

## **2024 Air and Space Power Conference Transcript – National Defence Strategy**

### **Mr Greg Moriarty, Secretary of the Department of Defence**

GREG MORIARTY: Well, thank you. Thank you, and good morning. It's great to be here. I really enjoyed last night, met a few people with some really interesting insights into the challenges that we face in the air and space domains, and very pleased to talk to you a little bit about the National Defence Strategy that the Deputy Prime Minister launched on 17 April.

So, this strategy sets out far-reaching reforms to Defence. Our strategy, our planning, force generation, posture, structure, and preparedness, and, most importantly, international engagement. These reforms are grounded in a fundamental new approach to the defence of Australia, which we're calling National Defence, which seeks to leverage and coordinate all arms of national power to achieve an integrated approach to Australia's national security. National defence is grounded in the simple reality that our strategic environment has fundamentally changed in ways that have diminished Australia's historical and geographic advantages. As evidenced in daily news headlines, that environment is characterised by entrenched and increasing strategic competition, particularly between the United States and China - a competition that is at its sharpest in the Indo-Pacific region. There is also an unprecedented conventional and non-conventional military build-up going on in our region. Without strategic reassurance or transparency, and actions which raise the risk of military miscalculation and escalation. There's also the growing use of grey-zone tactics, which challenge our traditional approaches to defence and increase the risks surrounding regional flash points. And beyond the Indo-Pacific, there's conflict and crises in multiple regions around the globe. Technology and military modernisation have served to bring these challenges closer to our shores, while a host of other risks - including the challenge of climate change - serve to amplify the challenges. The environment that we are in has continued to deteriorate, even since the launch of the National Defence Statement and Defence Strategic

Review in April of last year. So, in an environment where strategic challenges do not fit neatly into these conceptual pigeon holes and departmental lanes, National Defence represents a whole-of-government and whole-of-nation approach. It includes more integrated state craft, led by the Department of Foreign Affairs and Trade, but working exceptionally closely with Defence. We're also focused on greater domestic resilience, led by the Department of Home Affairs, and then greater collaboration with industry to strengthen our sovereign industrial capabilities and resilience, among other elements. Defence is the only arm of government that is charged to generate and employ hard power and plays a vital role in national defence, to deter any actions that could lead to conflict, military coercion or direct actions against Australia or its interests. The Government has directed Defence to adopt a strategy of denial. This strategy of denial aims to defer conflict before it begins, support regional security and prosperity, and - really importantly - uphold a favourable regional strategic balance. It involves working with the United States and key partners to ensure no country attempts to achieve its regional objectives through military action. The strategy of denial is now the cornerstone of Defence planning. It will necessitate a reweighting of the three prevailing strategic defence objectives, which have been to shape Australia's strategic environment, to deter actions against Australian interests, and to respond with credible military force when required. While previously these three objectives were equally weighted in Australia's strategic settings, the Government has now directed that deterrence will now be Australia's primary strategic defence objective. Delivering a strategy of denial requires credible ADF capabilities that will complicate the calculus of any potential adversary. Defence has set about increasing the range and lethality of the ADF and focusing on international engagements of enhancing interoperability and collective deterrence. We are building a more capable ADF, more capable of impactful projection of military power, and thus more capable of deterring a potential adversary from projecting force against Australia, including by being able to hold their assets at risk at greater distance from our shores. The ADF will shift from a balanced force, capable of responding to a range of contingencies, to an integrated, focused force designed to address the nation's most significant strategic risks, including the

prospect of coercion and the threat of conflict. The ADF force structure will be integrated across all five domains - maritime, land, air, space and cyber - with capabilities that are vital to the ADF's posture and preparedness. This is of particular significance, I think, for the space domain, because it's the area where we really do need to change and make an uplift in very substantial ways. So, really, that July '23 response to the recommendations of the Defence Strategic Review, to move Space Command into the Joint Capabilities Group, rationalising space and cyber capabilities and enabling the ADF to integrate effectively across these war-fighting domains, I see as a really important reform.

We're going to need to make a generational investment in defence capability. The 2024 Integrated Investment Program, which was launched alongside the National Defence Strategy, outlines the Government's plans to transform the Australian Defence Force into this integrated, focused force. The IIP is part of Defence's overall funding model, which will see the annual Defence budget grow from around \$55 billion over the next financial year to around \$100 billion in 2033-34. The Government is investing \$330 billion through to 2033-34 on capability investment priorities through the Integrated Investment Program. And they will include providing Navy with enhanced lethality, including through a surface fleet and conventionally armed nuclear-powered submarines. Optimising Army for operations in our northern land and maritime spaces, and providing Army with long-range strike capabilities, protected and enabled by a credible combined arms-land system. And ensuring that Air Force is able to provide air support for integrated operations throughout our region through its surveillance air defence strike and air transport capabilities.

And we need to further strengthen and integrate Defence's space and cyber capabilities, including - importantly - through improved protection of networks and systems, enhanced cyber and electronic warfare effects, and new space-based situational awareness capabilities. What is genuinely different about the strategy and marks a departure from past approaches is a move away from domain-centric approach to ADF force design. Force design will be focused on capability development that addresses specific strategic and operational effects, and the

Strategy outlines six such effects to project force. The ADF will be optimised for projection to deter any attempts to project power against Australia, ensuring the ADF has the ability to rapidly deploy and employ forces in response to direct threats. This includes acquiring advanced guided weapons that can deliver potent effects at longer ranges across maritime, air and land environments. For example, the long-range anti-ship missile capability will be acquired for integration into the F/A-18F Super Hornet the Poseidon and other aircraft. Defence is investigating the integration of the joint strike missile for the F-35A. The integration of the joint air-to-surface stand-off missile, extended range capability on to the F/A-18 Super Hornet and the F-35A Joint Strike Fighter will enable Air Force to engage a more diverse set of land targets at much longer ranges. We need to be able to hold a potential adversary's forces at risk. The ADF must be able to hold any potential adversary force that could target our interests during a conflict, complicating their cost and risk calculus. The development of hypersonic air-launched weapons for employment from the F/A-18F Super Hornet will provide the ability to engage targets at longer ranges with very high-speed weapons.

Loitering, precision munitions and their associated launch platforms, and enabling systems will support land and maritime targeting operations. These munitions will enable the ADF to respond to threats more quickly without placing ADF people and systems in harm's way. We need to protect ADF forces and supporting critical infrastructure in Australia. Defence's ability to protect its personnel, its critical facilities, and information in Australia is foundational to a strategy of denial. It underpins our ability to defend Australia, project force, and hold the forces of any potential adversary at risk. In this vein, the Government is establishing the underpinning architecture for our integrated air and missile defence system through the development of the Joint Air Battle Management System, which will link together sensors and active missile systems, both planned and into the future. We're also investing in advanced sensors through upgrades to the Jindalee Operational Radar Network, continued investment in CEA technologies, advanced radar technologies, and investment in space-based sensors and geospatial intelligence capabilities to detect and locate

air and missile threats. This includes investment in advanced active missile defence capabilities across all domains, including systems that can counter small, uncrewed aerial systems in response to the proliferation of uncrewed aerial systems and loitering munitions. We must be able to sustain protracted combat operations. The ADF must be able to sustain protracted operations during a conflict, including in circumstances involving disruptions to command and control networks, infrastructure, logistic networks, and communication systems. This is why the Government is investing in a joint theatre logistics system that will enable the ADF to rapidly concentrate forces sustain protracted operations during a conflict and, importantly, scale up when needed. Even when logistics networks and communications systems are disrupted. The Government is also investing in the establishment of additional logistics centres and capacity in Central and Northern Australia to enhance Defence's ability to rapidly move forces and supplies where they are needed to Australia's northern air bases. It also includes investment in logistics vehicles, systems, storage and warehousing, deployable basing infrastructure, and enhancements to support services for deployed forces, such as the provision of clean water and power generation. And really important for this conference and the space domain, we must maintain persistent situational awareness in our primary area of military interest. Defence, working with other government agencies, must be able to maintain persistent situational awareness of our primary area of military interest and awareness of the strategic intent and capability of any potential adversary. The ADF operates specialised capabilities to undertake surveillance of Australia's vast maritime environment and to detect, deter and respond to potential adversaries' capabilities, including adversary submarines. For example, we are upgrading our fleet of 14 P-8A Poseidon maritime control aircraft to enhance anti-submarine warfare, maritime strike and intelligence surveillance and reconnaissance capabilities. Upgrades to the P8A fleet will ensure its continued interoperability with the United States and other key partners, and it will strengthen Defence's ability to secure and protect Australia's maritime interests.

We're also introducing the Deep Space Advanced Radar Capability, which will provide continuous global detection and observation of satellites and other

space objects, and increase Defence's ability to understand and monitor threats to our space capabilities. And we have to achieve decision advantage. Defence must be able to exercise effective command and control during conflict and to withstand disruption to our command and control networks. At the same time, we must be able to undermine a potential adversary's ability to exercise its own effective command and control, in order to complicate and increase its cost and risk calculus. The ADF's ability to exercise effective command and control in complex and rapidly evolving operational situations is underpinned by ICT networks and systems that can rapidly collect, sift and integrate a diverse range of information from different sources. Investments to provide this strategic decision-making advantage include enhancing and modernising our joint sea, land and air war-fighting command-and-control systems, and our intelligence capabilities. The Government is also investing in projects that will strengthen our ability to manage data as a strategic asset by uplifting the network of ICT capabilities across Defence and enhancing interoperability and connectivity with allies and partners, to support communications, situational awareness, and targeting. And we will need to reform the way we acquire capability and work with defence industry. Realising a strategy of denial is not only about investing in the right capabilities, it's about delivering those capabilities at the right time. And it's for this reason that the Government is reforming the Defence Capability Acquisition System, as well as its relationship with defence industry. We've outlined this in the Government's Defence Industry Development Strategy, but it basically means that the One Defence Capability System has to be reformed. That system connects capability processes within Defence to deliver capability faster and in more ways that are responsive to changing circumstances and priorities. We have to remove unnecessary and repetitive steps in our approach to contracting with defence industry and adopt more tailored approaches to procurement. And the ministers are certainly putting pressure on myself and the CDF to really shrink the amount of time involved in tendering and in developing proposals, so that is something that we certainly, in the department, are focused on at ministerial direction. The Government has directed us to adopt a minimum viable capability model. Minimum viable capability refers to a capability that can successfully achieve the

lowest acceptable level of the directed effect in the required time and be able to be acquired, introduced into service, and sustained effectively. And this is going to make a real change, and it will challenge Defence and our internal procurement cultures, in some ways, where we often want to spend a lot of extra time and a lot of extra money getting the last 10%. The Government has told us, "Move away from that approach, go for minimum viable capability." At its core, minimum viable capability is about getting new capabilities into service, faster. It retains a focus on value for money - that will absolutely continue to be important - but it's placing greater emphasis on speed to acquisition. This approach supports innovation and developmental projects and will allow Defence to embrace risk and work with Australian industry to undertake iterative upgrades rather than wait for perfect solutions to be available for us to acquire.

Australia's strategic circumstances also require the targeted development of sovereign defence industrial base in areas of strategic priority. But really a focus on those areas of strategic priority. The Government will support businesses to increase their scale and competitiveness to enable them to deliver sovereign defence industrial priorities. We will work collectively with our allies to strengthen Australia's sovereign military and industrial capabilities. This will open up export opportunities and reduce technology transfer and commercial barriers. And then, critically, building the Defence workforce will be foundational to this success. Realising the ambition of the National Defence Strategy will require unprecedented effort and transformation across the entire Defence enterprise. People are Defence's most important asset. Recruiting, retaining and growing our highly specialised and skilled workforce will be foundational to national defence. And I think myself, the CDF, and all of the senior leadership recognise that this is one of our biggest challenges at the moment in an environment where recruiting and retention is a challenge for us. It's not just a challenge in Australia. A number of other Western armed forces are finding the same challenge. But in order to get the transformation that the Government has directed us to do, we are going to have to build that skilled workforce. We can achieve nothing without the right people with the right skills. So, we must reshape and reskill the workforce to transition to these new platforms and to

build capacity in emerging capability, including these incredibly complex and sophisticated capabilities that define the air and space domains. And I think we do need to think really creatively about how we get the workforce to help us develop that capability edge in air and space. Defence is committed to investing in our people by giving them the tools, training and support services to achieve their best and to build a career. But in the current circumstance in this country, where we have very high employment at the moment, attracting people to Defence and to the ADF is proving a challenge. The National Defence Strategy represents a new approach to Defence in response to a new and challenging strategic environment. Part of our job now is to ensure that defence strategy and our plans continue to keep pace with the rapidly evolving strategic circumstances, and that - I think as J.J. [Frewen] mentioned before - is why the Government accepted the Defence Strategic Review recommendation to move away from Defence White Papers, which might come out every five or six years, in favour of this biennial National Defence Strategy cycle. So, this cycle - every two years - is going to allow Defence policy to keep pace with a rapidly evolving strategic environment and ensure our Defence efforts remain focused on the most pressing government priorities. I see it as an opportunity. It will allow us to iterate strategy more often. But it will also challenge our organisation to produce these strategies AND the really deeply linked, Integrated Investment Plan, every two years. It's just going to change the way that we do business. These are very challenging times in the Indo-Pacific region and globally. But it's certain that air and space power will be critical to the defence of Australia in the decades to come.

These are challenging times in the Indo-Pacific region and globally, it is certain that air and space power will be critical to the defence of Australia in the decades to come. I look forward to hearing the outcomes of this conference and we will look to integrate the insights from this conference as we continue to adjust and improve our National Defence Strategy over the coming two years. Thank you. (APPLAUSE)