

National Security in Turbulent Times

Nick Warner AO PSM

We live in turbulent and fast changing times, and there's work to be done on our national security agencies and architecture by whichever party wins the 21 May election.

With a boost in defence spending, the establishment of an Office of the National Security Advisor, a reviewed and revitalised DFAT, and a regular health check for the intelligence community, Australia's national security community will be better prepared to meet the security challenges that lie ahead.

Australia is well served by the men and women who dedicate their careers to working quietly and effectively for the security of Australia, whether they be in DFAT, Home Affairs, Defence, the ADF, AFP or one of our 10 intelligence agencies and entities. From this perspective we're in good shape to confront the challenges of the next decade. But those challenges will be more serious than the ones we faced in recent decades, and some of our national security structures and processes need to be sharper.

The Government and the Opposition are right to warn of the deteriorating international security situation.

- Just days after Russia's invasion of Ukraine began in late February, Germany's Chancellor Olaf Scholz described what Putin had done as a *Zeitenwende* - a turn in the times, the end of an age. He was right. The war has already accelerated the trend away from globalisation as we knew it, led to further moves to protect supply chains, and also to a greater determination in Europe to move quickly to renewable energy. Defence budgets are going up, and Sweden and Finland are seriously talking about joining NATO. And because Putin can't afford to lose, he is likely to escalate further.
- On China, as Kevin Rudd has written, a dangerous decade lies ahead as tensions between the US and China grow. And in our region we now have the first security agreement between China and the Solomon Islands, bringing with it the worrying possibility of a Chinese military facility.
- The tech revolution - synthetic biology, quantum and nano technologies, robotics, additive manufacturing, machine learning and Artificial Intelligence (AI) - is a game changer. A few years ago Putin said that whoever wins the race to AI "will become ruler of the world", determining who in future has military advantage. And as the US National Security Commission on AI warned last year, China is winning that race.
- We could be seeing the start of a worrying increase in the number of States looking to acquire nuclear weapons, as countries like Saudi Arabia, Turkey and South Korea watch the unfolding conflict in Ukraine, the further development of North Korea's nuclear and missile capability, and as the talks to freeze Iran's nuclear program head from stalemate to possible collapse.
- More and more nation States are also seeing the effectiveness of offensive cyber, and knowledge about how to conduct sophisticated cyber-attacks is growing quickly. Imagine a world where there are 30 or more countries with that sort of sophisticated capability - rather than half a dozen at the moment - together with terrorist groups and criminal organisations, and where the risk calculus of those nation States isn't as robust as ours. That time isn't too far away.

- While geo-politics is now back “with a vengeance”, as the head of ONI, Andrew Shearer, said recently, the threat of terrorism hasn’t gone away - in Afghanistan, in the Middle East, in West Africa or in Southeast Asia.
- Then there’s the impact of climate change on national security - water and food shortages, humanitarian crises, mass migrations and political instability.
- And against the background of all of this are the big and lingering questions about whether, after the dark days of Trump, the US can reinvent itself and whether US leadership will return? The response to Ukraine suggests yes. But the handling of Afghanistan, the tech revolution and the deep divisions within domestic US politics suggests no.

With AUKUS and the revitalisation of the Quad, the Morrison Government has begun to lay down some strong new international security foundations that will serve us well in years to come.

And Defence Minister Peter Dutton and the Defence leadership team of General Angus Campbell and Secretary Greg Moriarty have taken important steps to prepare for this more uncertain and dangerous world, including plans to increase the size of the ADF, nuclear-powered submarines, hypersonic missile development with the US and UK, and the very substantial new resources allocated to the signals agency, ASD. But, as I’m sure they fully understand, much more needs to be done if Australia does face the prospect of conflict in the next decade.

No matter which party wins Government at the election, it will need to continue to build and refocus our Defence capability. It also seems inevitable that Defence spending will have to increase well beyond 2% of GDP.

But national security is about more than Defence and the ADF. Some of the other key elements of Australia’s broader national security armoury are also in need of renewal, review, and new funding. Here are just three.

National Security Adviser.

The key missing element of Australia’s national security architecture is a Secretary-level National Security Adviser and staff. Kevin Rudd established an NSA position in 2007 within the Department of Prime Minister and Cabinet, which worked well with the experienced and highly respected Duncan Lewis. But with Lewis’ departure the position atrophied and was finally abandoned under Tony Abbott.

Since then the role has, to some extent, been filled by a number of well-connected officials in the Prime Minister’s Office or in PM&C. But many of our allies and like-minded countries have a dedicated NSA, and to my mind the absence of an Australian equivalent has limited and complicated our exchanges and interactions.

In an increasingly fast moving and complex world we need an NSA to better focus bureaucratic effort and to coordinate agency and Departmental action and policy advice on the key issues confronting Australia’s security. The NSA needs to be part of a small statutory agency within the Prime Minister’s portfolio (like ONI), not within the Department.

Foreign Affairs.

DFAT is no longer the international affairs powerhouse that it used to be - assessing the changing world environment, developing innovative policy responses for Ministers and driving the foreign policy agenda. For more than 20 years, under Liberal and Labor Governments, the Department has seen its budget fall and its overseas network thinned out, as other national security agencies and Departments have grown in size and influence - intruding into DFAT's policy space and filling the assessment void.

All of this has had an impact on the Department - on performance, on clout in Canberra and on morale. Many others have made these points over the years - the Lowy Institute for more than a decade, and my former colleagues Allan Gyngell and John McCarthy more recently in the Australian Financial Review (26 October 2021).

While DFAT has had a number of excellent Ministers and Secretaries over the past three decades, it has suffered from a surfeit of broad support within Government (which is somewhat ironic given the ever-increasing number of former Ministers who head off to senior diplomatic posting). As Gyngell and McCarthy argue, "Australian foreign policy has few friends to rally around it. Its voice is un-amplified by the interests of defence manufacturers and lobbyists. And the term is often used interchangeably with 'diplomacy', which sounds soft and unassertive to Australian ears".

Fixing the problems facing DFAT won't be easy, will take time, and will take more than an increase in budget. The issues facing the Department are now deep seated. But the time to start is now.

Over the years there have been occasional fairly light reviews of the Department, but I can't recall a thorough examination of DFAT's structure, focus, culture, resources, and overseas presence in recent decades. And while root and branch Departmental reviews can be slow and implementation problematic (as Defence knows too well), I think that is what is now needed.

Statecraft and diplomatic soft-power are going to be critical in the decades ahead. We are going to need a stronger DFAT.

Intelligence Community.

In 2004 Philip Flood formally recommended to Government that there be an independent review of Australia's intelligence community every five to seven years. Governments have followed this advice. There was a review in 2011, and the L'Estrange/ Merchant review was announced in November 2016 and published in July 2017.

The latest review made many important recommendations, and the intelligence community is in much better shape because of it, although some of the key recommendations proved difficult to fully implement.

As we go further into this more contested world it's important that intelligence collection, assessment and coordination is as high quality and seamless as possible. And we need to be sure that resourcing is appropriate and properly prioritised; the priorities of the past 20 years aren't necessarily where our focus should be now and going forward. It will be important, at some stage in the term of the next Government, to have another look.

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Nick Warner most recently served as the Director-General of the Office of National Intelligence (ONI) – Australia's peak intelligence agency which reports directly to the Prime Minister. Before his time at the ONI, Nick served as the Director-General of the Australian Secret Intelligence Service (2009-2017), the Secretary of the Department of Defence (2006-2009) and Senior Adviser (International) to the PM (2005- 2006).

In his career as a diplomat, Nick served in roles including Australian Ambassador to Iran (1994-1997), High Commissioner to Papua New Guinea (1999-2003) and Special Coordinator of the Regional Assistance Mission to the Solomon Islands.