Thank you, chairman, for your generous introduction. If, as you say, I am seen as “a partisan propagandist for the West against the rest”, then it is a badge that I will wear with pride.

My address to you today will focus on national security and geopolitics. Two key features of geopolitics in 2017 have been prominent in the news this week. Firstly, Australian senator, Sam Dastyari, today has announced his resignation from the Commonwealth Parliament after having been exposed as an agent of the Chinese Communist Party. He had been sacked from the shadow cabinet previously for advocating policies at odds with those of his party and the nation; and, for the opposition leader to have kept him in the parliament now, would have been a gross error of judgement. So, it is a happy day for Australia. Secondly, you may be familiar with the saying that any argument, if it goes on long enough, eventually cites Adolf Hitler. Well, there is now a saying that any conversation that goes on anywhere in the world today eventually cites Donald Trump. Trump and his ill-disciplined tweets have become a key feature of geopolitics in 2017.

I will now address five key features of the strategic character of the world in 2017, including Chinese influence in Australia and the impact of Donald Trump on geopolitics.

China’s Global Influence Programme

A ballet critic, Maxim Boom, who reviewed a Chinese ballet performed in Melbourne in February 2017, reported that the ballet was simply a Chinese propaganda spectacle. The audience, however, had applauded warmly, seemingly oblivious to the fact that they had just been the targets of a propaganda exercise.

Here, in part, is what he wrote (Boom 2017):

“In legendary funny-man Mel Brooks’s film The Producers, a pair of hapless con artists looking to put on a flop, stage a new musical – Springtime for Hitler: A Gay Romp With Eva and Adolf at Berchtesgaden. It’s a show they believe so tasteless, offensive and ideologically repulsive, that audiences will be sent running. Much to their astonishment, it actually ends up being a box office smash hit. Watching National Ballet of China’s production of The Red Detachment of Women, the headline event of the Arts Centre Melbourne’s Asia-Topa Festival, I couldn’t help but feel the same striking sense of disbelief as the audience warmly applauded.

… given the paradigm shift we’re seeing in the current geopolitical landscape, as some of the world’s greatest powers toe the line between popularism and fascism, this ballet is a chilling reminder of the power and purpose of disinformation. The rise of the Right has made every creative act a political one; how the Arts Centre Melbourne have failed to register what staging this production conveys about its politics is, quite frankly, flabbergasting.

Does this incredulity make me a liberal snowflake? Quite possibly, but it is surely the duty of thinking, feeling people in our post-truth age, confronted daily by creeping discrimination and “alternative facts”, to challenge the normalisation and reverence of State sanctioned propaganda, even when it takes the guise of a pleasant night out at the theatre.”

In recent years, the Australian polity has been manipulated by Chinese propaganda in a manner analogous to that Chinese ballet, without Australian politicians and opinion makers seemingly realising how China was ‘shaping’ (i.e. manipulating to its advantage) the political debate in this country. Indeed, the naivety and blindness of Australians to the non-Western influences altering their way of life, has been stunning.

In this context, I am reminded of a speech by Allan...
Gyngell where he said foreign policy is both physics and ecology. The physics, of course, is having the firepower to defend your country. The ecology is the bit I think we have been slower to recognise. The ecological weapon in the case of the China is the United Front Work Department.

The Chinese government conducts a global influence programme and views its capacity to shape political debate in other countries as a vital element in its drive for global influence. It is what Chinese leader Xi Jinping refers to as a “magic weapon”. Along with military power and the Chinese Communist Party (CCP) building programme, it is used strategically to build Chinese power and influence. The overall aim is to pro-actively shape the external environment (the politics, ideology and political climate) to the CCP’s and China’s advantage.

The United Front Work Department (UFWD) operates within China through non-communist elite individuals, organisations and interest groups which have social, commercial, or academic influence, with a view to ensuring that these groups are supportive of CCP rule, and that the CCP is not put out of office. Externally, the UFWD employs the global Chinese diaspora to shape the politics in target nations so as to produce policies in line with those of the Chinese government. The Chinese diaspora is expected to owe its primary allegiance to China and rewards and punishments are used to keep the diaspora in line.

Senator Sam Dastyari’s resignation is the culmination of a long national awakening. Dastyari had been cultivated by wealthy Chinese Australians with close links to the UFWD. In return for very large donations to his political party (the Australian Labor Party) and the payment of some personal expenses, Dastyari in recent years had been advocating that Australia should support China’s territorial claims and military activities in the South China Sea to the extent of him advocating policies at odds with those of the Australian Labor Party. His eventual undoing was to advise his donor, Chinese-Australian billionaire Huang Xiangmo, who has strong links to the UFWD, that Huang was under surveillance by ASIO and on how to avoid that surveillance.

The media unearthed the Dastyari story by chance, otherwise it may have remained undetected. It may be inferred from the prime minister’s response to a question that I put to him earlier this week that Dastyari is not the only Australian politician to have fallen into the foreign influence trap – we may learn more of this in 2018.

It is important to note in this context that, under extant federal law, Dastyari’s conduct was legal; and there is no code of conduct for federal politicians at member level (there is one for federal ministers). Further, at the federal level, unlike in most state jurisdictions, there is no corruption commission empowered to investigate corrupt conduct by federal politicians or officials.

In response to these recent events, however, some federal parliamentarians at last seem to be taking the issue of foreign interference in our polity seriously; and, on 5 December, the prime minister announced a new foreign interference law. The law will ban foreign political donations and will force those trying to influence Australian politics on behalf of other nations to declare for whom they are working. A federal corruption commission may even be ‘on the cards’.

It is worth remembering in this context that the Chinese are guided by Sun Tzu’s dictum: “… it is best to win without fighting” (Sun Tzu 1988: 19, 67). I am very glad we are at last waking up to it. We understand the physics of how this works, if not fully the ecology – but we are getting better at the ecology.

**Terrorism**

Terrorism, and the threat of terrorism, has been an ongoing challenge for national security agencies globally in 2017 and Australia has been no exception. The Islamic State-aligned uprising in Marawi, on the Philippines island of Mindanao, from May to October was of particular concern to Australia as it created the potential for a so-called ‘Islamic State caliphate in Southeast Asia’ to be established on our doorstep.

Perhaps the greatest challenge posed by terrorism generally is obtaining accurate and timely intelligence on the threat. In 2017, we have learned from studying the ecology of terrorism that the best source of intelligence on Islamic terrorism in its various forms is the Muslim community itself. An obvious strategy, therefore, if you wish to find and pre-empt acts of terrorism in Australia, is to prevent the alienation of our Muslim community.

The global terrorism threat is likely to be ongoing for the foreseeable future. While management of the threat has improved, the threat and the threat environment are evolving and management responses have to evolve in tandem.

**Cyber Warfare**

The ecology of the internet indicates that the internet can be a force for good, but it can be, at least as much, a force for evil; and it has been used globally extensively for evil in 2017. As an example, hackers regularly use LinkedIn to extract data and create influence networks, which then can be used for cyber crime and even cyber warfare. Indeed, the outstanding practitioner of cyber warfare is Russia. Among its various uses, Russia employs cyber warfare to soften up an enemy preparatory to actual fighting; examples being the Russian interventions in Georgia in 2008 and in the Ukraine in 2014. In the Ukraine example, the Ukrainian power supply was hacked prior to the Russian invasion.

Russia also employed cyber warfare very effectively during the 2016 United States presidential election.

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*Australian Security Intelligence Organisation – Australia’s domestic intelligence service.*
campaign – fomenting division, sowing confusion and spreading false stories. The United States is still in a state of confusion as a consequence, with ongoing investigations into Russia’s influence on the election and questions as to Trump’s legitimacy, among other legacies. The Russians toyed with the United States then and are still doing so.

In fact, cyber warfare eclipses previous types of warfare. Its arrival on the scene is analogous to the shift in power caused by the introduction of the aircraft carrier, which ended the age of the battleship. Indeed, the then chairman of the United States Joint Chiefs of Staff, General Martin Dempsey, observed in 2012 that: “We are at … a warfare inflection point; one that eclipses the introduction of nuclear weapons, the introduction of the air domain and the airplane, and the transition from battleship to aircraft carrier” (Dempsey 2012).

Climate Change

Climate change is now widely recognised by the military forces of Western nations as a force multiplier and a malign factor in national security. Climate change is happening and, we must assume, is proceeding unchecked. Effects include more frequent and more intense natural disasters, the impact of sea-level rise on coastal communities, and the spread of disease. The implications for national security and defence budgets are considerable.

Reinforcing this, the then United States defence secretary, Chuck Hagel, told an international conference in October 2014 that climate change is a threat multiplier. He said: “Rising global temperatures, changing precipitation patterns, climbing sea levels and more extreme weather events will intensify the challenges of global instability, hunger, poverty, and conflict. They will likely lead to food and water shortages, pandemic disease, disputes over refugees and resources, and destruction by natural disasters in regions across the globe.”

Closer to home, the chief of the Australian Army, Lieutenant-General Angus Campbell, told a conference in September 2016 that: “The top 10 most-at-risk countries with exposure to sea level rise by 2100 are all in the Indo-Pacific, where over 138 million people are at risk. Additionally, over 500,000 people from the small Pacific and Indian Ocean island states will be impacted, as island states may well become uninhabitable between 2050 and 2100” (Campbell 2016).

Unless we deal effectively with climate change now, it may develop into a security crisis on a global scale before the end of this century. As a priority, we need to develop and implement mechanisms to deal with climate change at home and make our contribution to global efforts. The first step may well need to be to shape the political ecology of climate change in Australia and the United States.

Geopolitics

The ecology of geopolitics has changed substantially since Donald Trump became president of the United States in January 2017. Australia now is being squeezed on the one hand by Trump’s new policies of isolationism and United States-centred thinking, and on the other hand by the need for Australia to maintain benign relations with China.

Further, Australia and other like-minded nation-states generally seek to maintain alliances as they can be a useful help in crises and heretofore, the United States has been central to most such alliances. Trump, though, has shown that he is not a reliable ally, as he demonstrated during the 2017 terrorist attacks in London and in his management of the nuclear weapons crisis on the Korean peninsula. In response, affected states have begun to seek new networks and partnerships with a view to the replacement of United States power in the long-term.

For its part, in order to try to shape the ecology of its geopolitics, Australia is now seeking other international partners. As examples:

• In a recent speech in Singapore1, Prime Minister Turnbull invited ASEAN7 to meet in Australia in 2018.

• Australia assisted the Philippines during the Islamic State-aligned uprising in Mindanao from May to October 2017. Two Australian Orion long-range maritime patrol aircraft overflew Marawi (the so-called ‘Muslim capital’ of Mindanao) to bolster Filipino intelligence gathering. We also provided training in urban warfare for the Philippine army. I am told this assistance made a difference.

• The so-called Quadrilateral Powers – India, Japan, the United States and Australia – or ‘Quads’ for short, have renewed their military cooperation, especially via joint training exercises. The first attempt to forge this quadripartite alliance was in 2008, but it was knocked on the head by then Australian prime minister, Kevin Rudd, in deference to China. India, Japan and the United States, however, continued their joint exercises and the application from Australia’s current prime minister, Malcolm Turnbull, to re-join the alliance has been accepted.

• North Korea’s nuclear programme has developed to the point that it is now a major global threat – potentially, it can deliver a nuclear warhead by intercontinental ballistic missile to cities in north America or Australia – and it is being met multilaterally with a view to containment of the rogue state.

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2Malcolm Turnbull’s keynote address, 16th IISS Asia Security Summit, Singapore, 2 June 2017.

3Association of Southeast Asian Nations.
Conclusion

In conclusion, I will assess Australia’s progress in the five areas I have just discussed, rating the progress made by the end of 2017 on a 0 to 10 scale (with 10 the maximum possible progress).

In the elaborate ballet in which other nation-states have been seeking to influence Australia’s polity and bend it to their will, we are at last doing well. I give the government’s recent response to foreign interference a rating of 8 out of 10.

On the management of terrorism, we also are tracking quite well and I rate the Australian response as 7 out of 10.

On cyber warfare, the picture is less sanguine. We rely heavily, indeed over-rely, on the United States, but the United States itself is very vulnerable. For example, its National Security Agency recently had vital software stolen and the stolen software is now being employed by cyber criminals as ransomware. I give our cyber warfare capability a rating of 3 out of 10.

On climate change, Australia has been in partisan gridlock for more than a decade. Within the last couple of months, a bipartisan consensus of sorts has emerged. It is still very early days, but I give Australia’s current response a rating of 5 out of 10.

On geopolitics, the unreliability of the Trump presidency has forced Australia to widen its alliances and embrace similarly-minded nation-states in our region. This necessary step towards greater self-reliance and more diverse alliance partnerships still has some distance to travel, but I rate the progress to date as 6 out of 10.

These five challenges will still be with us in 2018 and it is to be hoped that further progress can be made on each of them, and especially in relation to cyber warfare, climate change and alliance partnerships.

Questions from the Floor

Question 1 (David Leece): On the issue of geopolitics, recently there have been calls from India for the formation of an Indo-Pacific Treaty Organisation (IPTO) with the four ‘Quad’ powers at its core – it would be a body analogous to NATO. Do you consider the idea has merit?

Answer: It is true that India, in particular, feels threatened by China’s rise, by China’s ‘string of pearls’ bases through the Indian Ocean and Arabian Sea which encircle India, and by China’s support for Pakistan and use of Pakistan as a proxy state. Also, as I have noted, there is increasing interest in a regional grouping of powers to balance China’s rise, with India, Japan and the United States central to that grouping. But I doubt the region is ready yet for a NATO-style formal pact.

Question 2 (Chris Skinner): On the issue of China, China is vulnerable to disruption to its energy flows around the globe.

Answer: China is vulnerable, but it is moving strongly, by deliberate steps, to address the issue. China recently established its first overseas military base in Djibouti. China has changed the facts on the ground in the South China Sea and, in response, the Philippines has tilted away from the United States towards China – notwithstanding that the Philippines had already won a judgement in its favour against China in an international tribunal in The Hague, a ruling which China rejected. So, China is managing its vulnerability, but how effectively is yet to be established.

Question 3 (unknown questioner): Given the foregoing, have we missed the boat?

Answer: To some extent, yes. Led by the United States, we have focused on establishing an international rules-based order to govern behaviour among nation-states in the global commons. China, however, has ignored the rules-based order and has shown that, in the second decade of the 21st century, might is right. We need to find a new response.

The Author: Peter Hartcher, a leading Australian journalist and author, is the political editor and international editor of The Sydney Morning Herald. As such, he is the paper’s principal analyst and commentator on national politics and global events. He is also a non-resident fellow at the Lowy Institute for International Policy and a political commentator for Sky News television. He has worked as a foreign correspondent in Tokyo and Washington and has twice won Australia’s highest journalistic accolade, the Gold Walkley award, and the Citibank award for business reporting. An author of six books, he is acknowledged as an independent, non-partisan commentator. This is his third Sir Hermann Black lecture — the earlier ones being in 2014 and 2015 (Hartcher 2015, 2016). [Photo of Mr Hartcher: Colonel J. M. Hutcheson MC]

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