



Shaping an Australian National Security Strategy

The Perspective of
Senator Jim Molan



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Preface

We have just released our new book on the evolution of Australian defence strategy from 2014 through 2020. This is how we have described the book:

“In the midst of the COVID-19 crisis, the prime minister of Australia, Scott Morrison, launched a new defense and security strategy for Australia. This strategy reset puts Australia on the path of enhanced defense capabilities. The change represents a serious shift in its policies towards China, and in reworking alliance relationships going forward. "Joint by Design" is focused on Australian policy, but it is about preparing liberal democracies around the world for the challenges of the future.

“The strategic shift from land wars to full spectrum crisis management requires liberal democracies to have forces lethal enough, survivable enough, and agile enough to support full spectrum crisis management. The book provides an overview of the evolution of Australian defence modernization over the past seven years, and the strategic shift underway to do precisely that.”

As one senior RAAF officer put it: “The Prime Minister of Australia, the Honorable Scott Morrison, has launched the Defense Strategic Update, which moved Australia’s defense policy away from a globally balanced approach under our Defense White Paper of 2016, towards a more regionally focused posture, founded in the principles of shape, deter, and respond. The new policy approach places great emphasis on the need for our forces to be well integrated, both internally to Australia, and across our strategic partners.”

The book is based on the bi-annual Williams Foundation seminars held since 2014 and includes insights and presentations by Australians and several key allies of Australia. In that sense, the book provides an Australian-led allied rethink with regard to how to meet 21st century defense challenges.

As Anne Borzycki, Director of the Institute of Integrated Economic Research – Australia, has highlighted:

“Dr Robbin Laird brings a unique perspective to his analysis of the journey the Australian Defence Force (ADF) has been on over the last six years. As an American, and also a European resident, he understands the military and strategic realities of Europe and the United States and is therefore able to place Australia, as a modern middle-power, into the spectrum of Western Liberal Democracies. And importantly, this book highlights the lessons that Europe and the United States could learn from Australia as the first quarter of the 21st century draws to a close.

“This book is a modern history that begins in 2014. The year 2014 might seem recent – however given the upheavals wrought upon the world by changing global power dynamics, national domestic political challenges, military transformations and finally, the pandemic – it could just as well be 60, not 6, years ago.”

This book was released on [Amazon](#), [Barnes and Noble](#), and [Kobo](#) on December 22, 2020 in e book form with the paperback and hardback to be released in two months. The book can be purchased on the worldwide Amazon websites, including [Amazon Australia](#).

But what is next?

In a series of podcasts, Senator Jim Molan, who is cited by Prime Minister Morrison as a key advisor on defence thinking, has provided insights on the challenge of building a national defence and security strategy. He believes that defence cannot simply be left up to the Australian Defence Force but requires a national response and a national strategy.

We have shaped a number of key items from the transcripts which we built from the podcasts and have assembled them here into a single report.

He starts each podcast with this introduction:

“Sun Tzu, the Chinese strategist tells us that strategy without tactics is the slowest route to victory.

“But tactics without strategy is just noise before defeat.

“My name is Jim Molan and welcome to our Noise Before Defeat podcast.”

“Haven’t we done enough on security?”

This is how [Molan’s website](#) describes this first podcast:

“Jim and Sarah take you into the world of national security. Jim explains the threats to Australia, its alliance with the United States, strategy and defence spending, and his reasons for pursuing a stronger Australia with such passion. He and Sarah explore why all Australians should be interested in and informed about these topics, and why preparation is a critical national endeavour.”

Molan underscores: “These are new times for Australia and Australia must adjust. We face a number of critical issues and this podcast will address them. The most immediate issue, as we all know is COVID, we’re working to overcome the health and the economic consequences, and that’s bad enough, but we can manage our way out of it. And we’re doing that.”

Australia faces an Uncertain Strategic Environment

“In the 75 years since the end of World War II. and you mentioned World War II, the U.S. by being the strongest superpower in the world, guaranteed both our freedom and they have prosperity and that’s important.

“This is pretty special.

“The U.S. did that by guaranteeing stability across their trading partners and across the sea routes that make trading possible. And I’m not saying that the U.S. is perfect, and it’s got plenty of problems at the moment. I’ve worked in the belly of that beast. I know its failures and its strengths. I fought

alongside soldiers in war time. Like all of us it's far from perfect, but at least it shares our values and interests and that's critically important.

"Two developments have ended this extraordinary situation where we have enjoyed prosperity and security for the last 75 years. First, United States is not as strong as it used to be compared to other powers since the end of the Cold War in about 1991. 17 years of war in the Middle East, the Obama administration, and a general tiredness in the U.S. of being the world's policeman is the reasons. This is a critical factor to think about. Everyone thinks that U.S. power is infinite, and it is not.

"The second event that's happened is the rise of other powers.

"And that's really what this podcast is about. Particularly China, Russia, Iran and North Korea, as well as the continuing presence of Islamic extremism, the U.S. is being challenged as we are by these authoritarian regimes who are hostile to liberal democracies because we represent an alternative to their control of their populations and so are a threat to them.

"We in Australia had the luxury of becoming very rich and very secure without, as a society having to do much of it. So, as I say, now the world has changed. We in Australia must look after ourselves much more than it has occurred for decades, especially as regards to the possibility of conflict and war.

"What COVID has shown us is that we, as a nation have really frightening vulnerabilities to external interference. We're far too dependent on countries that might be hostile to us. And not everyone loves Australians as some of us think."

The Shift from Wars of Choice to the Direct Defense of Australia

"We weren't being threatened by anyone and we couldn't foresee at least for the next 10 years that we were going to be threatened by anyone. And the series of white papers from 1976 until 2016 had the statement in them that there was no threat to Australia for 10 years.

"As a result of that statement, of course, you didn't have to prepare the Australian defense force for any (direct) threat (to Australia).

"And we could spend what we wanted to spend on the defense force. And it was the defense force that went away to war. The nation didn't go to war.

"We carried the burden of those Wars of Choice all through that period from all through the post-war period.

"Now I spent many, many years in the defense force fighting the defense force for my view of what the army and what the defense force should look like. I've really given up on that because you can take on every issue that you want. You can take on the issue of strike fighters in the air force, of submarines, of armed vehicles and fight every battle. But if you get the strategy right at the top, everything else falls out cleverly underneath.

“We’ve had inquiry after inquiry into the problems that the defense forces faced and all those inquiries stopped at one step below government. And my view is that government is responsible for the strategy.

“It is up to us in government to solve the problem of uncertainty by coming up with a strategy. We don’t have to identify exactly who we’re going to fight, but we do have a responsibility for identifying exactly what the characteristics of such a fight might be and signed to ourselves. Can we do that?

“In 2016, when our defense strategy came out and we decided that no enemy was going to threaten us for 10 years, we didn’t say to ourselves, if it takes an enemy 10 years, which was ridiculous, to threaten us, why would it be that we in Australia didn’t need the same 10 years to prepare for such a threat.”

Major Wars are a Thing of the Past?

We should never forget that in World War I, 15 million people died. And in World War II 60 to 80 million people died. In the Korean War, 5 million people died. In Vietnam, at least 2 million people died. In the Iran-Iraq War of the 70s and 80s, 1 million people died. In Syria, recently, about 500,000 people have died.

And in Iraq, 150,000 people died in the invasion and the stability operations that I was involved in before, of course, ISIS came into the equation.

Who knows how many people have died in Yemen, in African wars and in parts of the old USSR? And most of that was in the 20th century.

The 21st century has started similarly war hasn’t touched Australia recently for 75 years, except personally, for those that went away to fight distant wars.

We’re a long way from Australia and we’re considered by the Australian military that it was their wars, not societies’ wars, the military’s wars. Australian society didn’t play much of a role in it.

It was hardly noticeable to most Australians, a bit of terrorism here and there, a bit of nation building such as in each team war.

A bit of police actions such as in the Solomon Islands. Really the only exception where society became involved was firstly paying for it.

But secondly, protesting wars or national service and most people within involved.

Every war that we fought as Australian, certainly in my lifetime, but also since 1945, has been, as I said before, this idea of a War of Choice where you choose everything, when you go and, particularly, when you come home.

In those kinds of wars, we haven't been committed to victory just to participate. That's why we went to Iraq and Afghanistan, not to win the war, but to participate. This is 75 years of military experience.

And as I said in the last episode, the opposite of wars of commitment, where there are big issues at stake, we have to win, and we not have not fought one of those since 1945.

Where does Australia Find Itself Today?

We just haven't seen a major war for 75 years. And this is really an extraordinary achievement of the last 75 years in national security is that across the world, I should say, we have avoided major hot wars, world wars, wars between major coalitions or major nations. The Cold War was an example of avoiding the hot wars.

The reason that we've done this really comes down to U.S. dominance and mainly by the fact that strength deters. If you can be big and ugly enough and strong enough, you can stop people acting in a way which is aggressive. It's not just actual regional wars or major wars that will impact terribly on Australia. It's also that high-level of tension that normally occurs short of a major war. and this could drastically impact Australia.

I remember one example of this is that in the early 2000s, in Israel, Hezbollah fired two Iranian anti-ship missiles at an Israeli patrol craft off the coast of Lebanon. One of them hit the patrol craft.

The other one was diverted by the electronic warfare on the patrol craft. It went over the horizon and hit a cargo ship, which had just left the port of Haifa. Now, as a result of that, not one single ship moved in and out of Israel for over a month.

Why?

Not because of the missiles, but because those ships could no longer get insurance.

Should there be a problem in our part of the world, then immediately everything that's coming from other parts of the world, our pharmaceuticals, our fertilizer, our crude, or our refined petroleum products would stop.

Funding the ADF is Not Enough

The ADF, as I cannot stress enough, is not responsible for national security. The whole nation is responsible for national security.

It's an important point to make, and I need to make it as often as I can because we in Australia tend to think that if you fund the ADF, then the ADF will take care of national security.

We might still have to participate in the small wars that we have been participating for years, but the probability of a major war is increasing significantly, and we must prepare.

The Challenge of Modern Warfare

The digital aspect of this is very, very important. Everything that we use cyberspace for enables us to live the modern life, to transfer money between banks and to organize our nation in an incredible way.

It also allows us to fight better, to have greater information and pass data from one organization to another. But cyberwar is never an alternative to what we call Kinetic War. Kinetic War is fundamentally blowing things up. It's not an alternative.

I just need to make that point first up because a lot of people say, "Well, wars nowadays will be cyberwars. There'll be digital wars, and we're not going to go around killing people."

Well, as I say often, nothing could be further from the truth.

But the digital side of conflict is simply an aspect of the current situation.

No war between the United States and China, which is what I focus on, will be clean. It will also not be limited to only those two countries. It might be limited to battlefields politely away from civilian centers.

It will be massively violent and destructive and may even go nuclear. It will involve massive cyber-attacks that will close down modern nations. We've seen examples of that, particularly in the Baltics out of Russia. It will involve attacks in space. And perhaps it will involve attacks on targets on the Earth from space.

I think that the war may be short and sharp, and someone may win, and someone may lose. There may be a high technology fight, which is won or lost, or combatants, after maybe a month of very high technology warfare, may back off in a stalemate, both participants in the war would suffer a great loss and great height for each other for the next indefinite period of time, for 50 years or more, it would be appalling.

Such a war may involve one cataclysmic battle or might be a series of lesser battles and attacks.

And the fighting may be extended, but with breaks to recover and re-equip and move forces.

All of these options, this is why I say that what we face is a terribly uncertain future.

And if you have an uncertain future, you must prepare as much as you can for what you do know. Such a war might just be between China and the U.S. It may be between China, Russia, Iran, and North Korea on one side.

And on the other side, it might be the U.S. and its allies, perhaps what we call the IBCA nations, America, Britain, Canada, and Australia, and New Zealand. Plus, perhaps, Japan, South Korea, and Taiwan, and who really knows who else?

And as I said before, it may even be a massive nuclear war. Such as might have occurred between the United States and Russia for 50 years after 1945. It might involve the use of tactical nuclear weapons at the local level, even without a massive, mutual nuclear attack. It's appalling circumstances.

He then added comments regarding the warning period so to speak.

We might be in the middle of a buildup for war now. And it's not just open war, as I said before, that will impact on Australia. This kind of period of tension leading up to wars will really make COVID look like a picnic and, how depressing, again, is that to even think of that?

What I reckon is likely to happen in a period of tension short of open warfare is nations that might normally export critical items to Australia, might cease to send them to us because of their perception of their own uncertain domestic need, exactly what happened during COVID. In this period of tension, there might be limited local aggression, even conflicts, such as border incidents or the settling of old scores.

We've seen changes in the nature in Hong Kong and Taiwan, pressure on Taiwan, incredible pressure on Japan. The Indian border dispute and minor disputes against between China and Bhutan.

There is a characteristic in this period of tension of nations ignoring the rule of law. Examples of that, we've seen intimidation and violence against neighbors in sea border disputes over what the Chinese call their Nine-Dash Line justification. We also see in this period of tension attempts to influence internal politics, we saw a New South Wales Upper House member, Mr. Moselmann, in New South Wales being investigated by ASIO and IFP raids and it's alleged that he may have been the subject of influence, and we'll let that run its course. We've seen the Belt and Road Initiative in Victoria used by a state government.

And all of this diminishes trust in our national institutions because of the fear of foreign influence.

We will see in this period of tension trade used as a weapon and we've seen that towards Australia now in relation to beef, wine, and barley. We will also see incredibly in this 21st Century period of tension, the maneuvering of offensive devices in space with a view to later destroying enemy satellites, or even at some stage attacks on us from space.

We've seen diplomatic hostage-taking Australian citizens in Iran and in China. We've seen very aggressive language, not quite diplomatic by the Wolf Warriors calling us white trash and that's not unusual, of course, as we all know.

We've seen in this period, the forming of threatening alliances, I speak often about the American assessment of the threats to liberal democracy being four nations and an ideology. And those four nations could, for convenience, come together in some way.

We're seeing China and Russia work together with Iran, for example, to overcome United Nations embargoes on arms shipments to Iran. And that is very, very worrying. We'll see gathering of information, intellectual property theft, such as we've seen with the Thousand Talents Program.

And we'll see espionage. Most people in Australia don't know that the FBI are currently investigating 2000 active counter-intelligence cases involving Chinese espionage in the United States now. And they've even closed down Chinese consulates for spying.

We will see the gaining of control of United Nations body. I spoke before about how coalitions of nations have stopped U.S. attempts to extend the arms embargo to Iran and then supplying around with those arms.

And finally, there'll be an increase indirect threats and building up force capability.

And we've seen that against the U.S. incredible threats only in the immediate past against the United States saying that if you locate U.S. troops on Taiwan, then China will go to war with you.

We've seen continuous threats against Taiwan and military maneuvering all around. Threats against Japan. Conflict against India and Chinese nuclear capability is being increased.

Deterrence is Crucial

What our priority should be is to increase the level of resilience of this nation and to defend the homeland against what I call a collateral attack, a collateral attack from China, in a war between the United States and China.

Collateral really means a secondary attack, not the main attack.

We're unlikely to ever face the might of China by ourselves, but we may have to prepare for attacks into our nation and the impacts of total trade breakdown caused by war without considering a major war, a major invasion, they are big enough.

The question we've got to ask ourselves is, "Are we self-reliant enough?"

The answer is, "No".

And that is what a nationwide strategy should concentrate on....

In my view, it will take us, in Australia, 5 to 10 years to get past COVID, restart the economy, and then start building resilience in this nation. Even if we started the intellectual parts of it, that is the deciding on what our strategy is going to be.

Even if we started that tomorrow, it would still take us five years best, 10 years probable.

We are well behind where we should be.

Markets Produce Prosperity, Not Security

This podcast will look at why Australia is so vulnerable to a national security shock. And of course, we've just had an enormous one of those in the form of COVID and we're still living through it. It'll look at why Australia lacks self-reliance as a nation. And as a result, Australia is not prepared for an uncertain future that may involve conflict and war. Australia's very sovereignty, our independence and perhaps our existence as a nation would be seriously threatened unless we start to prepare.

Well quite simply, I reckon there are five vulnerabilities. In essence, Australia is overly dependent on imports to run the nation. And as I say all the time, we're not self-reliant enough as we found out in COVID. We are overly dependent on one single market and the sea lines for exports and imports that make us prosperous. And China is using that against us now. In essence, Australia has a military developed for a different era and a different task. It's very high quality. It's the best that I have seen it in the 50 years that I've been exposed to the Australian military. It's a fabulous base for development, but it's incapable at its present size of defending the nation now or in the foreseeable future....

I suggest it goes a long way further than just the running shoes and t-shirts that we get from overseas because they're cheap. We're overly dependent on imports of manufactured goods and the import of information technology devices. We're overly dependent on critical items, such as liquid fuels, fertilizer, pharmaceuticals, and many others. We need to import complex spare parts and industry. For example, the energy industry and the mining industry, defense items and spare parts and technical weapons such as missiles. And all of this could be denied to us by an increasing tension or by war. Liquid fuels for example, at the moment we import roughly 90% of our liquid fuels directly as crude oil or as a refined product. And where does it come from? One of the most unstable places in the world. It all comes from the Gulf, either as crude directly to Australia or as crude to other refiners in North Asia who then send it back to us.

We are totally vulnerable to that. But I do note that we have taken a major step forward very, very recently in that the minister for energy has started seriously to ensure that we keep our refining capability, and we start building reserves of liquid fuels in this country. Now, pharmaceuticals are another one that we should be worried about. 90% of our pharmaceuticals are imported. And during the initial stages of COVID, we did have some reserves and that was a great discovery that I was not aware of. We did have reserves in this country of pharmaceuticals, but we came close to running out in some areas. And of course, we saw recently some union bans on ports that are achieving exactly the same thing now. And that's a real vulnerability for us....

It's where we export it to and therein lies the problem. We are overly dependent on a single export market and that's China. And if that was denied to us by one nation or by increases in regional tensions or actual war, our prosperity would drop significantly. Social tension would increase, our ability to fund recovery or adaption would decrease. And our ability for sustained defense would evaporate because we would run out of missiles and spare parts.

We don't have a current comprehensive overall strategy. What the government of which I'm a part does brilliantly is solve problems one at a time. And even whilst working on COVID, I was blown away by the fact that the prime minister could come out and address a strategic update in terms of a defense strategy. And we've looked at cyber and we've looked at energy and we've looked at gas and we've looked at a vast range of things. It's not as though we're a one trick pony, but what I would say

is that the basic thing that we must address is our self-reliance. And I use that term all the time. And in fact, everyone in government is using that term in relation to self-reliance because we've all realized it, but I think government and across the nation, that we need to be much more self-reliant.

Self-reliance I consider to be where a nation makes domestically what it needs for its security, but still buys everything else from the global market. Now, if you say that one particular thing is essential for us to be prepared to make in Australia, it doesn't mean that you have to make all of it and you have to make it now. It does mean that you must be able to make enough of it. And then you buy the rest cheaper from overseas in Australia, so that if you have to expand at some stage when you are cut off from sea lines of communication, then you can actually do that. You have the technology and the base to expand and be self-reliant.

For the rest of it, until something happens, you can buy from overseas. In no way in the world am I ever suggesting that we back off from globalization. We just need to identify... And this is a job for government. We need to identify those items that are critical for us and how much we need to produce in Australia. So that in a certain period of time, when perhaps reserves that we've got run out, we are ready to produce much, much more.

If I look at the global market, I look at our inputs and I don't care if we don't have, as I said before, running shirts and running shoes, and t-shirts during a period of crisis. We don't need them. But I do care if we cannot produce certain pharmaceuticals in Australia, or I do care if we can't produce petroleum products in Australia. As a self-reliant nation, we must still be able to import and to export, we have just to identify across the nation, every single item that needs to be a bit produced in Australia and the time period that we need to have reserves in Australia of that particular item.

The Need for a National Security Strategy

Our national security system has no one organization responsible for developing national strategy. It doesn't have this system to prepare our nation and it doesn't have those professionals for advising the national leadership, particularly the prime minister during a serious ongoing crisis because we haven't needed it in the past. And for 75 years, we haven't had to do it.

We currently have a military not ready to go to war tomorrow. It could become much more prepared, relatively fast. And that's the judgment that you've got to make, but that's where the big money is. We need to examine that military and see whether its preparedness is high enough and what it would cost to raise that if we decided. But primarily it lacks serious and self-reliant lethality, mass and sustainability for the rapidly developing future.

And that military cannot in any way, defend this nation against the developing threats that most people agree are coming towards us now. I do acknowledge and I should be fair acknowledge the extraordinary achievements within defense that the coalition government, since 2013 has embarked on particularly the shipbuilding programs, particularly the adequate resourcing of that military in order to provide the kind of military we've needed for the last 75 years. The point I make is that having done that, and it's a great achievement and I personally thank them as someone who has a great love for our military. I personally thank our government, but now we need to look at the next step....

We should create a military that can defend the nation and support coalitions if we need to. And that military needs to be much stronger, much bigger and better supported so it can fight for longer. We need to create a government national security system, which is far more sophisticated and sophisticated enough to prepare us for conflict and a fast-moving war and manage 21st century crisis. And finally, realistically and publicly, we need to address the need for national security. And I can't say it often enough. We must begin with a national security strategy to tie it all together.

Everybody Loves Australians

We tend to think that everyone loves us. And as a middle power, a liberal democracy, we are not a widely unpopular nation, but not everyone loves us and respects us. And I jokingly refer to this as the Bali syndrome. Now as a general public, we go to Bali, everyone loves us.

And we think that the rest of the world loves us as well. But I guess I only say that to be contentious. But of course, in my own experience, every time I go overseas with the military someone tries to kill me. So, I guess there is a bit of a different view of all of us....

But as a liberal democracy which is allied by common beliefs to the US, Australia does represent something to particularly focus on by authoritarian groups or by authoritarian countries. And if you can't give the US a kicking, you might be able to give a small ally a bit of a kicking.

We are seen as a threat to such authoritarians' governments because of what we are, because we offer an alternative to authoritarianism. We've seen this with Islamic terrorists and with aggressive comments made by China's department of foreign affairs and China's controlled media. We're also an object of attention, as I said before, as a strong ally of the US. We may also attract aggression because we're a resource rich country....

But when we look at the next step up from gray zone, that is truly assertive or aggressive behavior, threats or real challenges, we do need to mention China, but not only China. We need to mention China because for years we lived at the edge of the world, long way away from most crises and most conflicts.

Now we don't. Now we are in the region where the biggest crisis could occur. So, it might be healthy to focus only on China, as so many do. And I've said a number of times, the US considers that the threats to what is generally referred to as the West consists of four nations and an ideology.

And I've listed those four nations as being Russia, China, North Korea, and Iran, and the ideology being Islamic extremism. Now, we're allied to the US, and we live in the priority region for the United States, what they call the Indo-Pacific. In the region that they are making the assessment that this threat exists. So, it's fair to say that this is our threat as well. And the US, back in their national security strategy of 2007, talked about those four nations in real detail.

And I'm advocating that we do a national security strategy. So, when we see the American version of this, that is truly relevant. And they spoke about Russia, which we should never forget is an Asian power, but a challenger to the US across the world. Russia has got interests in the Baltic and in Ukraine, and in the Southern Caucasus.

And the effect of this is it disperses the amount of US power that we might like to think exists to come and back us up. China, of course, is the rising power. It has been aggressive. Militarily and economically it's extraordinarily powerful. It's wealthy, and it's got a high degree of central control. So unlike democratic nations, if China wants to do something, its population is normally the last people that they consult about it.

The biggest problem in the Middle East at the moment is Iran, 90% of our oil comes from the Middle East, and we're making very, very good moves to establish our strategic reserves. But in this area, we are particularly vulnerable. And North Korea, of course, is nuclear armed, it's unpredictable.

But I don't think it represents as such a particular threat, it is just unpredictable. And of course, I speak about Islamic extremism, which is still across the world. It's in our region, in the Southern Philippines, and it's waiting for a chance to rise again. It certainly exists in the source of all our oil in the Middle East in a very frightening way.

We are totally dependent for our prosperity on sea trade. This is a vulnerability which is forced on us from outside the nation. We accept a bit of responsibility because we have got ourselves into a situation where most of our trade comes from one country. But as tension builds much less, if conflict occurs our ports are a single point of failure for Australia. I put ports and sea transport in the same category.

It's a major vulnerability. And of course, people forget that Australia, we own about a handful of ships. But normally we don't own shipping which we can rely on to move our exports if we need to. It's very easy to close us down from an economic point of view, or from access to essentials, and to stop our export of resources which is our wealth....

What defines defense capability is the ability of a nation to do things. That is, win wars or conduct operations. All we have to do is look back over recent history. Clever countries often achieve superiority over the mighty US because the US has global responsibilities, as I've mentioned.

And challengers only have local interests and can focus their forces on a local area, or use different techniques, I should say, denying US strength. The classic example being Vietnam. I could see that so obviously when I was in Iraq. The US had 150,000 troops in Iraq, but Al Qaeda was never more than a few thousand.

And they tore that nation to bits because they used extreme violence from the middle of a population. And of course, we know that ISIS was even worse. We could not be everywhere, and they'd played on this weakness.

The US produces, every two years, a national security strategy. And Congress mandates that. It is the law. This looks at all the tasks that the US has in national security, and the strength of its military and its economy, and its people and its states. And it says what the US can actually do. Not what it spends or what it has, and that's the difference. An example is that in 1991 the US had a Navy of 600 warships.

Now it has less than 300, and the Chinese Navy is larger than the US Navy. Now I suspect that the 300 US battleships are better than the larger number of Chinese battleships, but they're not much good if

they're in the Mediterranean and the problem is in the Pacific. No, but even more important than just counting ships or planes or tanks, what a nation can actually do is the real test.

And in 1991 roughly, at the end of the Cold War, the US had a strategy which it called it's two and a half war strategy. It had a capability in that extraordinary nation to win, fight and win two major wars. One in Europe, perhaps, one in Asia. As well as fighting and winning a mine war, maybe in South America or in the Middle East, wherever, at the same time. Now when you think about that, that is just extraordinary.

But now their national security strategy has changed significantly. In 2017 their national security strategy aims for them to win one war, and that's against China. And to hold in a second war. Now, that really is, by any measure, a 30 to 50% diminution of US power since 1991. That is a terrifying thought for all the US's allies around the world.

The lesson that we should take from this is that the US cannot come to all its allies aid as it could during most of the post-World War II period, because it was the biggest kid on the block. But still, there is a strong belief in our society that US power is infinite.

And I had that belief when I went to Iraq and I worked in the belly of the beast. I worked in the midst of the US military for that year, and I realized how limited its real power is. It is not infinite. And the US is sick to death of spending on defense, especially when it thinks that its allies are not assisting to carry the burden of world defense....

Could Australia ever defend itself against China, even with the right strategy and its implementation over time? I think that we have an enormous defense potential in this country. We've just decided not to realize it at the moment. Despite COVID, we're still a fabulously wealthy nation. And we certainly have something worth defending. Therefore, we must ask ourselves, do we have a choice? To talk about that in detail, I would rather wait for the next podcast. But the answer to your specific question, is that at the moment, no, we couldn't successfully fight China.

Even the US is having doubts about whether, in certain circumstances, it could win against China. Nor could we at the moment, which is part of our big strategy, nor could we at the moment deterred Chinese aggression because of our national security power. But to be positive, if we applied ourselves, as I'll explain in the next podcast, we could become a regional superpower. So, all is not lost. This is not a deeply disappointing or frustrating situation. We could do it; we just need to decide to do it.

And the point I make though, is that we are unlikely in the real world to ever be trying to deter or defending ourselves against the full might of China. What we should use as our planning scenario is to defend ourselves against what I call a collateral attack from China during a US and China war. And I think that is the realistic test. This is what we should be stress testing ourselves and the entire nation against. And we could do it, Sarah, we just need the will, and we need the time....

We must assume that we will be on our own. This is a psychological step that we must take. Because we'll be on our own, self-reliance across the nation to maintain our security should be our entire focus. Australia must be prepared as a nation, and not just the IDF. And we must be independently strong. We will not be able to depend on the US, if we ever could, of course. We can do this, we just need, as I said, we need the will and the time.

Australia: A Regional Superpower – Economically, Militarily, Diplomatically

An alliance is not a substitute for Australia being strong itself and being self-reliant. By being self-reliant within an alliance, we can bring strength to that alliance when we stand some hope of deterring conflict. So, let's not hang one by one. We always need to go back to recognize that the threats to our sovereignty are very, very real. We're not just making this up.

The threat is coming to us initially by way of tensions due to the assertive or aggressive behavior of China. And the threat may then develop, as we discussed, intentionally or accidentally into actual war. The whole basis of this podcast is that Australia must guard its sovereignty by becoming self-reliant across the necessary parts of the nation so that we are for the first time in our history, prepared for what might happen.

And we can do it by ourselves given the right national security strategy and a bit of time. At the moment, we have no national security strategy that covers all aspects of the nation, and we don't know how much time we have. And it's not a good start for the most demanding period in our history since 1945....

Before COVID, we had the 12th largest GDP in the world. Here we are a country of 25 million people, the 12th largest GDP in the world, but even more astonishing, Russia had the 13th largest. Russia's GDP is smaller than Australia's.

We were prior to COVID, first, second or third in personal wealth in the world, depending on how you measure it. We had made a national decision that prosperity, we made this decision for the last 75 years, we had made a national decision that prosperity is more important than security, and that was a logical decision over that period of time because the U.S. looked after our security, but unfortunately, it's not a logical decision now.

And as I said, Russia, with a smaller GDP than ours, really impoverishes its people to provide an exorbitant, a really disproportionate size of military and a nuclear capability.

But on the other side, I'd say that Israel is almost a perfect example of a small nation which is self-reliant. It's democratic, it's prosperous, and increasingly, it's becoming much more secure. It's not just because it has a big military, which it does, but because it has spread security across its entire nation....

My exposure to Israel is extensive working as a consultant to the Israeli government through various organizations.

And I really came to the conclusion that Israel is an example that if you have the will over time, a small nation can defend itself against massive odds. Israel's got a small population of six to 8 million people. We have 25 million. They have borders with most of the once enemies, and we have a full

continent. They are a very high technology country, and so are we. They have the strength of a democratic society, and so are we. We have far better alliances, probably more friends and vast strategic depth. Their country is only at its narrowest, a few kilometers wide....

The strengths that we have to work with are many, but I'll try to group them as much as I can. And I guess the first is geography. And geography in relation to security is still very, very important, regardless of the advances in technology. We have our own continent, as I said before, and our close border region between us and our neighbors is relatively secure. And by that, I mean, we don't share land borders with an assertive neighbor. And that's a real advantage.

At the moment, we tend to dig them up and export them, receive money and buy the things that we need to contribute to our security. If we are to be self-reliant, we need to plan to use more of them ourselves if we are cut off from overseas sources of manufacturing goods.

And of course, we should do that anyhow because that creates prosperity and it creates jobs, and it's certainly the Morrison government's policy on coming out of COVID. To use those is a vastly more complex operation than just digging them up and putting them in shifts. And of course, our government, as I said, is moving very impressively to start doing this, and we should peak in that in some way at the start of next year.

Our people are our resource, not just because they might fulfill certain functions, but because a government in a crisis needs the support of its people. So, our people are a key strength. Our population is well and truly large enough to defend this nation if we had to. It's well-educated as a population and we have an education and training system, the envy of the world, so we can adapt if we need to adapt.

We might read about tensions in our newspapers and on our TV every single day, but the degree of social cohesion amongst our people is relatively high. Sometimes we might think otherwise, but I think it is high.

And I guess this is due to the tradition of the rule of law, where our rights as individuals are strongly protected, we have a settlement history which is different from other countries, and of course, we're a liberal democracy where an individual has great importance.

And our people really know, I reckon, that they have a defined constitution, and their rights are protected by that, although in crisis, we normally surrender some of our rights for the security that we want. And we also have this extraordinary tradition of individuality in Australia. And again, that is something which is very, very valuable in a crisis....

I reckon that our federal system is a strength. People may not think that as we go through tensions between states and federal government related to COVID, but we are used to our constitution and people are becoming more knowledgeable about it.

We're used to also to the limited powers of the federal government, but what we do know is that the kind of powers a federal government might want to use to prepare the nation in a national security sense are either there as formal powers, or we can achieve the aims that we as a federal government want by paying for it as we write most of the taxes.

Our financial ability to pay and to even borrow is very, very high. In a well-governed federal system, that's a real bonus. And this is really assisted by a highly capable public service. Everyone stands around and knocks the public service, but they are a highly capable public service in most cases. And we have a highly capable diplomatic capability.

And given, as I say, that diplomacy through alliances is our first line of defense, that's very, very important. And although we don't see much of it, we also have a very, very capable intelligence community. And I guess that Australians have a deep understanding of alliances. And this is something which many other countries don't have. We have never fought in a war outside of an alliance. So, we know what alliances do, the difficulty of alliances, and how to use alliances to our own benefit....

And I talk about our industrial base, and sometimes it can be a vulnerability, but it's still relatively broad in its expanse across the skills needed, but it's just very, very small. And we need scale. We have so much to build on in this country. We've got some fabulously advanced elements in our industry.

We're advanced in setting up a ship building industry, both military and civilian, a commercial ship building industry. We serve as an aviation sector that is very large and we have solid government policies that are moving us forward on manufacturing, and in fact, moving us into outer space as well in a very high technology approach...

pulling it all together is the big challenge. And that's why I talk about the need for an overall strategy. And we're seeing from the Morrison government almost every day of the week, new policies, innovative policies, innovative ways of achieving them.

And I must admit that I have never seen anyone better than the prime minister in implementing policies, turning policies into real effects. You're right, though, we are very competently solving problem after individual problem, not just related to COVID, but looking a long way into the future.

And that's to our credit as a government. Australia has a Western approach to security and to planning. And that is very, very good. We just need to decide to do it, to focus on it as national security, and then the resource it....

By my assessment, we are a regional superpower now in many aspects of our economy, certainly. And we're very effective diplomatically while our military is a fine base for expansion. We just need to pull it all together to prepare this nation for the future. And it's my obligation, I guess, in the final episode of the six-part series, to offer you my solution. I'll try and do that in the next part, which is titled, interestingly and strangely enough, it's titled We Stress Test Banks, Why Not National Security?

We Stress Test Banks, Why Not National Security?

We started off by saying that most Australians thought that we were doing enough on defense on our national security, because we've been aiming to spend 2% of our GDP on defense. I've made the point

that national security is far broader than just defense and covers every aspect of government and society. We also spoke about the fact that major wars, unlike the small ones I fought in, are not a thing of the past and could still happen.

And healthy paranoia is very, very wise. And I did say that, and we've discussed the appalling nature of modern war. And it's such an awful proposition that everything we do must be focused on stopping it. Australia's view on our security has been shaped by the fact that market forces and globalization have delivered great prosperity to this country over the last 75 years. And this has been facilitated by the strength of our great ally the U.S. but that's now changed. U.S. power is not what it was, and challenges have risen.

And we've also spoken about the vulnerabilities. We have vulnerabilities. Some, we create ourselves internally by allowing ourselves to become overly dependent on foreign supply chains. And some are forced on us from overseas, such as the illegal occupation of maritime areas or regional border disputes that threaten sea lines of communication.

But all is not really gloom and doom. Australia has an extraordinary defense potential, far greater than most Australians realize. And we spoke about that in the last podcast. But until you organize it through security, through strategy, it's all just potential.

We need to bring all this together in the form of a strategy that makes us secure and prepares us for the future. Prepared for conflict and war for the first time in our history, what a revolution.

And a strategy is only ever 10% of the task, but it's a critical 10%. And with the other 90% of the journey towards a truly secure nation, being the implementation of the strategy, we decided on. And if it's good enough for us to regularly stress test our banks, because they're so important to us, why is it that we don't ever stress test something as important as national security?

What do I want is for Australia for the first time in its post Federation history, to be prepared for our uncertain future?

By being prepared, perhaps we will not have to endure the appalling possibilities that lie before us. Given what we have endured in the past, it could be an awful lot worse than what we have just come through. Now, I don't advocate irrational preparation.

I don't advocate panic. I don't say we should do this at the expense of our freedoms or our economy, or even globalization. I'm not denying particularly what this government has done brilliantly since 2013 in the field of national security.

The preparation I want is the logical calm preparation based on facts and knowledge rather than doing it just whatever we can too late in a crisis as we've done for most of our existence as a nation.

I don't even want the implementation to start now because priority for the Morrison government must go to getting the economy back on its feet.

And the greatest thing that we can do for this nation and for national security right at this moment is to recover the economy. The economy is the basis of our national security because it gives us the funds to prepare and it maintains that critical social cohesion. But the thinking, the preparation, the examining of processes must start now, and it can start now. The Morrison government has proven during the

pandemic that it can do many things at the same time. And thinking to produce a comprehensive strategy, not just for the military, but for the entire nation, doesn't cost a cent and should not compete for critical government brain space.

And as I've argued, none of us how much time we have to prepare. So, let's start as soon as possible....

Deriving a strategy is an essentially intellectual process, but it does require a few decisions and it does require a few resources. And those particularly are of smart people. I want Australia as the very first step to acknowledge that we face markedly changed strategic circumstances, which is a way a politician talks about the threat towards us.

And we need to acknowledge that there are implications for this nation of that change. The threat that I see is emerging now, and we need to act now. Not when the wolf is at the door. And that's been our historical reaction to crisis. We need to act now. Many countries that share our national philosophy are threatened by a rising power that is hostile to everything we are. Free, democratic, prosperous, occupying a full continent, and an ally of the United States.

We haven't seen anything like this since 1945. This is what the prime minister means when he talks about the twenties and the thirties. Perhaps he's not saying that war is going to break out in the modern equivalent of 1939, although that may happen, but a serious shifting of power relativities is what he's talking about.

Who is the big boy on the block? The power relativity, the strength in our region is changing from an ally of ours, the United States, to an authoritarian power who is very assertive and even aggressive.

And that China has proven it has no respect for international laws as has been shown in many ways. Most markedly, I guess, in the South China Sea. In full view of a weak US president, the West did nothing in the South China Sea. China saw our weakness and has taken lessons from that.

History might be echoing from the twenties and the thirties. It may never repeat itself, but as people say, sometimes it echoes. And Australia must accept that tension may lead to war between the U.S. and China. And the result of that war will shape the world and particularly Australia. And it will shape us for decades to come. We need to be prepared and we are not prepared....

Primarily we need to build a self-reliant Australia. Not just militarily, but across the entire nation, which can secure our future. But we must also build alliances, be protected by them and be a significant contributor to them.

The days of mindlessly and selfishly hoping the U.S. will be our savior in national security have gone, if they ever were there. The days of being complacent about national security are over, and it's time for some constructive paranoia, as we've discussed. The world has changed. We must accept that this is our responsibility, and we must act.

And when it comes down to what specifically we must do to achieve the aims of self-reliance, my suggestion to everyone is that we leave that for those who are going to write the detailed national security strategy.

I could come up with a whole range of ideas, but that means nothing. What I'm trying to say to people is let's be self-reliant, let's pull together an organization can analyze this and look at it and come up with a really specific actions that we need to take....

For the first time in our history, since Federation, we will be successful in fact, and in the eyes of the people, if we secure our sovereignty by being prepared for the uncertain future, we face through a policy of national self-reliance based on a comprehensive nationwide strategy.

Implemented through a modern national security organization, the equivalent of the national intelligence organization, which can both prepare Australia for high levels of tension as well as advise and manage all levels of crisis and war. To me, that's success....

If the need for a self-reliant approach to national security was acknowledged before the end of 2020 for example, a national security organization might be set up in 2021, able to produce a basic national security strategy. Addressing the security obligations of defense, cyber, manufacturing, diplomacy, health, energy and fuels, society, finances, education, borders, intelligence, food, and infrastructure, and anything else that I can't think of at the moment.

This could then be submitted to cabinet by the Prime Minister and considered by cabinet. So, it shouldn't be a long period of time.

As I've said, time and time again, we should aim to have this process in train within three years.