 2003, for example, 57 percent supported military involvement if UN endorsement was forthcoming; without UN endorsement, public support for the war was just 18 percent. Moreover, the strength of opposition to the war without a UN mandate is considerable; 58 percent said that they would be ‘strongly against’ military action without UN endorsement. This pattern is replicated in a subsequent survey using the same question conducted one month later.

Figure 12: Worth going to war in Iraq, 2004–2007



Newspoll: ‘Overall, do you think it was worth going to war in Iraq or not?’ AES (October 2004, November 2007): ‘Taking everything into account, do you think the war in Iraq has been worth the cost or not?’

Sources: Newspoll; AES 2004, 2007.

Initially, then, public opinion was narrowly in favour of involvement in the war, but this support rapidly dissipated. As the insurgency gained ground and it became clear that an Australian military presence would be required for the foreseeable future, public support for the war faded. Figure 12 shows that in February 2004, almost one year since the invasion and 10 months since President Bush had declared ‘mission accomplished,’ opinion was evenly divided on whether or not it was worth going to war. Since then, the proportion believing that it was not

²² This pattern is similar to US public opinion, see Krull, Ramsay and Lewis (2004).

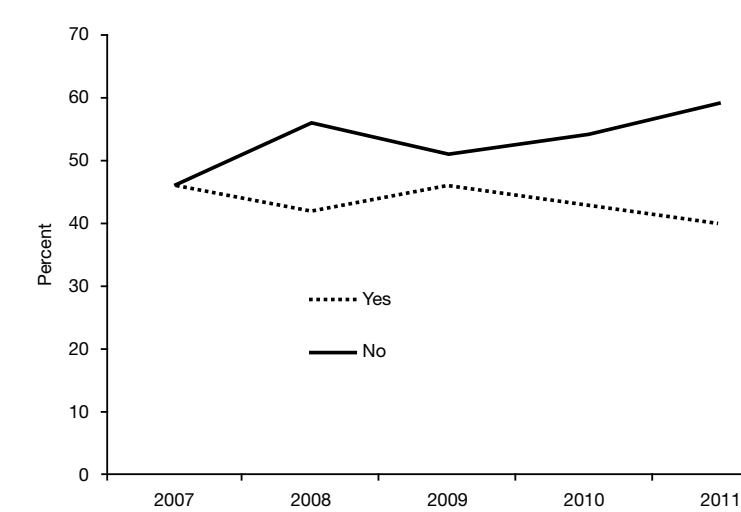
worth going to war has increased significantly. By 2007 the proportion believing that it was not worth going to war numbered almost three in four of the population. This is a substantial change in opinion over the space of just three years and indicates the extent of the public's disillusionment with the way the aftermath of the war was handled.

Table 13: Approval of the war in Afghanistan, 2009–2010

	2009	2010
Strongly approve	13	7
Approve	42	40
Neither	4	2
Disapprove	22	37
Strongly disapprove	19	14
Total	100	100
(N)	(1,150)	(2,214)

'Do you approve or disapprove of Australia's involvement in the war in Afghanistan?'
 Sources: ANUpoll on Defence 2009; AES 2010.

Figure 13: Military involvement in Afghanistan, 2007–2011



'Should Australia continue to be involved militarily in Afghanistan?'
 Sources: Lowy Polls 2007–2011.

Australia's involvement in the war in Afghanistan has attracted fewer survey questions. As with Iraq, when the question has been asked in surveys it has shown that public opinion is divided. Table 13 shows that in 2009, 55 percent approved of Australia's involvement in Afghanistan, while 41 percent disapproved. A year later, the level of approval had declined to 47 percent. The main change over the 2009–10 period was in the increase in the proportion who mildly disapproved, from 22 percent to 37 percent. This is a relatively large change in public opinion given the time period involved.

The division in public opinion on Afghanistan is also reflected in the proportions who support or oppose military involvement in Afghanistan, polled by the Lowy Institute between 2007 and 2011. In 2007, Figure 13 shows that opinion was evenly divided, with the same proportion—46 percent—supporting and opposing involvement. Since then, the proportion opposing involvement has gradually increased. And by 2011, the last survey in which the question was asked, almost six out of every 10 respondents opposed involvement. Part of the explanation for declining public support is found in Table 14, which shows that from 2009, a narrow majority did not have confidence in government policy towards the war in Afghanistan.

Public opinion towards the wars in Iraq and Afghanistan suggests three conclusions. These conclusions may equally apply to the dynamics of public opinion in other conflicts, although without more cases to analyse it is difficult to draw definitive conclusions. First, while public opinion may be divided in the run-up to a conflict, once hostilities commence, public support will swing behind the government. This is the 'rally around the flag' effect which has been noted in the international literature. Second, public support for a conflict has a limited timeline, and in the absence of a decisive victory, or clear evidence that one is imminent, public support will gradually fall away. This trend has been noted in conflicts from the Vietnam war onwards. Third, the public is much more likely to support overseas military involvement if it is ratified by an international body such as the UN.

Table 14: Government policy on Afghanistan, 2008–2010

	2008	2009	2010
Very confident	9	10	7
Confident	41	37	36
Not confident	33	34	37
Not at all confident	16	18	17
Don't know	1	1	3
Total	100	100	100
(N)	(1,150)	(2,214)	(2,214)

'Are you confident that Australia has clear aims in Afghanistan?'

Sources: Lowy Polls 2008–2010.

8. Terrorism

Unlike Britain, the United States and many other advanced societies, Australia has been relatively free from the effects of domestic terrorism. The public has been subjected to the effects of terrorism through the 2002 Bali bombings which killed 202 people, 88 of them Australian. While the Bali attacks occurred outside Australia, the event brought home to the public the potential terrorist threat that exists from radical Islamic groups. It also highlighted the potential domestic threat from terrorist activity, and began a debate about the counter-measures that might be required to reduce that threat.

While terrorism rarely ranks among the top dozen or so issues for the public,²³ there is widespread concern among the public that they or a close family member will be the victim of a terrorist attack. In 2007, Table 15 shows that just under half of the respondents were 'very' or 'somewhat' concerned, and in 2009 the same figure was 44 percent, a slight decline. In general, concern about being the victim of terrorism is more likely among those who do not have a university degree, and who have been born outside Australia.²⁴

Table 15: Concern about being a victim of terrorism, 2007–2009

	2007	2009
Very concerned	13	15
Somewhat concerned	36	29
Not very concerned	38	36
Not at all concerned	12	20
Total	100	100
(N)	(1,873)	(1,196)

(2007) 'How concerned are you personally about you yourself or a family member being the victim of a future terrorist attack in Australia?' (2009) 'How concerned are you about you or a family member being the victim of a future terrorist attack in Australia?' 'And how concerned are you that there will be a major terrorist attack on Australian soil in the near future?'

Sources: AES 2007; ANUpoll on Defence 2009.

²³ Terrorism did not rank highly as a main concern for the Australian public in the 2007 Australian Survey of Social Attitudes. When asked to choose their first and second most important concerns from a list of 18 issues, terrorism was ranked as the most important concern by just 3 percent of the respondents, making it tenth on the list.

²⁴ These estimates are based on a regression model using the 2007 AES and using the standard range of independent variables to predict the level of concern about being a terrorist victim.

In line with concern about being a victim of terrorism, there is also a widely held view that a terrorist attack on Australia is likely at some point in the future. Table 16 asks this question three different ways, between 2007 and 2009. The findings suggest that anything between one in three and two in three believe that an attack is likely. In the 2009 survey, for example, a total of 56 percent are ‘very’ or ‘somewhat’ concerned that an attack will take place ‘in the near future.’ The relationship between concern about being a victim of terrorism and believing that a terrorist attack is likely is, of course, very strong.²⁵

Table 16: Likelihood of terrorist attack, 2007–2009

AuSSA, 2007		AES, 2007		ANUpoll, 2009	
Very likely	4	Strongly agree	10	Very concerned	21
Likely	30	Agree	52	Somewhat concerned	35
Neither	43	Neither	24	Not very concerned	33
Unlikely	11	Disagree	12	Not at all concerned	11
Very unlikely	12	Strongly disagree	2		
Total		100		100	
(N)		(2,523)		(1,184)	

(AuSSA, 2007) ‘How concerned are you that there will be a major terrorist attack on Australian soil in the near future?’ (AES, 2007) ‘Please say whether you strongly agree, agree, disagree or strongly disagree with each of the following statements ... acts of terrorism in Australia will be part of life in the future?’ (ANUpoll, 2009) ‘And how concerned are you that there will be a major terrorist attack on Australian soil in the near future?’

Sources: AuSSA 2007; AES 2007; ANUpoll on Defence 2009.

Table 17: Threat of terrorism due to Iraq War, 2004–2006

	Threat of terrorism			
	Mar 04	Sep 04	Oct 04	Dec 06
More likely	65	66	56	64
No difference	30	31	41	31
Less likely	1	1	2	2
Uncommitted	4	2	1	3
	100	100	100	100
	(1,200)	(1,769)	(1,873)	(1,200)

‘Thinking now about the potential for terrorism in Australia. Do you personally think Australia’s involvement in the Iraqi war has made a terrorist attack in Australia more likely, less likely, or has it made no difference?’

Sources: Newspan; AES 2004.

²⁵ The correlation between the two items in the 2009 survey is $r = 0.64$ ($p < .000$).

One of the arguments for involvement in the Iraq war was that regime change in Iraq would reduce the threat of terrorism. A stated aim for the conflict was to remove the possibility that Iraq could become a haven for terrorists and provide access to Weapons of Mass Destruction (WMD). The view of the public, however, surveyed between 2004 and 2006, was that the Iraq war had made a terrorist attack more rather than less likely. In March 2004, for example, just 1 percent thought that the war had made a terrorist attack less likely.

The 9/11 attacks in the US marked the beginning of a large-scale expansion of counter-terrorism legislation to manage the risk of terrorist attacks and to deter future attacks. One part of Australia's counter-terrorism strategy has been the introduction of anti-terrorist legislation as well as amendments to existing acts passed since 2001. The public has broadly supported these measures, at least judged by the results from two surveys conducted in 2007. Restricting freedom of speech or conducting searches without a court order are supported by a majority of the respondents; the proportion taking an opposing view is rarely more than one in three of the respondents. This suggests that when faced with a major security threat, the public is likely to endorse extraordinary legal measures to combat it.

Table 18: Support for measures to counter terrorism, 2007

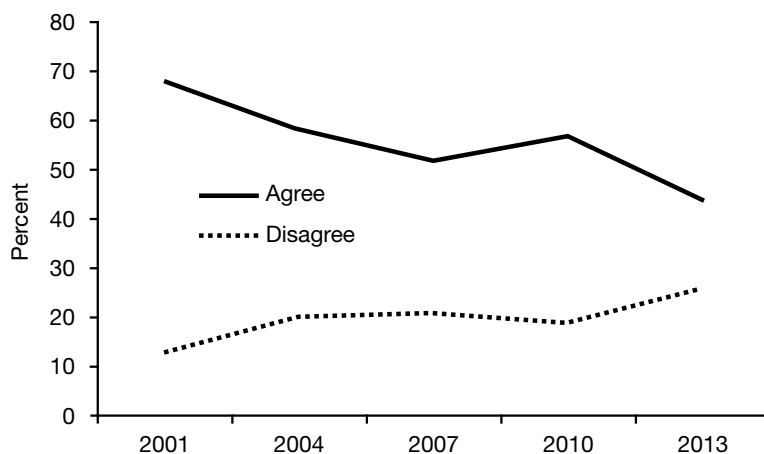
	Imprison suspects indefinitely (AuSSA)	Torture never justified (AuSSA)	Restrict freedom of speech (AES)	Search without court order (AES)
Agree strongly	38	29	25	22
Agree	35	32	30	28
Neither	8	16	19	16
Disagree	12	13	16	24
Disagree strongly	5	7	7	8
Don't know	2	3	3	2
Total	100	100	100	100
(N)	(2,522)	(2,507)	(1,873)	(1,873)

(AuSSA) 'How much do you agree or disagree with the following statements? If a man is suspected of planning a terrorist attack in Australia, the police should have the power to keep him in prison until they are satisfied he was not involved. Torturing a prisoner in an Australian prison is never justified, even if it might provide information that could prevent an attack.' (AES) 'Please say whether you strongly agree, agree, disagree or strongly disagree with each of the following statements ... Freedom of speech should not extend to groups that are sympathetic to terrorists ... The police should be allowed to search the houses of people who might be sympathetic to terrorists without a court order

Sources: AuSSA 2007; AES 2007.

One final aspect of public opinion on terrorism is worthy of note: support for the US-initiated and led ‘war against terror.’ The ‘war against terror’ was introduced after the 9/11 attacks as a umbrella policy to undermine the activities of terrorist groups operating across the world. Its first manifestation was the invasion of Afghanistan in October 2001, followed by the invasion of Iraq in March 2003, both of which involved US-led military coalitions. In November 2001, over two out of every three voters supported the provision of Australian military assistance to the ‘war against terror’ (Figure 16); overall, supporters of military assistance outnumbered opponents by more than five to one. By 2007 support had declined to 52 percent, with 21 percent opposing military assistance, and in 2013 support stood at just 44 percent. Public support for the ‘war against terror’ has declined in line with the increasing unpopularity of the Iraq war.

Figure 14: Support for the war against terror, 2001–2013



‘Please say whether you strongly agree, agree, disagree or strongly disagree with each of the following statements ... Australia should provide military assistance for the war on terrorism.’

Sources: AES 2001–2013.

While terrorism rarely figures as a major political issue for the public, there is widespread concern about being the victim of an attack. In addition, anything up to two in every three respondents believe that there will be a terrorist attack in Australia at some future point. However, a majority are sceptical that the Iraq war did anything to reduce the threat of terrorism, and public support for the war on terror has been gradually declining. There is widespread support for restricting personal freedom in order to combat the terrorist threat.

Conclusions and future polling

Public opinion towards defence remains an under-researched area in Australia, but the recent availability of surveys that cover defence-related topics does allow us to draw some broad conclusions. Moreover, when the same survey questions are asked over an extended period using a similar methodology, it is possible to infer what factors are most likely to shape public opinion. This is particularly the case with defence spending and threat perceptions, where the trends go back at least four decades. In this case, threat perceptions among the public would appear to vary with the degree of instability that exists within the international environment.²⁶

A second observation that emerges from the trends in public opinion is the increase in confidence in defence as an institution. Defence is now the highest ranked institution among those covered in the surveys and public confidence has more than doubled since the low point of the mid-1990s. Moreover, defence capabilities are currently seen as better now than in the past, albeit with some decline over the last five years. While it is not possible to identify the causes of these significant changes in public opinion, it would seem likely that the public has formed a positive view of overseas deployments, from Timor-Leste in 2000 onwards.

A third observation relates to the impact of the Iraq and Afghanistan conflicts on the public. Public opinion is rarely strongly supportive of involvement in any conflict short of a physical attack on Australia. However, the trends suggest that once hostilities begin, there is a 'rally around the flag' effect so that public opinion coalesces in support of military action. The trends also suggest that there is a limited time horizon available during which victory can be secured and the military can be easily withdrawn before public support wanes; the longer the conflict drags on without a resolution, the more fragile public opinion becomes.

Finally, the results presented here are notable for how ineffectual the socioeconomic background factors are in predicting attitudes. In each of the multivariate models, rarely more than 5 percent of the total variance is explained by socioeconomic background, leaving 95 percent or more of the variance unexplained. To the extent that social background matters with any consistency, it is in the form of tertiary education and, to a more limited extent, age. This suggests that attitudes are more likely to be

²⁶ A link could only be positively confirmed through an analysis of panel survey data, where the same respondents are interviewed over an extended period. Such data does not exist in Australia.

shaped by factors that are exogenous to socioeconomic background. These may include significant events, other attitudes, or perhaps underlying values. Disentangling these various effects requires more complex data collection methods, as well as a variety of assumptions about how the public's attitudes to defence and foreign affairs are formed and evolve.

In terms of future polling, the results have three main implications. First, maintaining a degree of consistency in question wording in the main surveys—the AES and Lowy—is crucial for ensuring the integrity of the overtime results. When question wording or coding frames are changed, longitudinal comparability is compromised and a long term trend may effectively be destroyed. Retaining consistency in questions is, of course, difficult, as survey priorities change and as pressure on questionnaire space and survey resources increases.

A second implication concerns survey methodology. Many of the unanswered questions in public opinion involve causality, particularly where attitudes are involved. What is the causal relationship between attitudes to defence spending and threat perceptions? We assume that the public makes an assessment of the likely threats to Australia and that this assessment informs their view about the appropriate level of defence spending. However, without panel data—where the same respondents are interviewed at different points in time—we cannot definitively reach that conclusion. Therefore, some panel element in the current surveys would enable researchers to address these questions.

Finally, we know relatively little about how attitudes towards defence are formed. We assume that socialising events and experiences are important, although the results presented here suggest that generational influences are a weak predictor of attitudes. This implies that other factors are important in shaping attitudes. These may include media exposure, travel, social context and political interest, to name just four possible effects. A priority for future survey work should be to include some of these measures in the surveys, in order to assess the importance of these factors with some precision.

Appendix: The surveys

A wide variety of surveys are used in this report. Most use is made of the Australian Election Study survey, which since 1987 has included a module on defence and foreign affairs, generally utilising the same question wording from survey to survey. Since 2005 Australia has also had its own dedicated annual survey on foreign affairs in form of the Lowy Poll. This survey provides an important snapshot of public opinion. Other surveys that are used include several ANUpolls, the 2000 Survey of Defence Issues (conducted as part of the then White Paper process), the Australian Survey of Social Attitudes, the World Values Survey, and Newspoll. With the exception of Newspoll, all of these surveys are publicly available from the Australian Data Archive at the ANU (<http://ada.edu.au/>). Virtually all of the analyses conducted here have used the unit record files supplied by the ADA.

The Australian Election Study. The AES has been conducted at each federal election since 1987 and is designed to collect data on Australian electoral behaviour and public opinion. The sample is nationally representative of voters. All the studies are based on a post-election self-completion questionnaire. The overall response rates have varied with the most recent survey producing a response rate of 33.9 percent.

Appendix table: AES surveys, 1987–2013

	Total sample	Moved/gone away	Refusals/ non-responses	Valid responses	Effective response
1987	3,061	156	1,080	1,825	62.8
1990	3,606	125	1,461	2,020	58.0
1993	4,950	137	1,790	3,023	62.8
1996	3,000	95	1,110	1,795	61.8
1998	3,502	215	1,391	1,896	57.7
2001	4,000	369	1,621	2,010	55.4
2004	4,250	275	2,231	1,769	44.5
2007	5,000	337	2,790	1,873	40.2
2010	5,200	282	2,714	2,061	41.9
2013	12,200	522	7,723	3,955	33.9

The response rate is calculated as: valid responses/(total sample—moved or gone away).

Lowy Institute Polls. Since 2005, the Lowy Institute has conducted an annual survey which provides an important longitudinal resource on the public's attitudes towards defence and foreign affairs generally. Each

survey interviews around 1,000 respondents, representative of the national population aged 18 years and over, by telephone. Full details of each of the surveys can be found in the reports that are available on the Lowy Institute webpage, <http://www.lowyinstitute.org/>. The analyses reported here are largely based on the unit record files of the surveys available from the Australian Data Archive.

The 2000 Survey of Defence Issues. The 2000 Survey of Defence Issues was conducted between 13 and 20 September 2000 for the Department of Defence by Roy Morgan Research Pty Ltd and funded by the Department of Defence. The survey used a computer assisted telephone interview of respondents aged 18 years and over randomly selected from all states and territories, with the selection of households drawn from the latest edition of the electronic white pages.

ANUpolls. Two main ANUpolls are used in this report: a March 2009 survey on defence, and a May 2014 survey on foreign affairs. Both surveys were conducted by Social Research Centre, Melbourne for The Australian National University. The surveys are based on a national random sample of the adult population aged 18 years conducted by telephone. The fieldwork for the defence survey took place between 17 March and 1 April 2009, with a response rate of 32.5 per cent. The foreign affairs survey was conducted between 12 May and 25 May 2014 with a response rate of 55.7 percent.

Other surveys. Occasional use is made of the Australian Survey of Social Attitudes (AuSSA) 2007 and the World Values Survey (WVS) 1983, 1995, 2012. All of these surveys are mail, self-completion surveys based on respondents aged 18 years and over representative of the national population. Full details of the AuSSA survey can be found at <http://aussa.anu.edu.au>, and of the WVS surveys at <http://www.worldvaluessurvey.org/>. Newspoll results are used in some tables and graphs, and have been extracted from the reports at <http://www.newspoll.com.au/>. Newspoll surveys are based on a nationally representative sample of the population aged 18 years and over conducted by telephone.

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