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SPEECH TO THE ASPI CONFERENCE

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***** CHECK AGAINST DELIVERY *****

It is a pleasure to be here.

I would like to thank the Australian Strategic Policy Institute for the invitation to address this distinguished gathering today.

I also want to acknowledge ASPI's contribution to strategic policy and public discourse in this country.

I note in particular the work of Peter Jennings and Andrew Davies as part of the Defence White Paper expert panel.

Today I have been asked to speak about the Opposition's priorities and differences in the context of the 2016 Defence White Paper.

I will touch on some of the areas where Labor has identified priorities and differences; however in the spirit of bipartisanship, it is just as important to acknowledge and to focus on what unites us.

Labor is committed to a bipartisan approach to national security and defence matters. This was our starting point for the Defence White Paper and why we have been broadly supportive of it to date.

Despite a revolving door of Defence Ministers and Assistant Ministers, Defence has produced a White Paper that makes informed and sensible judgments about the geo-strategic shifts underway and the future security challenges we will face.

The Defence team, led by Secretary Richardson and Air Chief Marshal Binskin, should be congratulated for their efforts.

In particular, Labor strongly welcomes the White Paper's support for our alliance with the United States as the foundation of our national security and defence arrangements.

We also welcome the White Paper's focus on increased engagement in the Indo-Pacific region, building on the pioneering work of our Defence White Papers in 2009 and 2013.

And we support the Government's decision to deliver on its promise of raising Defence funding to 2 percent of GDP – acknowledging that Defence needs certainty to prepare for a range of challenges now and into the future.

I will touch on these three areas and more in my remarks today – and I hope to leave you with a greater understanding of my approach, and Labor's approach, to Defence.

Geostrategic judgements

Labor strongly believes that Australia's special relationship with the United States remains firmly in our national interest – and that an engaged and active United States is a common good for our region.

That's why we strongly support the White Paper's commitment to strengthening our alliance with the United States.

We believe that a strong and deep alliance is at the core of Australia's security and defence settings.

Labor has been at the forefront of evolving the alliance to respond to new and emerging challenges.

This includes extending the ANZUS treaty to cover cyber threats, and increased bilateral cooperation on space.

And it was under the Gillard Labor Government that Australia and the United States agreed to the Force Posture Initiatives in our north.

These initiatives will improve interoperability between Australian and US forces and provide new opportunities to work together with regional partners.

They are also an important expression of Australia's strong support for the US rebalance to our region which will help to support and preserve stability from which Australia and the region has benefitted so much.

These are areas I am pleased to say the 2016 Defence White Paper has also identified as priorities.

A stable Indo-Pacific and rules-based order

Much like Labor's 2013 White Paper, the 2016 White Paper has a strong focus on the Indo-Pacific region.

In 2013, Labor's White Paper noted that a new Indo-Pacific strategic arc was beginning to emerge and that Australia's security environment would be significantly influenced by how the Indo-Pacific and its architecture evolved.

Similarly, the 2016 White Paper identifies a stable Indo-Pacific region and rules-based order as one of three 'strategic defence interests'.

Indeed, the maintenance of a rules-based order is mentioned over 50 times.

Labor will continue to be a strong advocate for the maintenance of a rules-based order.

As I have said in the past, I believe that Australia and other likeminded countries should act to support the international system, particularly when it is under pressure in our own region.

That's because I recognise that Australia has benefited enormously from the international system and believe its maintenance is essential to our economic and national security interests.

Defence Funding

The centrepiece of the 2016 Defence White Paper is a commitment that will see Defence funding increase to two per cent of Australia's GDP by 2020–21. Labor has previously urged the Government to set out a credible trajectory to two per cent of GDP that is capable of bipartisan support.

We believe that a credible funding trajectory is in Australia's national interest because we acknowledge that Defence needs certainty to prepare for a range of challenges now and into the future.

And we support the funding decisions taken in the White Paper to ensure Australia maintains a regionally superior ADF with the highest levels of military capability and scientific and technological sophistication.

Actions must match words

I am, on the whole, supportive of this White Paper – but I do have some reservations, chiefly with implementation.

Quite rightly, the White Paper reaffirms the importance of the US alliance to our national security settings. It also stresses the importance of the US rebalance to security and stability in our region.

Yet the Abbott-Turnbull Government has largely neglected the US Force Posture Initiatives in our north, a key expression of our support for the US rebalance.

Progress has effectively stalled, infrastructure remains unbuilt, negotiations on cost-sharing have been drawn out and prospects for further enhancing the initiatives seem distant.

It is up to the Government to provide the political impetus to drive these initiatives forward – and I urge the Minister to do so.

As I noted earlier, the White Paper's focus on a stable Indo-Pacific region and support for the rules-based global order is welcome.

Yet when that system has come under pressure, as has occurred in the South China Sea, the Government's actions have not matched its words.

At first it tried to imply Australia was conducting freedom of navigation operations by using carefully constructed language.

When that was exposed, it switched to simply refusing to explain Government policy.

By contrast, I have been clear that our defence force should be authorised to conduct freedom of navigation operations consistent with international law.

And finally, with respect to the White Paper's funding commitments, I would simply make the point that the commitments are 'fully costed' – and not 'fully funded' as the Government has at times claimed.

Fully funding these commitments will take discipline, goodwill and strong commitment from successive future governments.

Labor will be a willing and constructive participant in this endeavour.

Capability

Funding certainty will be fundamental to ensuring the ADF has the tools it needs to protect Australia and its interests, and remains a world-class defence force.

Over the next decade, maintaining Australia's capability edge will become more challenging.

We will require a force at the cutting edge of electronic warfare, intelligence, surveillance, reconnaissance, and research and technology.

We will need a defence force that is networked and equipped with fully integrated and secure systems.

And we will need to manage data on a huge scale, while maintaining its integrity and security.

Emerging areas like space and cyber will continue to pose new challenges – and we're pleased the 2016 Defence White Paper is continuing Labor's pioneering work in these areas.

It also recognises the transition that is occurring towards increased use of unmanned systems.

For the time being, remotely piloted systems will complement crewed platforms – but the long-term trend is likely to see automated and remotely piloted systems take an increasingly prominent role in force design.

Notably the White Paper includes acquisition of an armed medium altitude unmanned aircraft, which will require the development of methods of use that accord with Australian community expectations.

While Labor has been broadly supportive of the White Paper's approach to maintaining our capability edge; we do have some concerns which I will now touch on.

Submarines

The White Paper acknowledges that the modernisation of our maritime capabilities will be crucial – we are, after all, a maritime trading nation.

We're pleased the Government has acknowledged that Labor was right in our 2009 and 2013 White Papers that Australia needs 12 submarines – even if it has taken two and a half years to reach this point.

Valuable time has been lost as the Abbott-Turnbull Government has lurched from broken promises to bad decisions.

Before the election, Tony Abbott promised to build the Future Submarines in Adelaide. Once in government, Mr Abbott made a captain's pick to acquire the submarines from Japan.

The political fallout from this decision in South Australia forced Mr Abbott to invent a risky and rushed Competitive Evaluation Process – a process Labor has been highly critical of.

More than a year later and as we head to the election, we still do not know where our Future Submarines will be built – with the White Paper leaving open the options of an overseas or hybrid build.

Labor again calls on the Government to immediately rule out the overseas and hybrid build options – and build the Future Submarines in Adelaide.

By contrast, we have made it clear that if elected, Labor will only consider a local build.

Naval Shipbuilding

Labor welcomes the White Paper's commitment to establishing a continuous build of naval surface ships.

We recognise that a continuous build provides industry with the long-term certainty it needs to secure investment and critical skills.

That's why in 2013, Labor launched a plan that would have maintained industry capacity, created jobs, maximised value for Defence acquisitions and put us on the path to being a continuous and efficient ship building nation across all categories of vessel.

While the White Paper reaffirms the Government's intention to implement a continuous build of surface warships – there are scant details of how it plans to do this.

The Government has failed to explain how a continuous build production line for smaller navy vessels will be achieved when the only commitment to date is 12 Offshore Patrol Vessels – a build that will only last 12 years, between 2018 and 2030.

When it comes to major surface vessels – things are no clearer.

As a result of Malcolm Turnbull and Marise Payne's decision to walk away from Tony Abbott's promise to build the first few OPVs in Adelaide, it is unclear how the Government intends to fill the gap between the end of the work on the Air Warfare Destroyers and the start of the Future Frigates.

Likewise, there is no detail on what will happen once the Future Frigates are built.

The uncertainty this Government has introduced into the shipbuilding industry has had real and devastating consequences – with more than 1500 shipbuilders losing their jobs on this Government's watch.

More uncertainty is not what is needed.

Perhaps these gaps will be explained in the Government's long overdue naval shipbuilding plan – originally promised to be released with the White Paper.

But in the absence of detail, all we are left with is the Government's statements about its commitment to a continuous build "philosophy".

Australia's defence industry needs certainty from government, not just a "philosophy".

That there is bipartisan support for Australia becoming an efficient continuous naval shipbuilding nation is an important step forward – but if the Government is to be taken seriously, it must provide certainty to ensure jobs and skills are retained – which brings me to my next point.

Defence industry

Labor considers Australia's defence industry to be a fundamental input to capability.

So we welcome the White Paper's commitment to Australia's defence industry as essential to the operations of the ADF and to the capability we need to protect Australia and our national interests.

A central tenet of Labor's approach to Defence is the principle of national self-reliance.

As an independent nation, Australia's armed forces need to be able to defend our nation without relying on others.

Australia must be able to support its fighting force – and that means a viable local defence industry.

We welcome the decision in the White Paper to establish a new Centre for Defence Industry in Adelaide as a focal point for industry engagement.

Funding for the CDIC is being redirected from 35 existing defence industry programs. Time will tell if this new approach will achieve better outcomes, and we will be following this closely.

Labor also supports the move to integrate the acquisition plans for equipment, capital investment, facilities, technology services and workforce plans into a single plan – the Defence Integrated Investment Plan.

But the Integrated Investment Plan does not have the transparency or program-level detail found in its predecessor, the Defence Capability Plan. It doesn't keep faith with the much-repeated promise to give Australia a more detailed and externally validated capability plan - so we will continue to call on the Government to release further details of key major projects.

Industry assistance

Labor believes that measures to support Australia's defence industry are critical to self-reliance.

We are keen to explore what more can be done to support defence research and development, and those innovative Australian companies working in the sector.

Australia has gained important advantages from our defence R&D programs.

But in recent years defence R&D spending has steadily fallen, with the Government's R&D share of the overall Defence budget forecast to drop to about 1.1 percent in 2017-18.

Labor wants to find ways to redress this decline and incentivise the private sector to apply its expertise to some of the vexing problems facing our defence forces.

And we think there are examples from around the world that Australia can draw on – such as the Defense Advanced Research Projects Agency in the United States.

We will continue to look at ways in which we can boost defence research and development – and we hope to have more to say on this soon.

Labor will go to the next election with a defence industry policy that is aligned to our national strategy and in support of Australian self-reliance.

Conclusion

I hope I have given everyone here today a greater understanding of Labor's approach to the Defence White Paper – including our priorities and differences.

As I said at the start of my remarks, Labor strongly believes that the best outcomes for Australia's national security are achieved through consensus and bipartisanship.

This was our starting point when considering the 2016 Defence White paper – not to be divisive, but to be a constructive and engaged Opposition on national security and defence matters.

I consider the 2016 Defence White Paper makes informed judgments about current and future security challenges.

Notwithstanding those reservations I have outlined today, the White Paper provides a sound basis for current and future governments to make informed decisions and ensure Australia maintains a world-class defence force able to defend and promote our national interests.

Thank you.

ENDS