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# Defence Update 2003 and the emerging terrorist threat

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*We are engaged in a war to protect the very civilisation we have worked so hard to create—a civilisation founded on democracy, personal liberty, the rule of law, religious freedom and tolerance.<sup>1</sup>*

## Introduction

1. Australia is at war, but there pervades a surreal state of national consciousness, which ignores the threat of terrorism on our shores. There has been significant press coverage of the extra-marital activities of the Beckhams, yet the inability to account for 3.5 tons of ammonium nitrate in South Australia has received little media scrutiny.<sup>2</sup> While this is an intentionally provocative comment, it does reflect the sense of unreality Australians have concerning the terrorist threat.

2. *Defence Update 2003 (DU03)* was written as a response to events post the release of *Defence 2000—Our Future Defence Force (Defence 2000)*. It maintains ‘... the principles set out in the Defence White Paper remain sound and some rebalancing of capability and expenditure will be necessary to take account of changes in Australia’s strategic environment’.<sup>3</sup> *Defence 2000* was sound in terms of the long-term outlook for the wider environment Australia may face in the future. *DU03* is essentially an annex to *Defence 2000* and was written in reaction to the events of ‘September 11, 2001’, the Bali bombing and the ‘War on Terrorism’. It was a document written in response to an immediate threat rather than the wider, longer-term view of *Defence 2000*. While *DU03* also considered the proliferation of weapons of mass destruction (WMD), this paper only discusses WMD in terms of non-state actors as it is with terrorists that the immediate threat resides. While a suitable start point, *DU03* did not provide an adequate, ‘fully sufficient’,<sup>4</sup> review of Defence policy regarding terrorism, simply because dealing with terrorism is a nationwide responsibility. A new White Paper is required now but it needs to take a whole-of-government approach to this issue if it is to be effective. This paper is written on the premise that the fundamental principles of *Defence 2000* were sound for the longer-term strategic outlook. It also assumes *DU03* to effectively be a part of *Defence 2000*, an annex, focusing on the emergent issue of terrorism, which while important, is a relatively small subset of the various strategic challenges facing Australia. The core defence strategy remains ‘to prevent or defeat any armed attack on Australia’.<sup>5</sup> This is not to trivialise the terrorist threat, simply to put it into a wider context.

3. The aim of this paper is to demonstrate that *DU03* as part of *Defence 2000* provides a suitable start point for a policy on terrorism but a new White Paper on Terrorism is required to meet this emergent threat. To examine this notion, the nature of the threat is discussed together with perspectives of how this affects Australian Defence policy, concluding with a suggested new policy approach to the problem.

## Nature of the threat

4. The phenomenon of the emergence of a transnational terrorist threat is too complex to be covered in any great detail here. Suffice to say it is here and here it is likely to remain. From an Australian perspective, the threat of terrorism is linked directly to the rise of extremist Islamic groups.<sup>6</sup> The manifestations of the emergence of global terrorism, the attacks on the World Trade Centre,

the Sari Club and the Madrid rail system, have demonstrated that terrorism is effective. Reactions from victim nations have been significant; the US deployed military force to overthrow the Taliban and the Spanish Government withdrew its troops from Iraq. Unlike terrorist organisations of old, global terrorists have transnational objectives and their demands are absolute.<sup>7</sup> The key question in determining what policy Australia should adopt to combat terrorism is to establish what preconditions are required for organisations such as Al-Qaeda, Jemaah Islamiah and Lashkar-e-Toiba to operate and why Australia is under threat.

5. Under the Maoist doctrine, guerilla operations necessitated an ideology and a support base, both physical and ideological, in order to prosper. It would be significantly more difficult for a transnational insurgent, which is what in effect a terrorist is, to operate without a support base. In an address to the National Press Club, Foreign Minister Downer argued that terrorism is not driven by poverty and a lack of opportunity and,

A number of Al Qaeda and JI come from relatively affluent and privileged backgrounds. Osama Bin Laden was a millionaire.<sup>8</sup>

One might argue that this may indeed be true of the leadership as was the case during the Russian Revolution where it was the emergent middle-class that led the proletariat uprising. However, this is likely to be less true of the support base. Governments in Southeast Asia are often perceived as corrupt, from a Western democratic perspective. This corruption extends over religious freedom, distribution of wealth, opportunities for employment and education. Using the example of Muslim Mindanao in the Philippines, widespread poverty and government corruption must surely provide terrorists with a popular support base. Prior to US military and reconstruction intervention, the Abu Sayyaf Group operated in the Sulu Archipelago of the Philippines with relative impunity. Similarly, in Indonesia, White argues, effective governance would most likely reduce the popular support base terrorists require and, consequently, Australia should focus on supporting the rise of Indonesian democracy as a priority.<sup>9</sup> A failed or failing state has the potential to create a void for terrorists to fill, as the government has argued over Iraq.<sup>10</sup>

6. A further precondition for terrorists to operate is capability. The arrests of Brigitte, ul-Haque and Lhodi demonstrate that terrorists are operating in Australia.<sup>11</sup> While multiculturalism has significantly enriched Australia, it has likewise provided suitable ethnic cover for those few who wish us ill. Coupled with the rise in weapons proliferation in the region enunciated in *D2000*,<sup>12</sup> this adds to the concerns for Australia's internal security organisations, ASIO and the AFP. The proliferation of weapons in the region is of greater concern following the admission that Pakistani scientists have sold nuclear secrets to Iran and North Korea. Potentially, this will increase the possibility of WMD proliferation and with it, the possibility of non-state actors gaining access to hitherto unavailable weapon systems.<sup>13</sup> The preconditions for the threat having been discussed, what of terrorist intent?

7. Australia's involvement in Iraq is widely perceived to have escalated the existing threat.<sup>14</sup> Bin Laden has reportedly indicated that the Bali bombing was in retaliation for Australian actions in East Timor and Afghanistan.<sup>15</sup> Imprisoned spiritual leader of Jemaah Islamiah, Abu Bakar Bashir frequently publicises anti-American and anti-Australian rhetoric.<sup>16</sup> Additionally, the men linked to Brigitte and David Hicks are reported to be members of Lashkar-e-Toiba, a Pakistani terrorist organisation.<sup>17</sup> The closeness of Australia's links to the US has doubtless exacerbated this threat. The unchecked US support for Israel's position which, together with involvement in Iraq, Egyptian President Hosni Mubarak claims has driven Arabs to a 'hatred never equaled (sic) towards America.'<sup>18</sup> Australian silence may be construed as consent by the Muslim world. We would be ill advised to ignore the terrorist threat.

### Current Defence policy

8. Taking into account the nature of the terrorist threat, we are forced to ask what impact this should have on our current Defence policy, the combination of *Defence 2000* and *DU03*. The arguments put forward by Dibb, Dupont and White are examined in these terms. As this paper argues, Dibb believes the fundamentals of *Defence 2000*, are the defence of Australia and the sea-air gap.<sup>19</sup> He argues while the terrorist threat is of concern, it is only one element of the strategic environment. He points out that Defence does not have the lead role in countering terrorism and that defence structure should simply be rebalanced to improve the ADF's intelligence capability, interoperability with the US and our neighbours through enhanced logistics and the adoption of network centric warfare.<sup>20</sup>

9. Conversely, Dupont argues that the rise of terrorism is symptomatic of a strategic shift;

I believe that we are on the cusp of a new, more dangerous and unpredictable era in global affairs that has profound implications for Australia's defence and national security. The tragedies of the Bali bombing and the World Trade Centre in New York are visible manifestations of a shift in the security paradigm which may, over time, prove as transformational as the Bolshevik revolution of 1917.<sup>21</sup>

He is critical of geographic determinism, arguing that the rise of transnational threats has diminished the importance of geography. He argues the case for transforming the ADF so it is characterised by maximum flexibility of employment, rather than a focus on defence of Australia.<sup>22</sup>

10. White takes a more regional approach. While recognising terrorism is a major problem, 'it is still only part of the picture'.<sup>23</sup> He argues the case for regional democratisation, particularly in Indonesia, to avoid the social preconditions for terrorism which may exist were Indonesia to revert 'to military-backed authoritarian rule'.<sup>24</sup> There is some scope for this to occur based on two of the three frontrunners in the current Indonesian Presidential electoral campaign being retired generals, Wiranto and Yudhoyono.<sup>25</sup> White argues the case for a larger land force 'to enhance our capacity for independent military operations in our own region' and that in so doing, we would be meeting our alliance obligations to the US.<sup>26</sup> While these commentators are provoking debate surrounding Defence and the terrorism issue, and each makes some worthwhile contributions, it should be recognised that defence is only part of the national security infrastructure. The reality is only a whole-of-government approach will achieve a synergistic, integrated policy on terrorism.

### Terrorism White Paper and future options

11. The announcement by the Federal Government that a White Paper on terrorism is currently being drafted supports the notion that while *DU03* made some inroads in addressing the terrorism issue in Southeast Asia, a more coordinated whole-of-government approach is required. Much has already been done; nine regional Counter Terrorism MOUs have been signed,<sup>27</sup> AFP has been active in supporting investigations (Bali, Marriott and Davao) and in capacity building through the Law Enforcement Cooperation Program (LECP).<sup>28</sup> DOTARS, DIMIA, AUSAID and DFAT have been working with regional governments to combat terrorism<sup>29</sup> and tighten border controls.<sup>30</sup> Intelligence, security and law enforcement agencies are to receive an additional \$400 million to strengthen the Australian Government's approach to terrorism.<sup>31</sup> However, the Australian Government faces a considerable challenge in establishing an internal cultural change from one of turf and budgetary protectionism to a genuine whole-of-government approach. Following the September 11 attack, the US Government had to resolve the paucity of information flow between agencies prior to the attack, particularly the CIA and FBI. The political fallout for the Bush Administration continues with the current congressional inquiry.<sup>32</sup> Arguably, Australia could face the same soul-searching in the aftermath

of a major onshore terrorist incident. Cultural change will be difficult to implement because prestige and budgets are linked directly to perceptions of performance, though according to the government, considerable progress has been made.<sup>33</sup> In the short term, would a 'super department' which has the authority to cut through the inter-departmental bureaucracy prove to be effective? This is probably the strongest cogent argument for the establishment of a Homeland Defence Department.

12. It should be noted that under *DU03*, Defence's role in dealing with terrorism is likely to be reactive. *DU03* refers to the raising of TAG East and the IRR in the short term and interoperability with the US in the longer term through JSF, Collins and AEWACs.<sup>34</sup> However, three areas in which Defence could pursue a pro-active policy on terrorism under the Government Terrorism White Paper umbrella could include greater intelligence cooperation with regional neighbours, enhanced regional military diplomacy and interoperability enhancement and capacity-building of regional forces through training. The high focus on security that characterises terrorist organisations makes each group less vulnerable to intelligence attack. For that reason, there is a synergistic benefit to enhancing regional intelligence relationships. The greatest vulnerability such terrorist groups have is human intelligence penetration which can only be achieved by a person who could credibly make up one of their number. Regional intelligence services stand far greater likelihood of successfully penetrating a terrorist cell based on language, culture, ethnicity and religion than an Australian. Such an approach also nullifies the sovereignty issues associated with Australia conducting intelligence operations overseas. In turn, Australia's contribution would have to be carefully managed owing to other intelligence alliance concerns.

13. The nature of human interaction is that good communication at an interpersonal level greatly assists the conduct of business. Effective regional military diplomacy highlights common interests between nations, and based on this commonality, creates an environment conducive for intelligence sharing and liaison. In financial year 2002–2003 Defence spent AUD 62.6 million on the Defence Cooperation Program.<sup>35</sup> This includes scholarships, in-country training activities and exercises. The Defence Cooperation Program provides a significant regional alumni of Australian trained graduates who, if not favourably disposed towards Australia, at least have some understanding of how we operate. Promoting their affiliation with Australia would assist intelligence sharing and interoperability if combined operations were required. Moreover, the stronger the ties, the greater shaping role Australia might have in the conduct of operations against terrorists, once they are detected. Such an approach requires a delicate balance of assistance while averting a perception of being the 'Deputy Sheriff'.

14. One way the ADF can establish its bona fides in enhancing military-to-military relationships is through an increase in regional training and exercises aimed at developing regional capacity. While in the Australian context, domestic security is a police responsibility, within the region a number of militaries are internally/domestically focused. It is in Australia's interests for the region to remain stable which implies a capacity for regional neighbours to maintain their own security. Combined training also builds interoperability and, more importantly, the necessary trust for an effective regional approach to terrorism.

## Conclusion

15. *DU03* as an annex to *Defence 2000* provided a start point for strategic planning in a changing environment but was inadequate because of its limited scope. While it mentioned other departments, it was Defence focused and, under current guidance, Defence is only part of Australia's response to the terrorist threat, and generally not pro-active. The Australian Government is drafting a Terrorism White

Paper because a new policy is needed to harness the synergistic strength of a whole-of-government approach. Within this framework, Defence can have a pro-active role through regional intelligence sharing, military diplomacy and combined training aimed at improved interoperability. Terrorism is a transnational problem and is best faced through the synergy afforded by international cooperation.

## Endnotes

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