

# After Covid-19

Australia and the world rebuild (Volume 1)



Edited by John Coyne  
and Peter Jennings  
May 2020

# **After Covid-19**

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# Contents

|                                                                                                                          |          |
|--------------------------------------------------------------------------------------------------------------------------|----------|
| <b>Foreword</b>                                                                                                          | <b>1</b> |
| His Excellency General the Honourable David Hurley                                                                       |          |
| <b>Introduction</b>                                                                                                      | <b>2</b> |
| John Coyne and Peter Jennings                                                                                            |          |
| <b>Australia after Covid-19</b>                                                                                          |          |
| The Australian federation                                                                                                | 3        |
| Michael Shoebridge                                                                                                       |          |
| Politics and values: How Covid-19 could accelerate the transition to values-centred competition between the great powers | 8        |
| Fergus Hanson                                                                                                            |          |
| National security and defence policy                                                                                     | 14       |
| Peter Jennings                                                                                                           |          |
| Defence spending and the Australian Defence Force                                                                        | 20       |
| Marcus Hellyer                                                                                                           |          |
| Policing                                                                                                                 | 24       |
| Leanne Close                                                                                                             |          |
| The future public service: Seize the opportunity                                                                         | 29       |
| Gill Savage                                                                                                              |          |
| Key terrain: Rethinking nation-building in northern Australia                                                            | 34       |
| John Coyne                                                                                                               |          |
| Organised crime                                                                                                          | 38       |
| John Coyne                                                                                                               |          |
| Covid-19 and the media                                                                                                   | 42       |
| Brendan Nicholson                                                                                                        |          |
| Business resilience                                                                                                      | 47       |
| Karen Edwards and Jerry Cashman                                                                                          |          |
| Returning to work during the pandemic: Testing, surveillance, apps and data as our near term future                      | 51       |
| Michael Shoebridge                                                                                                       |          |
| Smashed like an avocado: The impact of Covid-19 on young Australians and opportunities for the future                    | 56       |
| Albert Zhang, Alexandra Pascoe, Daria Impiombato, Emily French, Hal Crichton-Standish, Julia Butler and Tracy Beattie    |          |
| <b>The world after Covid-19</b>                                                                                          |          |
| Health preparedness and biosecurity                                                                                      | 60       |
| Paul Barnes and Anthony Bergin                                                                                           |          |
| What impact is Covid-19 having on the global balance of power?                                                           | 66       |
| Rod Lyon                                                                                                                 |          |
| China                                                                                                                    | 70       |
| Peter Jennings                                                                                                           |          |

|                                                                                                       |            |
|-------------------------------------------------------------------------------------------------------|------------|
| The PLA<br>Malcolm Davis and Charlie Lyons Jones                                                      | 75         |
| The United States<br>Rod Lyon                                                                         | 80         |
| Southeast Asia<br>Huong Le Thu                                                                        | 84         |
| The Pacific islands<br>Richard Herr and Anthony Bergin                                                | 88         |
| Advancing gender equality and global security: Navigating the disruption of Covid-19<br>Lisa Sharland | 93         |
| Creating resilient supply chains<br>Marcus Hellyer                                                    | 97         |
| The role of autonomous systems in Australia's defence<br>Malcolm Davis                                | 101        |
| Climate change<br>Dr Robert Glasser                                                                   | 105        |
| Risk, resilience and crisis preparedness<br>Paul Barnes and Anthony Bergin                            | 110        |
| Cybersecurity and critical infrastructure<br>Tom Uren and Jocelinn Kang                               | 116        |
| The internet of painted faces: Childhood cybersafety and privacy<br>Alison Howe                       | 121        |
| <b>Conclusion</b><br>John Coyne and Peter Jennings                                                    | <b>127</b> |
| <b>About the authors</b>                                                                              | <b>129</b> |



## Foreword

‘The way forward’ is a topic occupying the minds of many Australians at the moment. When I think about Australia in 12 months and five years’ time in the context of the impacts of the Covid-19 pandemic, I frame my thoughts in the simple, post-operation review process that I was taught in the ADF: to achieve our agreed outcome, what must be sustained and what must be improved? In our current situation, therefore, what policies, programs and actions must be sustained and in what areas must we improve?

This publication by ASPI and its timely consideration of Australia’s post-Covid-19 world provides expert analysis of the many issues and policy drivers that fit neatly into the ‘sustain and improve’ framework. Each author has examined a policy area in which drivers for change can be identified, as well as where inherent national strengths must be sustained.

By nature, I am an optimist; from experience, I agree with Professor Michelle Simmons, a quantum physicist and a former Australian of the Year, in her belief in the ability of Australians ‘to solve the big problems’. Australia has done well to ‘flatten the curve’. We must now decide how we will overcome the social and economic impacts of our efforts to contain the pandemic and determine the variables that will graph a curve that demonstrates that a brighter, better Australia is emerging.

I thank Peter Jennings and the distinguished authors who have contributed to this publication. Your efforts will inform our national leadership and the Australian people of the challenges and opportunities before us. The drivers for our future success are to be found in this important publication. I am certain that it will be of great assistance as we prepare Australia for the post-Covid-19 world.

**His Excellency General the Honourable David Hurley AC DSC (Retd)**  
**Governor-General of the Commonwealth of Australia**  
29 April 2020

# Introduction

John Coyne and Peter Jennings

In the years leading up to the global Covid-19 crisis, Australia, like many countries, failed to heed health specialists' warnings on the likelihood and consequences of a global pandemic. Critical pandemic readiness was an insurance policy deemed too expensive by most nations. That decision left our nation's pandemic policies overexposed to short-sighted efficiency budget cuts.

By 9 March 2020, Prime Minister Scott Morrison was warning us that 'Whatever you thought 2020 was going to be about, think again.' On 23 March, Morrison, with implied bipartisan support, warned Australians young and old that because of Covid-19 we're likely to be facing the 'toughest year of our lives.'

Australia has been able to implement policies that have slowed and, at the time of writing, flattened the rate of infection. Deaths, social isolation, increasing unemployment, global economic recession and intergenerational national debt will ensure that Covid-19 leaves an indelible mark on our individual and collective memories.

But now is no time for resting: Australia needs to be ready to deal with the crisis after the crisis.

The pandemic has shown that far too much of our national resilience, from broadband bandwidth to the capacity to produce basic medical supplies, has been left to market forces and good luck rather than planning.

While the global Covid-19 pandemic is far from over, it's clear that the crisis has brought about seismic social, economic and geopolitical changes to our world.

Our assumptions about the shape of Australian society and the broader global order are now being challenged, and we need to take stock of likely future directions.

It isn't all bad news, though. This change will also generate all-new economic and strategic opportunities for Australia. Perhaps 2020 will mark the beginning of a new period of nation-building for Australia that rivals our heady postwar years, but such success will come only from big thinking and bold policymaking.

This pandemic has created a once-in-a-lifetime opportunity for our nation to critically review and reset many of our policy assumptions. This Strategy report offers a policy-focused analysis of the world we'll face once the pandemic has passed. It analyses 26 key topics, countries and themes, ranging from Australia's domestic situation through to the global balance of power, climate and technology issues.

In preparing each chapter, we asked our authors to consider four questions:

- What impact did Covid-19 have on their research topic?
- What will recovery mean?
- Will there be differences in future?
- What policy prescriptions would you recommend for the Australian Government?

And we asked them to think big and bold.

*After Covid-19* offers pithy, policy-focused analysis of the world we'll face once the pandemic has passed.

Our thanks to Steve Clark and Emily French for their fast and confident work to produce this volume and to the entire ASPI team who, working remotely, stayed focused on our nation's future.

# Australia after Covid-19

## The Australian federation

Michael Shoebridge

Since 2020 began, we've done a lot of things we once couldn't imagine being able to do. The horrific national bushfire disaster, outmatched now in sheer suffering and anxiety by the global pandemic, have brought mass human tragedy. But they've also demonstrated what Australians can achieve together—through and with our democratic society, our public and private institutions, our leaders and our people.

That's good, because in the post-pandemic world we'll need to draw on all the positive attributes on display in recent weeks and months. One crucial insight is into how our Australian federation can work.

The national cabinet that Scott Morrison and his state and territory partners in executive government formed back on 13 March is an outstanding innovation that's been the foundation for Australia's timely, decisive and effective national response to Covid-19 (Morrison 2020a). The Prime Minister and his national cabinet colleagues recognise this and see a role for the cabinet after the pandemic.<sup>1</sup> That's good.

We've got used to the machinery of our federation being clunky and frustrating. I haven't been lonely observing that the acronym for the Council of Australian Governments—COAG—was obviously chosen by its architects to convey the essence of federal–state cooperation in Australia: it comes from the word 'coagulate', meaning to be clotted or congealed.<sup>2</sup> If a prime minister or state leader wanted to slow or complicate an initiative, the way to do it was to call for COAG consideration. That's very *Yes minister*-y, for fans of the *BBC TV* series about Westminster.<sup>3</sup>

Yet, here we are with a national cabinet that's been making sweeping and rapid decisions affecting every Australian and the way we live our lives. It's done so in ways that we haven't reacted to as politically driven or ideological, but instead see as profoundly for our good and for the wellbeing of other Australians. How did it come to this? What can we learn from it, keep and advance by thoughtful design to make our own and our children's futures better?

### Federation's four key ingredients

The core attributes that have made the national cabinet succeed are unity of purpose, debates on evidence for the purpose of acting (instead of using debate to defeat action), and transparency from political leaders about what they've decided and why. Add a dash of pushiness from either the federal or state and territory level leadership from time to time, and it's a recipe for success that can be used again and again.

Unity of purpose was created for us by the virus. Its virulence and lethality provided the classic 'burning platform' that any change management text says is essential for effective transformation.<sup>4</sup>

So, it'd be reasonable to say that, after the virus, the other national challenges we have won't bring this unifying urgency. That's right and wrong—and we need to make it more wrong by what we do from here.



Consider drought and fires. Pre-coronavirus, a pretty unified bunch of the Australian population was already deeply frustrated with the interminable divisiveness and empty ideological wars preventing action on what we all knew were abiding, worsening problems with far-reaching implications for our wellbeing, prosperity and safety. We need to tap those memories and double down on that emerging momentum in the months to come. If we don't, what are already pressing challenges will, like Covid-19, brew into full-blown crises.

That brings us to the uses and nature of political and policy debate. Debate for the purpose of informing action, as role-modelled by the national cabinet, is a happy return to the origin of the Socratic method, in which dialogue and debate brought wisdom and helped solve problems. That method has powered the best in human progress since Socrates' time.

In contrast, when debate has been distorted for political or other uses, it has routinely led to perverse, absurd and even dangerous outcomes—including star chambers, the Inquisition, the rise of dictators and incompetent populists, and autocrats' rigged legal systems.

Before we boo the villains and congratulate ourselves, though, it's worth noticing that much of the political debate we've had in Australia in the past 25 years or so on critical public policy issues has been about defeating action, not arriving at the best courses of action. Think about our pre-GST tax debate, with its poisonous arguments over birthday cakes<sup>5</sup> and BBQ chickens, and more recently our debates about energy, drought, water and (yes, let's say it) climate change.

The pandemic needs to be infectious in making action on our most challenging national and international problems the central purpose of our federation's machinery, embodied at its peak by the national cabinet. The decisive, informed and transparent way the national cabinet has worked and acted over the past weeks must be turned into core principles for its continuing design and operation. With earlier and greater transparency an attribute to work on.

Australia's pandemic response provides a benchmark for ambition and effectiveness that the Australian voters and public can use to measure future initiatives and decisions. The very good news here is that it sets the bar high. We know impressive results can be achieved on challenges that have overwhelmed other nations when our federal, state and territory leaders work together as we've seen them do in the past weeks.

Public expectations of coherent and decisive action on water policy, drought, fires, post-pandemic economic reinvention, energy and our approach to the dangerous strategic world will be rightly high. Pre-Covid-19, we would have laughed out of town anyone with high expectations of our leaders and political system on any of those challenges. Wise owls with realpolitik skills would have talked us out of any nonsense of expectation. It turns out they're wrong—our federated system can achieve a lot, and quickly.

So, post-pandemic there can be no 'snap back' to politics as it had become usual in Australia. Attempts to do so by our nation's political class or its advisers are likely to be treated with disappointment or, more likely, contempt by voters who now know better.

I mentioned the pushiness of different national cabinet figures as a key attribute of success. Here, it's an interesting twist on the usual story about the federal and state levels. More usually with COAG, it's been the Australian Government pushing for change and state and territory leaders pushing back to retain state power.

In the land of Covid-19, though, we've seen the benefits of a distributed system of power and control. Maybe this relates to the nature of a democracy as much as a federation—power is not best concentrated in one person or in central institutions, but is best exercised and controlled by distribution. So, it was the Prime Minister who put the travel bans in place early (PM&C 2020), but it was state leaders who pushed the Prime Minister to take decisive steps on social distancing that switched the primary focus from protecting the economy to the twin focuses of lives and livelihoods (Greene 2020). That was just in time to prevent widespread community transmission of the virus, which would have put us in a much nastier position than now. It looked messy, as the Prime Minister tried to explain how the obviously tense and fractious internal debate in the national cabinet had eventually resulted in a unanimous approach (Murphy 2020), but it worked.

Maybe a virtue here is that the leaders who have the most skin in the game, by being the most direct deliverers or owners of particular services, can have a larger impact by being in the national cabinet than they otherwise would.

So, on economic management, as on defence and national security, it's the feds who have the machinery, the funding and the backing of Treasury, Finance and national security officials, while on health, the feds have policy and funding tools, but the states run frontline delivery—and they had very clear views on health system capacity and the impact of uncontrolled infections. It turns out this combination of people participating from where they sit in our system brings important different perspectives and necessary equities to the table.

Given the key roles that state and territory leaders have played in this crisis, anyone thinking of abolishing that level of government is going to have a counterfactually hard row to hoe. And anyone saying our Prime Minister and our Australian Public Service institutions are just window dressing will face the same problem. Both levels are necessary ingredients of our future and must be strengthened and invested in.

## **Institutional heft to support the Prime Minister**

Our Prime Minister has been empowered by this crisis, but the office must also have the institutional heft supporting it to wield that power well. It's obvious that there's too little policy machinery in the Prime Minister's own department to address pressing future challenges, and too much crisis management machinery ceded to the Home Affairs giant, which has underperformed in the bushfires and now in the pandemic (Hair & Nguyen 2020, Norman 2020). Given the way the national cabinet has leaned on the processes and style of the National Security Committee, and the security elements in our big national challenges, there's also a strong case for resurrecting the role of National Security Adviser to the Prime Minister.

## Closing the gaps: our parliaments and the public service

Despite the successes, we've also seen gaps in our federated political approach. They'll become wider and more damaging after the pandemic if not addressed now. The biggest is the lack of involvement of an element of constitutional machinery: our federal, state and territory parliaments and assemblies.

As Peter van Onselen has observed, 'Our democracy is not about the executive running the joint without parliamentary oversight—especially in times of crisis when scrutiny and accountability become even more important' (van Onselen 2020). We know national unity will fray if our parliaments aren't engaged in debate and lawmaking on our pressing national challenges and if our elected representatives can't be channels for the interests and concerns of those they represent.

It's wrong to see our executive leadership as seized by the need for action but to assume that our members of parliament aren't equally driven by great national needs and the search for the best ways to meet them. In fact, the support of all political representatives for national cabinet decisions has been striking—even surprising—because it's been maintained, with some wrinkles, despite minimal parliamentary engagement. That won't, and shouldn't, last beyond the pandemic.

Our parliaments must be designed into the way the national cabinet operates in a much deeper and more genuine way than we've seen to date. Oversight of national cabinet and executive decisions is rear-vision mirror stuff—important, but not enough. The key contributions that parliaments make are in surfacing diverse perspectives and ideas and helping to form them into coherent voices and approaches that inform policy and lawmaking.

After the pandemic, our federation can also learn lessons about corporate leadership and organisations being involved in policy design and implementation. This is a tricky one, as history's littered with excesses and abuses when corporate power and influence drift into cronyism and corruption.

Right now, it's pretty clear that the top-end-of-town members of the Prime Minister's National COVID-19 Cooperation Commission are dedicated to the national interest, not their particular corporate interests (Morrison 2020b), but history tells us that policy- and decision-making machinery can't be designed around particular personalities. An antidote to cronyism is to keep corporate leaders' participation in key national issues open and strong, but simultaneously ensure that the public service's role in policy design, testing and implementation is also robust. Our parliaments playing their oversight role will help, too.

## The return of democratic society as a strength

To end this sketch of how we use what we've discovered about and made of our Australian federation during the pandemic that will be useful for our other pressing national challenges, it's time to mention society. None of the national cabinet's decisions or directions would have had any impact on the curve of Covid-19 infection without the active engagement and support of 25 million Australians who aren't members of cabinet and aren't public officials required to follow a particular political direction.

Unlike authoritarian states, such as Chairman-for-life Xi Jinping's regime in China, we didn't get public compliance with social distancing and lockdowns through fear inspired by hazmat-clad internal security personnel clubbing citizens and dragging them into police vans. Our Australian approach—like that of other democracies demonstrating global pandemic best practice<sup>6</sup>—has been based on transparency

about the advice our leaders are receiving and on their rationales for decisions. That transparency has empowered public debate and testing of the decisions. That's created public support and also provided new perspectives to our decision-makers.

This isn't some 'nice to have' sideshow in how our nation works. It's a core design element that's been shown to have more power to help us than almost anything else. And it's a profound part of our answer to the deep strategic challenge that powerful authoritarian regimes pose to our security and to the way we want our world to operate. Transparency in decision-making has been a waning value in recent times, as security laws grow and claims of necessary secrecy grow around them (Stilgherrian 2019). We've now had a masterclass in the power of transparency and we need to learn from it for our future.

So, having unleashed the power of our federated system for one pressing national problem, let's learn from this, improve on it and apply this emerging new way of operating to our other national challenges.

*If you've done six impossible things this morning, why not round it off with breakfast at Milliways—Restaurant at the End of the Universe?* (Adams 2009)

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## Notes

- 1 'Scott Morrison considers making National Cabinet permanent', *SBS News*, 14 April, [online](#).
- 2 'Coagulate', *Merriam-Webster*, [online](#).
- 3 'Yes minister', *BBC*, 28 October 2014, [online](#).
- 4 'Create a burning platform', *mc*, 20 April 2020, [online](#).
- 5 '1993: John Hewson', *Australian Federal Election Speeches*, [online](#).
- 6 Notably Taiwan, South Korea, Japan and New Zealand.

# Politics and values: How Covid-19 could accelerate the transition to values-centred competition between the great powers

Fergus Hanson

As the Chinese Communist Party (CCP) leaders contemplated the vast, global ramifications of their early mishandling of the Covid-19 crisis, it quickly became apparent that this was existential. Reality needed to be turned on its head, and fast, if they were to escape blame for a disaster that would paint the CCP system of authoritarianism as irretrievably incompetent and unsuited to global leadership. With that realisation, the gloves were removed from an already simmering global propaganda fight, and the transition towards a more sharply defined competition was set in motion (Figure 1).

Figure 1: China's Foreign Ministry Spokesperson and Deputy Director General, Information Department, attempts to muddy the waters



Even before Covid-19 brought the China–US information war out of the shadows, it was becoming clear that China and the West were headed down the pathway of escalating competition.

This wasn't an inevitable consequence of China's rise. An entire generation of China analysts bought in to the narrative that China could be accommodated into the existing international order. They were starting their professional careers as Nixon made his historic 1972 Beijing visit, which precipitated China's rise and its reopening to the world. They saw out the Cold War and spotted the clear differences between China and its western neighbour, the Soviet Union. It was a hopeful, optimistic forecast, but there was evidence to support it.

Those analysts came to dominate thinking in Western bureaucracies, and their view that China would rise peacefully gained and held the ascendancy. The optimists held the view that China could be nudged in a positive direction, for example by engaging and facilitating liberal-minded people within the CCP. They believed that the economic liberalism on display among party officials would translate into political liberalism.

The long reign of the China optimists meant that Western governments were for a long time prone to overlooking evidence that might call into question the dominant assumption that underpinned China policy. That assumption overlooked human rights abuses and authoritarian behaviour by the CCP as an unedifying but ultimately acceptable trade-off for hundreds of millions of people being lifted out of poverty and the growing benefits of the two-way trading relationship, rather than a sign that it wasn't going to integrate into the existing order and wanted to change it.

It's taken generational change and seismic shifts in politics for those old assessments to be re-evaluated. But before that transition occurred, it created a vacuum that allowed the CCP to test Western tolerances. With the dominant forces in Western bureaucracies locked in to the view that China would rise peacefully, the party under Xi was given a free hand to push the West to its limits.

'China does not intend to pursue militarization' of the South China Sea, Chairman Xi Jinping promised President Barack Obama in 2015 (Sanger & Gladstone 2016). That issue was, and remains, a major one, because China insists it's the rightful owner of a large portion of the sea that's hotly contested by many other states, including in claims upheld unanimously by independent international tribunals (PCA 2016). As satellite imagery has since revealed, Xi's promise to the President of the world's most powerful country was a barefaced lie.<sup>1</sup>

Unfortunately, that wasn't an isolated incident. Under Xi, the China optimists were increasingly confounded by a flood of evidence that pointed to a very different China-rise scenario. Xi has centralised power and done away with term limits, appointing himself Chairman for life. At home, what opposition existed has been increasingly quashed (Fifield 2020), and more than a million Uyghurs have been locked up in camps and efforts to erase their culture have been made (Ryan et al 2018). Internationally, China has been so brazenly hostile that it's managed to make peacenik Swedes the most CCP-hostile population in Europe and the second most anti-CCP populace in the world after Japan (Silver et al 2019). There have been arbitrary arrests of Western citizens (Perlez 2019), formal and informal trade bans (Lewis 2011, Russell 2019), cyberattacks on parliaments (Packham 2019) and political parties (Lagan 2019), widespread bullying of foreign governments<sup>2</sup> and a constant stream of hostilities in the South China Sea (Bateman 2016).

Companies, too, have felt the pain. China's theft of intellectual property has been unprecedented in human history, to the point where managing it has become routine business for corporations. And companies are now being coerced directly (Hoffman 2018).

As it became increasingly clear that the CCP was headed down a different path, the US, as is the wont of lumbering superpowers, slowly began to escalate its response. President Obama temporarily won Xi's agreement to cease and desist from the mass theft of American intellectual property (Rosenfeld 2015), but the promise was quickly reneged on (Segal et al 2018). Freedom of navigation exercises were used to counter territorial claims in the South China Sea but were met with a vigorous response and did not force

the CCP to reverse course on its territorial expansionism (Lan 2018). And when an international arbitral tribunal ruled unanimously against China's claims in favour of the Philippines (PCA 2016), newly elected President Duterte was coerced into desisting from asserting his country's lawful claim (Venzon 2018).

It was under the Trump administration that the real policy rupture occurred, helped in no small part by Xi's actions. The gradual opening up and liberalisation evident since Mao's death ceased. The party's zeal to snuff out all problems early and at the source accelerated. The mass incarceration of the Uyghur minority and destruction of their cultural heritage has been a case in point. 'Don't be afraid if hostile forces whine, or if hostile forces malign the image of Xinjiang,' Xi advised his cadres in a leaked speech, ordering them to show 'absolutely no mercy' as they went about implementing his planned cultural genocide (Ramzy & Buckley 2019).

Reconciling this changed state of affairs with policy settings towards China hasn't been instantaneous. Different states are at different stages of adjustment, but all serious countries are headed in the same direction. The US has clearly led on the recalibration, but states close to China such as Vietnam, India, Indonesia, Taiwan and Australia all have enough lived experience to be well on the way to adjusting. Europe has been stirred, and large parts of German industry, in particular, have triggered a more assertive policy (von der Burchard 2019), although there remains a tendency in Europe to miss the bigger picture and fixate on Russia. In the UK, the acting Prime Minister Dominic Raab has said it could no longer be "business as usual" with China in the wake of its handling of the Covid-19 outbreak (Donaldson 2020).

Mixed signals from President Trump haven't helped. The tendency towards transactionalism with longstanding allies and isolationism have undermined the US's ability to bring important partners, such as the UK and Germany, along on key decisions and seen its global leadership dented. But so troubling are the CCP's actions that they're forcing policy reassessments globally.

As states realise that we're entering a period of sustained competition, the most pressing question is what form that competition should take.

The well-known 'Thucydides trap' predicts that a rising power will compete with the ruling power, in many cases ending in bloodshed (Allison 2015). It's clearly paramount that the competition trajectory doesn't lead us down that path.

As the major powers frame up the parameters of the emerging competition, some trajectories appear more promising than others.

A Cold War-like framing would certainly galvanise populations around their respective poles, but it would lend itself to steadily increasing escalation and confrontation. China's rising influence in its periphery and around the world would be read through the lens of the spread of authoritarianism, and regime change would be viewed as the only logical end point. For the CCP, the *raison d'être* of which is its own survival, that's a fight it will take to the bitter end and pay any price to win.

A more promising framing is around civilisation—the core of China's own self-image. At its core, the Western world's beef with China is not over its system of government or its rise, but how the CCP behaves. As it has grown, the party has become increasingly uncivil towards its own people and the outside world.

And while it isn't apparent now, this focus on civilisational values also fits with the likely future trajectory of Western politics. The rise of populism around the world speaks to a deep unhappiness with elite politics and eroding trust (Edelman 2019). In the US, just 17% of Americans say they can trust the government in Washington to do what's right 'just about always' (3%) or 'most of the time' (14%). Under George W Bush, the moving average was as high as half the country.

Beneath this hugely destructive erosion of faith in democratic systems has been an erosion of core foundational structures. Job security, community associations, religious institutions and traditional media have all been steadily corroded, leaving a constant low-level anxiety in the wake of that corrosion. Without those structures, or something substantive to replace them, societies can slip into polarised tribalism.

Into this void, post-truth populism, with its simplistic denial of reality, has been an attractive but temporary salve, but it can't be sustained because it does nothing to address the absence of a meaningful organising principle for society. The Covid-19 crisis has been a demonstration of its limits. The governments that tried to treat the virus as though it were a culture war issue and beatable through bluster paid a devastating price among their citizens. In the case of Boris Johnson, who boasted 'I was at a hospital the other night where I think there were a few coronavirus patients and I shook hands with everybody, you will be pleased to know, and I continue to shake hands,' it very nearly took a deadly personal toll (Besser 2020).

The culture wars that dominate today's politics aren't an answer to our current predicament.

What seems a more likely reaction to populism is a return to values. In a world that's increasingly stripped of trust and meaning, the answer must lie in focusing on what it is that we really stand for.

At the domestic level, there's a small but booming industry of academic analysis looking at how politicians can tap into this deficit of meaning and moral centredness. And that's by focusing on core moral intuitions such liberty, care and sanctity.<sup>3</sup> A strong case can be made that Western political debate will increasingly centre on those foundations.

As politics makes this pivot, it's likely that societies will regain their sense of purpose and cohesion and with that their dynamism and attractive power. Framing the looming competition with the CCP around the core values and moral principles that appeal to people everywhere will better enable democracies to compete because, ultimately, they're better able to deliver on them. Most importantly, it does not demand regime change, just reasonable behaviour.

However, to be effective, it requires a much sharper delineation of the two approaches, and it requires us to do what we say others should do. The West's current messaging and actions aren't adequate. A tour around once ascendant democratic states exposes deep issues that will need sustained and thoughtful attention to resolve. US politics has become polarised and dysfunctional, the UK is working through a prolonged self-immolation, Europe continues to lag, Japan is caught in a funk and Australia has been churning through prime ministers.



To turn this around and present an alternative with the power to attract will be no small task. It requires rediscovering our democratic mojo and acting on and articulating very clear principles centred on universal values and ethics. The many small acts of kindness on display during the ongoing Covid-19 crisis are reminders of those shared values and deeper truths.

For example, in areas such as emerging technologies, this approach requires us to deliberately forgo some conveniences for the sake of upholding what we believe in. Take the issue of surveillance. At the local level, it can be highly attractive to adopt the wholesale surveillance we see in China. Police forces can save time, solve more cases, and do it all quicker and for less. But step back and see it through the lens of moral intuitions, values and the wider competition, and the flaw in that approach becomes clear. The essence of democracy is that the people are trusted by the government because they elect it. In authoritarian regimes, it's the opposite.

In democracies, we trust that the vast majority of us will do the right thing the vast majority of the time. This leads to a very different way of viewing the relationship between the state and its citizens. People have the liberty to choose how they act, and that liberty is fundamental. Every new encroachment on people's privacy is superficially helpful and cost-saving for government; however, unless those encroachments are done with much more restraint, they'll undercut efforts to return to a more trust-generating domestic polity and effective competition with the CCP.

It could be argued that the West has tried to compete on values before, but in the past key elements were missing. When the China optimists were setting policy, it was assumed that China would gradually join the international community, so transgressions could be viewed as isolated incidents and overlooked. That created an opportunity for the CCP to pick off countries individually, meaning that coalitions capable of pushing back could not be created even as the CCP escalated its bad behaviour.

So, competition will also require greater collaboration and coordination—the opposite of current isolationist trends. Democracies can't counter bullying and coercion if they allow themselves to be picked off individually. They must act in concert and retaliate robustly if they're going to persuade the CCP that it's better to participate reasonably.

Competition with the party in its current state is inevitable, and the Covid-19 crisis has only accelerated that, but we should think carefully about the form that competition should take. The aim should be to avoid an existential clash but to be strong in our push back against bad behaviour so that the CCP is convinced that the best way to ensure its survival is to participate decently within a system that has made it one of the world's most powerful governments. Arbitrary arrests of our citizens, coercive diplomacy to force submission, punishments meted out for feigned slights and pervasive efforts to interfere in our domestic politics all need to be met with robust responses and a clarity of thought about what is and isn't acceptable.

Framing this pushback around morals and values offers the chance to focus on the heart of our disagreement with the CCP's current approach while playing to Western strengths and the likely future trajectory of Western politics.

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- 1 'China has militarised the South China Sea and got away with it', *The Economist*, 21 June, [online](#).
- 2 'How Sweden copes with Chinese bullying', *The Economist*, 20 February 2020, [online](#).
- 3 For example, Haidt (2012).

# National security and defence policy

Peter Jennings

Even before Covid-19, Australia faced a deteriorating strategic environment driven primarily by a more assertive People's Republic of China (PRC) maximising its influence in the Pacific, Southeast Asia and the Indian Ocean region. The Australian Government was reluctant to describe the PRC's actions as being motivated by assertiveness, but Canberra was pushing back against Beijing's domestic interference and asserting a more prominent role with the Pacific island states. At long last, a policy debate was shaping around the consequences of being too dependent on the PRC.

Canberra's worries were not only about the PRC, though. The Trump administration's 'America first' approach was generating some doubt about the reliability of the alliance relationship, even though day-to-day military cooperation with the US was closer than ever. Assurances from diplomatic, military and intelligence channels that the alliance was ironclad were compromised by a President who seemed to have more dislike for allies than for authoritarian strongmen.

So, in 2019, Australian strategic thinkers were asking whether our defence policy settings were right, and whether there was an immediate need to build stronger and more self-reliant military capabilities. Self-reliance also applied to critical supply chains. Successive Australian governments argued the case for 'sovereign capability' across a mix of defence industry areas, but after risks to shipping in the Persian Gulf emerged analysts were increasingly asking about fuel security: would just-in-time supply always meet Australia's requirements?

Defence Minister Linda Reynolds announced in October 2019 that 'Defence is working through a re-assessment of the strategic underpinnings of the 2016 Defence White Paper' (Reynolds 2019). She concluded that the White Paper had 'underestimated the speed' of strategic change. That reassessment was due to be delivered to the minister early in 2020. The timing was no doubt derailed by Australia's catastrophic bushfire season, when the ADF was called on at short notice to perform a mission for which it had little preparation. Prime Minister Scott Morrison foreshadowed that Defence would play a larger role in disaster response in the future.

Covid-19 has further accelerated strategic change, made the challenges of dealing with an assertive China more immediate and difficult, highlighted the inadequacies of the Trump administration and deepened worries about American capacity and intent to underwrite Indo-Pacific security. The virus may well cut even deeper swathes of destruction among Australia's Southeast Asian and Pacific island neighbours, which could give rise to demands on Australia to mount disaster relief and military stabilisation missions. At a time when the Australian Government has put the economy into hibernation and added massively to debt that will take generations to pay, we also face difficult questions about defence spending priorities. We must do a better job of balancing long-term defence capability investments that won't start to deliver until the mid-2030s with the need to rapidly up-gun the ADF's capabilities to deal with a riskier region in contingencies that range from disaster relief to high-end, state-on-state combat operations.

Amid the global wreckage of Covid-19, it's hard to find any positive news to offer, but perhaps there is some.

First, in Australia and many other countries, a view is hardening that economic dependence on an authoritarian China is dangerous and that steps must be taken to reduce that dependence, including walking back PRC ownership of critical infrastructure such as the electricity grid, IT assets, farmland, ports and medical facilities and cutting university research links that help to enhance People's Liberation Army (PLA) capabilities.

Second, global dependence on China for medical protective equipment has highlighted the risks to sovereignty of the just-in-time delivery of any material critical to national security.

Third, the pandemic reinforces a hard reality that the nation-state is the ultimate provider of security. Australia's alliance with the US is invaluable and must be maintained, but we can't subcontract our security to Washington. We've ridden on Washington's security coat-tails for too long. American distaste for that behaviour around the world has, in part, led to Donald Trump and his America-first orientation. To sustain American support for Australia, we need to do more for our own defence. That has far-reaching implications for industrial capability and defence spending.

Fourth, we now have a government whose temper has been steeled by managing the most difficult crisis the nation has faced in decades. We must hope that this government is now ready to think big in policy terms and won't be afraid to tackle urgent defence and security problems.

This is a time when the national security community needs to lean forward, bringing to government new thinking to reshape and grow Australia's security capabilities. Years of reviews and frequent changes of ministers have made this community risk-averse and more focused on cautiously implementing current policy settings than on thinking big strategic thoughts. Scott Morrison's task is to push his security advisers into breaking current policy paradigms. If Australia fails to think creatively about national security after Covid-19, we risk becoming a casualty of the sharper strategic competition that's already pushing the Indo-Pacific into a new style of cold war.

Here, I offer eight steps to reform our national security strategy.

## **Appoint a National Security Adviser**

The position of National Security Adviser, reporting directly to the Prime Minister and situated in the Department of the Prime Minister and Cabinet (PM&C), was done away with for unworthy bureaucratic reasons during Tony Abbott's time as Prime Minister. The case for bringing the position back now is overwhelming, not least because Prime Minister Morrison clearly thinks of the bushfire response and the Covid-19 crisis in national security terms. The government should lift the position to the level of a senior departmental secretary and ensure that it has enough resources to drive policy development, not simply be a point of coordination across the bureaucracy. There will be turf battles. For example, the Department of Home Affairs now performs a range of security roles (counterterrorism, cybersecurity) that used to be run by PM&C. However, the bushfire and Covid-19 experiences clearly show that leadership in big crises is a key prime ministerial task.

## **Develop a new National Security Strategy**

An essential task for the National Security Adviser should be to develop a new National Security Strategy. Australia hasn't had a full national security strategy since Julia Gillard's statement in January 2013, which, oddly, declared that Australia had a 'positive' and 'benign' security outlook (Jennings 2013). So much has changed in seven years! A new National Security Strategy needs to bring together a range of policy domains that often operate in stovepipes. This includes health and biosecurity; climate; human security; critical infrastructure; security of supply of petrol, oils and lubricants; the ever-expanding range of cybersecurity challenges; university and industry R&D; and more traditional defence, intelligence and foreign policy concerns.

The strategy needs to articulate a national approach towards building a stronger, more resilient, more outward looking and regionally influential Australia. It must ensure that the various arms of Australian influence align and serve common purposes. Nowhere is that more important than in setting out a clear approach to dealing with the PRC. Here, a national security strategy must establish some difficult bottom lines. Is it acceptable for PRC and Hong Kong companies to own much of Australia's electricity transmission capability? Can we live with the possibility of a PLA base in the Pacific? Is it fine to have lost most of our fuel refining and storage capabilities? In each case, the obvious answer is 'no', but these are precisely the types of national security questions governments have been dodging for years. A National Security Strategy must ask the right questions and deliver forthright answers.

## **Develop a 'supply and production of critical materials' list**

The National Security Adviser should also oversee the development of a critical materials list, which would involve a sector-by-sector analysis of all areas of the economy to determine supply-chain vulnerabilities and areas where stockpiling and domestic production should be supported. A general principle should be that authoritarian regimes with strategic goals antithetical to Australia's are not countries we should rely on for critical materials. Whole sectors of Australian industry have been built around managing the just-in-time supply of critical materials, and they'll lobby for a return to those dependencies after the crisis abates. Forcing this change will be costly but necessary. The government will need to remain focused on this if we're not simply to slide back into unhealthy dependencies.

## **Redesign and strengthen the Foreign Investment Review Board**

In recent years, the government has taken useful steps to strengthen the capacity of the Foreign Investment Review Board (FIRB) to address national security issues when considering foreign investment proposals. But the FIRB remains ideologically wedded to the principle that foreign investment is to be facilitated at all costs. At least publicly, the board doesn't acknowledge that investment from the PRC carries greater risks than investment from democratic countries. The FIRB should be separated from Treasury, given its own statutory basis and report to the Prime Minister via the National Security Adviser.<sup>1</sup>

A key task for government will be to work out how to unpick the consequences of past FIRB recommendations to allow foreign purchases of large parts of the electricity grid, gas infrastructure, seaports, airports, medical facilities and farmland. The very best that can be said of those decisions is that they were taken at a time when many hoped that the PRC would become more open as it got wealthier. However, as critical infrastructure has become more vulnerable to cyberattack, the need now is to bring

these assets back into the ownership of entities that can give more assurance of the security of the infrastructure. A redesigned FIRB can also be given a positive remit to promote an investment framework that builds partnerships with allies and friendly democracies sharing our values and having strategic interests that align with Australia's.

## Quickly produce a new Defence White Paper

A new Defence White Paper will be needed to rethink the implications of the strategic changes that Covid-19 has worsened. Unlike the *2016 Defence White Paper*, which primarily focused on long-term investment proposals for the ADF out to 2030 and 2040, this process needs to focus on the readiness and capability of the force in being and on what can be done quickly to increase Defence's deterrent capacity and strike power, including through an industrial base able to produce critical inputs for war-fighting rapidly, despite interruptions of global supply chains.

Unsurprisingly, the PRC will be a major focus of attention. While the public White Paper may be more muted on the PRC, the government can't allow too substantial a gap to be created between its classified assessments and what it tells the Australian people. This will require careful but clear-sighted writing and a dose of courage. Unlike the previous White Paper, which took two years to produce, this one needs to be done at a gallop—aiming for delivery in early 2021.

A challenge for the new White Paper is that it has to keep the ADF focused on core tasks: high-end state-on-state combat and deterrence. But, in the age of national security, it must identify practical responses, ranging from domestic disaster response through to regional disaster assistance and stabilisation missions and a capacity to build human security resilience with our neighbours. This will push Defence out of its policy comfort zone, but rethinking the purposes and priorities of the organisation is now essential. Defence can't return to its pre-Covid-19 reality any more than the rest of the world can.

The *2016 Defence White Paper* took steps that strengthened and deepened Australia's alliance relationship with the US. That relationship remains vital and is of such a calibre that it will outlast the Trump presidency, but the enduring theme of the next Defence White Paper must be about building Australia's independent and sovereign defence capability. Inevitably, this will require a lift in defence spending. I agree with my colleague Marcus Hellyer's assessment in this volume that an increase from 2% of GDP to something closer to the Cold War norm of around 3.2% is needed. That's a very substantial increase, but strategic realities must be faced. A stronger ADF will make us a more attractive alliance partner to Washington, cement a greater capacity for strategic leadership in our region and give the government more options for how it can use the ADF.

## Invoke the Lombok Treaty

The Lombok Treaty signed between Australia and Indonesia in November 2006 is intended to facilitate closer cooperation between the two countries in a wide range of security areas. Article 18 of the treaty anticipated deepening 'emergency cooperation'.<sup>2</sup> Canberra should open discussions with Jakarta now, suggesting that the treaty be invoked. It seems that the coronavirus isn't yet as advanced in Indonesia as in some other countries, but it's certainly in the country and will surely be spreading, even if unreported. If, as of mid-April, it seems that Australia is starting to get the virus under control domestically, I would advocate for a full-on effort to assist Indonesia to get ready for the spread of the virus. This isn't simply

a humanitarian imperative but also a strategic one, reflecting Indonesia's long-term importance to our security. The closer and more trusting we can make our relationship, the better for both countries. Australian support could include using the ADF to assist its Indonesian counterparts to move vital equipment around the country, providing ventilators and other medical gear at large scale, and, if our domestic situation allows it, deploying medical personnel to assist in the crisis.

## **Turbocharge the relationship with Japan**

This is also an important moment to deepen our already very successful relationship with Japan, which has a similar strategic outlook to Australia, is impeccably democratic and is a close ally of the US. Working together, Japan and Australia have the capacity to take on something of a shared leading role in regional security. We need to work hard to align our policy thinking, share information, train our forces to work closely together and complement each other's efforts in dealing with other countries. Australia and Japan are America's most effective allies in the Pacific, so closer cooperation will strengthen the alliance by giving America confidence that we're looking after our own security.

A formal defence and security treaty between Japan and Australia should now be considered. This would demonstrate resolve in the face of more assertive PRC actions in the region, underpin the drive to closer cooperation and show other countries in the region that there are options other than just yielding to Beijing.

## **Establish a defence treaty with key Pacific island countries**

Building on the success of the Pacific Step-up, Australia could use this moment as an opportunity to seek to formalise a deeper defence and security relationship with key Pacific island countries (PICs). The PRC is, of course, doing everything it can to use the Covid-19 crisis to deepen unhealthy PIC dependency on Beijing. In mid-April, a Royal Australian Air Force C-17 was unable to land at Port Vila airport because an aircraft chartered by a Chinese state-owned entity was blocking the runway (Galloway 2020). Australians should be under no illusion that the PRC is using the crisis to try to establish dominance in the Pacific. It will take a massive Australian effort to reverse that trend, but that's an effort we must make or else we'll find the PLA establishing permanent presences at PIC locations.

Canberra could look to rebase its relations with key PICs by offering treaty relationships that would underwrite the region's military security. Australia is able to offer the PICs significant enhancement of their health security and human security capabilities. This will take investment and engagement to a level not seen since the PICs assumed sovereign independence. In return, Australia needs to ask the PICs to support a shared approach to regional security that's designed to reduce the malign influence of the PRC. This could lead to joint defence facilities being established in some locations, involving the ADF and PICs' military and police forces. If Australia has a compelling strategic interest in minimising PRC access and influence in the region, we need to understand that we have to be the chief provider of the alternative security presence.

Taken together, these eight steps will ensure that the country has a more coordinated national security approach designed to strengthen defence capabilities, give Australia a leading role in the security of our neighbourhood, strengthen our sovereignty and reduce dependence on the PRC. These will be costly measures, but they're essential steps if Canberra is going to strengthen our capacity to independently protect our interests in an increasingly hostile strategic environment.

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## Notes

- 1 A more detailed proposal for FIRB reform is in Jennings et al (2016).
- 2 The Lombok Treaty is available [online](#).



# Defence spending and the Australian Defence Force

Marcus Hellyer

There are two analyses of the impact of the coronavirus pandemic and its implications for the future—one that says that everything has changed and nothing will be the same again, and another that says that fundamental truths won't change, despite the crisis. In fact, those views aren't that different; ultimately, both are saying that Covid-19 is reinforcing trajectories that were already changing our world, and in recognising and addressing this governments are rediscovering some forgotten truths.

One such truth is that the nation-state is still the locus of power. In some countries, national governments have worked more effectively with subnational governments than in others, but the primary counter-measures have been implemented by nations looking after their own. Certainly, some of those measures have been enabled by international structures, particularly in the financial sector, but in this crisis people everywhere have turned to their own governments for security and protection.

Governments have relearned that their primary function is to ensure the security of their citizens. And spending to achieve that is money well spent.

One trajectory that's been confirmed is the competition between the world's two most powerful nations. It has in no way abated, and it would be a brave prediction that said that it will. In short, China's leadership has been emboldened, faith in America has been further shaken, and the coronavirus crisis has only amplified the strategic uncertainty facing the Indo-Pacific. That's before we consider the second-order effects that can be unleashed by a changing great-power balance.

So far, attention has focused on learning the lessons from this crisis in order to preserve human security in future ones. It has quickly become the orthodox view that the government must do more and spend more to bolster resilience.

This is also a clear lesson for national security. Covid-19 is a timely reminder that, ultimately, responsibility for national security rests with the national government and its willingness to spend whatever's necessary to ensure that security. Despite the fetish that has developed over recent years about the government's target of spending 2% of GDP on defence, one of the truths that we need to rediscover is that there's no law carved in stone that says 2% will guarantee a country's security and sovereignty. It might be a suitable benchmark for NATO members—Belgium, on the other side of the world from China, can get by spending 2% on defence, but that's because in addition to being formally allied with the US it's surrounded by other allies that include five of the 10 largest GDPs in the world.

Australia doesn't have the same luxury of close, reliable and powerful allies. Consequently, Australia consistently spent close to 3% of GDP on defence throughout the Cold War—a time marked by strategic uncertainty. If anything, our strategic outlook is even more uncertain and stark now as the US no longer has unrivalled military power in our region.

Our government needs to spend whatever's necessary to deliver and sustain a defence force that can ensure Australia's security and sovereignty. That force needs to have the following characteristics.

The most important characteristic is something money can't buy: the ability to think differently. Defence must challenge its innate conservatism, its business-as-usual mindset and its satisfaction with incremental improvement and innovation. The force we need can't be developed, delivered and sustained by the mindset that has characterised the Defence organisation to date. It must entertain iconoclasm, accept more risk, and be willing to implement wholesale change to its force structure and processes. Thinking that it has things 'about right' can't continue.

The force needs to be able to project sufficient power to demonstrate to China that any efforts to operate in our near region and our approaches in time of conflict will incur such cost that those efforts will be unsuccessful. The characteristics of that power need to reflect the fact that, due to the changing nature of military technology, our approaches now extend thousands of kilometres, not hundreds. This means significantly strengthened long-range strike capabilities enabled by robust, resilient intelligence, surveillance and reconnaissance capabilities. It also requires enhanced, resilient infrastructure in our north to project power into our region.

It's unlikely that it was ever possible to defend Australia solely from the edge of the continent; it's certainly impossible today. So, the force also needs to be capable of projecting combat power from our friends' territory in our mutual defence. For example, the concept of working with Papua New Guinea to establish facilities to operate warships and combat aircraft from Manus Island that briefly flourished and then faded must be turned into a reality.

The force needs to be of sufficient size and capability to demonstrate to the region that the US's allies are willing to burden share in their mutual defence. This means going beyond providing carefully tailored niche contributions to being able to deploy self-sustaining forces with real combat power against peer adversaries.

The force needs sufficient size to be able to support a sustained peacetime tempo of working with our friends and neighbours so that we can operate together in times of crisis. Talk of developing relationships and greater cooperation with regional partners must be backed up with deep, consistent engagement. This requires numbers. This also means amplifying the Pacific Step-up to show that Australia's commitment to the security of our Pacific neighbours is enduring. Of course, this must be a broader endeavour than a purely military one.

The force needs to have mass. This means being able to deploy sensors and weapons in numbers when and where they're needed. It means being able to absorb combat losses, because a peer adversary will certainly inflict them. The only way to achieve mass is through the development, acquisition and integration into our operating concepts of highly autonomous unmanned systems. Exquisitely expensive manned platforms increasingly present unacceptable cost, schedule and capability risk. Their extended development time frames and high cost consumes funds that could be invested in acquiring emergent technologies more rapidly.

The force needs to have sufficient stocks of supplies essential for modern combat operations, in particular guided weapons and fuel. In the longer term, the government needs to invest in the ability to produce guided weapons domestically. In the shorter term, it needs to rapidly acquire larger stocks from overseas.

The force needs to be able to make sustained contributions to civil defence, such as disaster relief, both at home and in our region, but those contributions can't detract from its war-fighting capability. Defence will need to break out of its traditional paradigm and create units designed specifically for this role using off-the-shelf civilian equipment. In the long run, this will be both more efficient and effective. The Army Reserve could be refashioned to be dedicated to this role.

Paradoxically, while needing to do more, the force can't require significantly more uniformed people. Defence hasn't been able to recruit them, the exquisite skills they need take years to develop, and ultimately people are too valuable to lose. While people are the ADF's greatest assets, they simultaneously present its greatest capability risk.

The force needs to be developed and supported by an agile and innovative defence industry. We're learning from the response to Covid-19 that advanced manufacturing technologies such as 3D printing are inherently responsive and adaptable. It may be easier to make face shields and ventilator components with 3D printing than to build submarines, but that's the point—equipment that can be rapidly produced, upgraded and replaced in conflict is the equipment we need.

Coming out of the crisis there will be huge pressure on the government to direct defence funding to Australian industry. We must focus that investment on developing expertise in advanced manufacturing and the technologies that bestow real advantage in high-end warfare and that can be flexibly employed to address constantly evolving threats. Australia already has world-leading capabilities in high-tech defence industries. This is the area where there'll be the greatest return on investment both in defence capability and in broader economic impact. Synergies with the civil sector in areas such as artificial intelligence, nanosatellites and space launch capabilities must be exploited.

Defence needs to develop these attributes now. We don't have the luxury of waiting until megaprojects deliver. It's a daunting prospect that the Future Submarine Project will have spent over \$15 billion before its first boat provides operational capability in nearly 15 years time. We can't afford to rely solely on programs of that kind.

But it's too soon to declare the manned platform dead and turn off all the megaprojects. The right manned platforms can be force multipliers. We'll continue to need a mix of traditional manned platforms and autonomous systems for the foreseeable future, as we move from the current force structure to one that relies on manned–unmanned teaming to something further in the future that's hard to predict. However, manned platforms must be designed from the ground up to exploit the advantages of working with autonomous systems. Again, this is an area where Australian industry and academia have much to offer.

That's a key reason why significantly increased funding is needed. We need to hedge against the different risks presented by manned and autonomous systems by pursuing both paths simultaneously. No doubt, the time will come to end further investment in exquisite manned platforms, and it's vital that the government has independent, trusted and informed sources of advice to let it know when we've reached that point. It may come much sooner than Defence is expecting. The government will need the resolve to act on that advice regardless of the sunk cost and the disruption to domestic industry, but if we've been developing the other track it will simply be a matter of shifting people and resources to it.

Increasing the defence budget is not a licence to continue to buy every capability on Defence's current shopping list. A radical change in thinking will question the viability of zombie capabilities and free up substantial funding. Continuing to operate or acquiring capabilities that we already know can't be deployed, operated or sustained in meaningful numbers in our near region (such as 40-tonne infantry fighting vehicles at \$10–15 billion) or aren't survivable against a peer adversary (such as new manned armed reconnaissance helicopters at \$4–5 billion) must stop, and those funds must be put to better use.

Nevertheless, the defence force we need can't be delivered, supported and operated on a budget based on 2% of GDP, particularly a GDP that's endured contractions due to bushfires and Covid-19. That amount is barely sufficient to deliver and operate the force structure proposed by the 2009 and 2016 Defence White Papers—a construct that the Minister for Defence has already admitted has been overtaken by events.

If we expect the US to help preserve our security and that of the region, it's only fair that we be willing to spend a similar proportion of GDP as it does—at least 3.2%. Again, that number shouldn't be carved in stone, but it's about the amount that a government serious about preserving our security and sovereignty needs to be spending to develop an ADF with the attributes described above as we enter the coming strategic crisis.

Moreover, unlike spending that ensures Australians have the security of a basic income in time of crisis, defence capability can't be turned on at the stroke of a keyboard. The enhanced investment to preserve our security and sovereignty into the future must start now and it must be sustained through good and bad economic times. And the additional share of GDP will contribute to our nation rebuilding efforts after the crisis to help industry get back on its feet while developing the technologies and infrastructure that the ADF needs.

# Policing

Leanne Close

Policing has had difficulties adapting to the challenges of globalisation. Crises, such as Covid-19 and the 2020 bushfires, have illustrated that more needs to be done. Covid-19 has shed light on tactical and strategic gaps in crisis management that must be addressed. Policing in this 'new normal' environment will require significant change in the way law enforcement plans, leads and collaborates with government, the community and private sector partners.

## Raise—train—sustain

Police manage crises every day. From dealing with drug and alcohol fuelled violence, relentless occurrences of domestic violence, to terrorism and cybercrime, operational responses are endless. Police will continue to support the safety and security of the community. While health and emergency service workers face the brunt of the medical management of the pandemic, Australia's police have also played a significant role. They've been on the streets managing new social distancing regulations, including by fining people found to be breaching them, and managing border control issues relating to overseas arrivals.

Because of the volume of requests for assistance, police organisations must prioritise those requests on a daily or sometimes minute by minute basis. Police are re-directed to work on the highest priorities, returning to less urgent matters when circumstances permit. This model has served them well, to a point. The C3 (command, control, coordination) model that underpins this approach is exercised every day by officers and becomes critically important during times of crisis. In this model:

- **Command**—the direction of members and resources of an agency in the performance of that agency's role and tasks
  - command relates to agencies and operates vertically within an agency
  - authority to command is established in legislation or by agreement within an agency
- **Control**—the overall direction of emergency management activities in an emergency or disaster
  - control relates to situations and operates horizontally across agencies
  - authority for control is established in legislation or in an emergency plan and carries with it the responsibility for tasking other agencies in accordance with the needs of the situation
- **Coordination**—the bringing together of agencies and resources to ensure an effective emergency response (Australian Government, 1998, Chapter 1, paragraph 6).

However, the C3 model pays little attention to planning and training for the future and instead responds to known circumstances. Overstretched police services have been left little time, or funding, for training or maintaining capability, especially in equipping officers for the unusual, such as Covid-19.

In contrast, the military model of raise—train—sustain is designed to address the unusual. Significant raise and train resources are dedicated to obtaining government and community consent and funding to recruit, train and exercise the ADF's people, both currently serving members and reservists, to prepare them for various scenarios the military may be called upon to address in times of war and peace

(Dennis & Grey 2010:x). Sustain refers to ‘everything from the strategic level of providing new capabilities, to the tactical logistics function of getting basic necessities to the point of contact with the enemy’ (Dennis & Grey 2010:xi). Interestingly, each element receives almost equal attention. The Covid-19 crisis perhaps demonstrates that it’s time for police to incorporate more enduring ‘train and sustain’ elements into organisational structures.

## **Interoperability**

For front line agencies, safety and security objectives are best achieved, and sometimes can only be achieved, through alliances and formal cross-agency organisational structures (Hura et al 2000:8). Interoperability must be at the forefront of national planning to ensure efficient and effective responses to crises. With limited budgets and capital, prioritisation must occur. Covid-19 has demonstrated that police interoperability must include health, transport, logistics, telecommunications, human services support and other sectors of society to meet community expectations.

After Covid-19, police and their partners must commit to planning, building networks, training and exercising for various scenarios with the lessons of Covid-19 in the forefront of people’s minds. Systematic embedding of scenario planning, training and exercising needs to become a key feature of policing organisations, as it is in Defence, and not just an add-on when a crisis occurs. This strategic approach shouldn’t be inward looking but should instead encompass other law enforcement agencies and areas usually overlooked, such as industry, health and educational professionals, community groups and local government.

National collaboration and interoperability are not easy. An Australian example of failed national interoperability occurred with a simple idea to purchase ammunition for all Australian police services. This failed at the first hurdle when one police service determined that it was ‘different’. State and territory services then entered into separate purchasing arrangements, which is clearly neither efficient nor cost-effective. Differences must be handled better, for greater effectiveness and cost-saving opportunities. Some may feel the price of interoperability is too high, given competing political considerations, the costs of establishing and maintaining these arrangements, and differing organisational priorities (Hura et al 2000:9). Unfortunately, a crisis such as Covid-19 is often needed to illuminate the contrary.

## **Broadening national coordination**

Law enforcement doesn’t operate in a political vacuum. Interaction with government is essential to agencies’ responses in times of crisis.

The Prime Minister’s establishment of the national cabinet process has been a key strength in Australia’s Covid-19 response. Dealing with this crisis has necessitated significant changes to social and economic policy (Maley 2020) at both the state and federal levels, which has been facilitated by the new national cabinet arrangements. Australia’s federated model of government has meant that individual governments haven’t always accepted national cabinet decisions and have instituted their own policy approaches within their communities. This has led to confused messaging and the flouting of measures by some community members through ignorance or confusion.

Since the 9/11 terrorist attacks in the US, the policies and structures of the Australia – New Zealand Counter-Terrorism Committee (ANZCTC) have served Australia well. The ANZCTC's decisions have been incorporated into the National Counter-Terrorism Plan (ANZCTC 2017), which clearly articulates the strategies, goals and objectives in dealing with terrorism-related issues in Australia. The plan has led to strengthened collaboration among government and agencies. It has allowed signatories to jointly manage and share intelligence, investigations, equipment and personnel to combat terrorist threats. The ANZCTC has also encouraged improved partnerships with private sector groups. However, Covid-19 has highlighted the ANZCTC's limitations. It concentrates on terrorism and has no mandate to consider wider crises. The definition of 'national security coordination and response' may need to be broadened to include an 'all hazards/risks' approach.

Broadening the definition of national security to an all hazards/risks approach would ensure that new and enduring threats such as pandemics, water and food security, critical infrastructure protection, border security, cyber defence and emergency response and recovery are regularly considered, and formally coordinated and managed, through the architecture governing national security matters.

Broadening the membership and mandates of key committees would allow coordinated planning, training, exercising, logistical arrangements and broader government and external networks to be developed to combat any national security threat. Covid-19 has shown the folly of the Minister of Health not having a formal and enduring role in the National Security Committee of Cabinet (Australian Government 2020). Membership of the National Security Committee, and other supporting committees, will need to be assessed.

Broader inclusion of state and territory officials in appropriate national committees will also ensure that the greatest possible policy buy-in is achieved. The ANZCTC is well placed to manage such a broadened national security focused response, as it has a robust history of successful collaboration in managing terrorist threats in Australia. It's also an established national network that encourages the consideration and testing of divergent policy perspectives. As Dr David Kilcullen recently pointed out:

After the pandemic, in the wake of bushfires, floods and drought, in anticipation of a deep recession, our focus almost certainly should be on societal resilience, home affairs and economic and social recovery ... Domestic policing and intelligence will be even more important, as will robust legal and political restraints to assure civil liberties and freedoms of speech and assembly in the face of a government with vastly expanded post-pandemic powers. (Kilcullen 2020:19)

These are all issues that an all hazards/risks approach should address at the national level, rather than the narrower law enforcement focus of the current plan.

## **Supporting first responders**

The global response to combat Covid-19 included the closing of international and national borders and, in the case of Italy and Western Australia, even some regional borders. While important short-term responses to the pandemic, those inwardly focused policies have also given rise to selfish behaviours concerning the distribution of medical supplies (Willsher et al 2020). As a result, examples have arisen of emergency responders purchasing personal protective equipment supplies from hardware stores. After Covid-19, reviewing stockpiles of vital medical supplies and equipment will be essential. That review shouldn't be limited to the needs of frontline medical staff.

During the Covid-19 pandemic, large numbers of police officers worldwide have been exposed to or infected by the virus and, appropriately, have been removed from duty. This demonstrates the need for key frontline responders, including police, to be trained in the use of protective equipment, the development of protocols and guidelines for hygiene, and new requirements for interacting with the community during a health crisis. This will require the systematic implementation and sustainment of the raise—train—sustain paradigm.

Sustainability also requires the ability to replace staff as they become unavailable for whatever reason. There's no reserve force for policing in Australia. Consideration should be given to developing and supporting such a reserve at the national level, such as has been achieved with the Defence Reserves program. Other first responders may also need to be considered in this concept.

## Forward operational planning

Much of the unique coordination and management of the Covid-19 response, such as access to hotels, quarantine transport and the management of cruise ships, has occurred quickly, in an *ad hoc* manner, and the final costs are yet to be realised. There's opportunity within the raise—train—sustain paradigm to improve planning after the pandemic. This could include developing enduring memorandums of understanding with the private sector to ensure that there's a clear plan of approach to evolving crises.

Rapidly changing policies and laws at the federal, state and territory levels have caused confusion in the community and also for police implementing responses. Social isolation and distancing requirements provide good examples. This needs to be assessed, perhaps with a suite of 'stand-by' laws ready for activation under certain circumstances.

## Conclusion

Investment in the building and maintenance of broader networks, scenario planning and training supported by multiagency exercising based on the raise—train—sustain model could improve Australia's responses in times of national crisis. Benefits are also likely to flow to the everyday work of police and first responders. The 2020 bushfire emergency and Covid-19 have demonstrated that national coordination of Australia's security and safety apparatus has never been more important.

A broader overarching national security plan for Australia is also required. A starting place should be the development of a White Paper on Australia's National Security for the Council of Australian Governments. Such a review should consider broadening the Australian definition of 'national security' and improving governing architecture to ensure interoperability. It should assess the need to amend the C3 model of command—control—coordination for policing. Most importantly, consideration must be given to sustainable funding to support this new model.

First responders, including police, are at the forefront of crisis situations and they must be supported to build and enhance the training, planning and coordination skills required for future crises. Within this context, police leaders will have an important and influential voice, not just operationally, but in helping to shape and guide strategic public policy on the management of national security issues.



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# The future public service: Seize the opportunity

**Gill Savage**

Covid-19 is now firmly in our consciousness. The Australian Public Service (APS), despite its positive contribution and frenetic behind-the-scenes activity, is playing catch up. However, now is the time and opportunity for the public service to define a new normal in response to the changed economic, health, social and workplace landscape.

What we considered normal has changed. We have a new respect for science and research and a preference for facts and models. Public healthcare providers are partnering with the private sector to establish 'pop-up' hospitals. Our small and medium-sized businesses are reinventing themselves and did so well in advance of the government's JobKeeper measures. Fine dining restaurants are now delivering to homes. Fitness training is virtual. Breweries are distilling hand sanitiser. Staff working in supermarkets have joined nurses in the ranks of essential workers.

The Covid-19 response will be the proving ground for the APS, which entered this crisis with low levels of community confidence and trust.

However, there are many positive examples of public service, from involvement in government taskforces (including some that focus on recovery arrangements) through to the speed with which officials developed the \$130 billion stimulus package (IPAA 2020b) and the way frontline staff are managing the volume of enquiries from the community. Despite the lateness of the early childhood education and care relief package, given that most families were already affected, the community welcomed it.

Flexibility, adaptability, practicality and a sense of urgency have long been expectations of public servants. However, any number of reviews have highlighted that the APS needs to be more flexible, more adaptable and more agile in meeting government and community needs (IPAA 2020a).

This chapter focuses on the public service in the context of three phases of the pandemic: flattening the curve, getting on with what's important and working to the new normal. I conclude with some thoughts on how a future public service can evolve out of this crisis.

## Flattening the curve

Daily, we watch the curve of confirmed Covid-19 cases, searching for the smallest sign of it flattening. The sooner the public service can work effectively in this climate, the greater impact it will have.

At a time when businesses were closing their doors because of social distancing requirements, public servants were told to go to work. Within a few days, however, a new message appeared: 'Working from home is a priority, wherever this is practicable' (Woolcott 2020).

The speed and ease with which departments moved to social distancing and remote working is a demonstration of their effectiveness and efficiency, as well as their flexibility and agility (or lack thereof).

Some departments were slow to respond and are experiencing chaos, while others transitioned seamlessly to social distancing and working remotely. Also, lack of investment by some departments

in the technology to support virtual and flexible working has been exposed. Others have invested but only for staff at levels considered essential, leaving junior staff without the tools to work remotely. Those departments will continue to scramble, in some cases right up until they return to their usual places of work.

A few agencies have a visible role in implementing Covid-19 response measures. The Australian Taxation Office and Services Australia are leading the implementation of the JobKeeper and JobSeeker measures, respectively. The roles of others, however, aren't as visible but are no less important.

### **Regain lost relevance**

At some point in the past, the APS lost its relevance and impact for government. Successive machinery-of-government changes haven't overcome the prevalence of silos in a changing landscape that placed the public sector on par with others as conduits to government. In large part, the public sector is still working as if it's the only conduit and, in doing so, is continuing to diminish its significance.

The landscape has again changed. The opportunity exists for the APS to prove its relevance through the recently established national collaboration mechanisms (IPAA 2020b).

### **Redefine the social contract**

Public servants connect strongly with the outcomes they deliver for the community (Doogue 2020). Now more than ever we're seeing that commitment. However, this purpose and connection to community constitute a social contract not well reflected in formal statements about what it means to be a public servant.

Understanding how to tap into this implicit social contract could have enticed a larger number of public servants to volunteer to support frontline functions. Of the 7,400 extra staff needed by Services Australia, only 700 public servants are volunteers from other departments (Rollins 2020). The community needs support from public servants who can resolve their enquiries. Placing inexperienced or untrained staff on the front line does little to bolster community trust and confidence in the APS.

Public-sector leaders should provide clarity where possible. Teams also need the flexibility to respond to local community needs. This is not new. It's been a theme for public sector reform over decades and was reinforced by the Prime Minister in his August 2019 address to the APS, when he said the public service needed to be more 'flexible in responding to challenges and opportunities' (Morrison 2019). Dismissed by some at the time as rhetoric and unwarranted criticism, those words have renewed relevance and authority.

### **A national transition plan**

Focusing on today is critical, but the APS also needs to be working with the community and business on what we need for tomorrow. We need a national transition plan that encompasses:

- a plan for the staged return to work of the national workforce, including the public service
- structure and governance arrangements spanning business, health, social and education sectors that support our transition out of this crisis (these arrangements should cascade from the national cabinet into a cross-jurisdictional officials board and drive all activity by departments and agencies)

- commitment to working with states, businesses and the community to agree on what's important in this new future, to design our new normal (underpinned by the economic, social and environmental priorities of importance to the whole community), and to design governance, structural and program changes that bolster national resilience.

Through its contribution to flattening the curve, the APS is proving that it's flexible, adaptable and agile. There's a need to ensure that the focus on flexibility, adaptability and agility is permanent.

## Getting on with what's important

When the immediate response to Covid-19 passes, we'll transition into the second phase. Social distancing and remote working arrangements will have enabled public servants to prove that they're effective, responsible and trustworthy in doing their jobs away from the constant gaze of managers.

This will be a confronting realisation for many public-sector leaders and managers. Public servants know that micro-managers don't foster workplaces where people perform at their best. A renewed antagonism to that style of leadership and management will result, challenging the prevailing public-sector culture.

The geographical distribution of public servants will again come under scrutiny. They're in the privileged position of having kept their employment (and their income) during this turbulent period. In a recession, income is spending power and, in turn, support for business. There will be pressure for greater regionalisation of the public sector (ABS 2019) and little community tolerance for categorising parts of major cities as regional.

The reality is that things won't snap back into old and familiar places. We've come too far for that, and the public sector has led the way to the new normal.

The shared approach and the common ground established since Covid-19 erupted have enabled step-changes to policies, programs and operating arrangements. Under other circumstances, those changes would have taken much longer or wouldn't have occurred (IPAA 2020b). The challenge will be to build on the changes when this crisis is over.

## Working to the new normal

The third phase of the Covid-19 pandemic is the phase of opportunity: work to the new normal. That's when we should implement a new national vision that values (and pays more to) nurses, teachers, childcare workers and supermarket staff, and that gets out of the way of businesses that have demonstrated their innovation, resilience and commitment to their workforces.

For the public sector, this means continuing to deliver practical community solutions with the same sense of urgency and flexibility through:

- placing equal emphasis on delivering services today and thinking ahead for tomorrow
- facilitating and implementing cross-sectoral, cross-jurisdictional community solutions
- redefining the social contract of public servants to ensure a stronger whole-of-public-service connection
- allowing teams to self-manage and make local decisions.

For government, it means respecting the policy expertise of public servants and involving them in consideration of the big challenges to drive better governance and community outcomes.

Responding to the Covid-19 pandemic will show that resilience, investment in digital services and higher levels of engagement with the community are essential. Those should be the guiding principles for the public service of the future.

## **A new future-proofing approach**

A national transition plan is dependent on distributing resourcing and evaluating benefits differently. The Independent Review of the Public Service recommended reinvesting part of the efficiency dividend in transformation, capability, digital transformation and public capital (PM&C 2019).

The current efficiency dividend serves to slash functions beyond what's sustainable. Applying an outdated framework for a different purpose is never effective. Instead, we need a future-proofing approach that invests today's savings in policies, programs and services that respond to what citizens will need tomorrow.

## **Seize the opportunity**

Focused effort from the public service is contributing to flattening the curve and preparing us to get on with what's important. Defining and working to the new normal requires the public service to regain its lost relevance as an adviser to government. The APS needs to recognise that it isn't the only conduit to government and build on the arrangements and cooperation evident during the response to Covid-19. In future, the public service should do the following things:

- Facilitate and embed cross-jurisdiction and cross-agency communication and engagement in the development and implementation of policy.
  - Leverage national ability and experience to solve complex problems.
  - Develop and nurture effective partnerships and shared goals.
  - Allocate and prioritise selected resources to longer term thinking within a whole-of-nation context.
- Maintain the momentum of cross-jurisdiction cooperation and cross-agency teamwork.
  - Develop high-level options for government decision and guidance.
  - Identify longer term trends, challenges, risks and opportunities.
  - Establish a mechanism for longer term accountability for the advice provided to and decisions taken by the government.
- Ensure that leaders and senior executives empower teams and, in turn, provide themselves with time to think.
  - Anticipate requirements from ministers and supply prompt, relevant advice.
  - Ensure due recognition of effective advice and well-informed decisions.
  - Encourage and support the mobility of relevant skills and experience to address priority challenges and opportunities.

- Set agreed guidelines and push responsibility and decision-making (down) to the right level.
- Manage, rather than avoid, risk.
- Promote and nurture innovation and entrepreneurialism.

The APS is rising to the Covid-19 challenge, but it will be important to take these operational changes into our post-Covid-19 world.

Our future is dependent on how well the public service can embed cross-jurisdiction and cross-agency cooperation, sustain a sense of urgency and lead in order to empower others. In the process, the public service will regain its lost relevance.

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# Key terrain: Rethinking nation-building in northern Australia

John Coyne

In February and March 2020, the Northern Territory (NT) was critical to the federal government's efforts to repatriate, isolate and accommodate many of the Australians evacuated from Wuhan (Wahlquist 2020). Since then, the NT Government has successfully closed the territory's borders and introduced social isolation measures (NT Government 2020). The government, to its credit, has also managed to restrict Covid-19 transmission into the north's highly vulnerable Indigenous communities. To date, northern Australia has fared well during the Covid-19 pandemic; it has faced a particularly low rate of infection with much less social impact on its communities.

The NT Government has managed to use the territory's geographical isolation and low population density to its advantage. Wet seasons and devastating cyclones have also contributed to higher levels of personal and supply-chain resilience in northern Australia.

The ongoing challenges of managing Covid-19, and its economic impacts, will continue to demand the attention of our best and brightest policymakers for some time to come. Many of them will be happy enough to acknowledge northern Australia's pandemic success and then double down on successive governments' policy statements on the strategic importance of northern Australia, but such thinking would deny the federal government an opportunity to develop a coherent long-term plan for the north and its critical role in Australia's national security and resilience.

## Relying on chance

In the lead-up to the global Covid-19 crisis, Australia's pandemic readiness policies were overexposed to short-sighted budget cuts underpinned by an oversimplistic efficiency philosophy. The long-term development of critical infrastructure was left to the whims of market forces. And our nation-building efforts were underpinned by a user-pays model that prevented the development of spare capacity and resilience.

Unsurprisingly, much of Australia's initial Covid-19 response was reliant on good fortune. Australia's evacuation of almost 600 of our citizens from Wuhan, while successful, illustrates just how lucky we've been.

By the first week of February, the government was seeking to repatriate Australians from Wuhan and quarantine them to prevent a further outbreak of Covid-19 in Australia.<sup>1</sup> The government needed a remote location where the evacuees could be socially isolated from each other and safely quarantined from the broader Australian community for 14 days.<sup>2</sup> This was where Australia had its first stroke of good luck.

In February 2019, in response to concern over the possibility of a sudden wave of asylum seekers because of changes to refugee medical transfer laws, the Morrison government re-established the Christmas Island detention centre. Therefore, the availability of the centre had more to do with Australian politics than with deliberate preparedness planning.

Further evacuations from Wuhan a week later required the use of a second quarantine site, and Australia's run of good fortune held.

In 2012, Japanese oil and gas consortium INPEX began work on its Ichthys LNG project in Darwin (INPEX, n.d.). In 2014, after spending almost \$600 million, INPEX opened an accommodation village at Howard Springs near Darwin for its construction workforce. The 67-hectare village was capable of accommodating 3,500 workers.

When the construction phase of the Ichthys project was completed, the village was no longer needed. INPEX faced a \$30 million remediation bill for the site. But, in another stroke of luck for the Australian Government, the consortium sold the village to the NT Government for \$1. Over the past 12 months, the NT Government spent \$8 million maintaining the site.

Since the Bali bombings in 2002, Darwin has served as a triage centre for Australians evacuated from Southeast Asia. The Australian Medical Assistance Teams, which are responsible for enhancing Australia's capacity to provide clinical and academic leadership in disaster and trauma care, operate from Darwin (NCCTRC, n.d.). Despite these facts, there was little federal government interest in using or assisting in maintaining the Howard Springs site, which would eventually become critical to Australia's Wuhan evacuations (Wahlquist 2020).

One powerful lesson from the first few weeks of the pandemic was that our national resilience can no longer be left to chance. The lessons here aren't just about pandemics but also risk preparedness and resilience.

## **Northern resilience**

Some policymakers may be content to consider the Covid-19 pandemic an unprecedented once-in-a-lifetime event. Unfortunately, the scientific evidence suggests that Australia needs to constantly maintain a high level of readiness for pandemics. Covid-19 has shown the importance to that readiness of geography and proximity.

It seems likely that climate change will continue to drive the frequency and intensity of extreme weather events. Australia is likely to increasingly need to be ready to evacuate its citizens from across the region, if not the world. We'll also need to be ready on short notice to provide disaster response and humanitarian assistance in support of our neighbours.

Even before a vaccine for Covid-19 is found, the federal government will need to consider how to enhance the readiness and resilience of northern Australia to respond to future crises. Darwin would probably be Australia's forward operating base in any effort to support Timor-Leste or Papua New Guinea to deal with Covid-19. Future readiness preparations will require the presence of defence capabilities, the prepositioning of strategic medical stockpiles, energy resilience and critical infrastructure investments.

In the interim, the federal government should keep the Howard Springs accommodation village operational indefinitely. And there's a sound argument for it to be equipped with medical equipment, including respirators, so that it can be used to deal with spikes in infection and regional responses.

## **Key terrain**

Even before Covid-19, northern Australia had become key political, military and economic terrain in what was quickly becoming a new era of major-power competition. Despite those developments, Australian policymakers struggled to develop a cohesive northern Australia strategy.



In December 2019, Defence had finished the first draft of its internal review of Australia's 2016 *Defence White Paper* (Packham 2019). The review was meant to test the White Paper's underlying assumptions. Arguably, the economic, social and geopolitical changes driven by Covid-19 will be historically significant, and that will require all-new thinking about northern Australia.

An 18-month to two-year long global Covid-19 crisis will have deep economic, social and security repercussions. In this environment, the only strategic certainty that will prevail is likely to be the truism that geopolitics will be increasingly unpredictable.

Strategic uncertainty is accelerating changes to how Australia, its allies, friends and competitors understand northern Australia's geography. In a military sense, that geography has ensured that ADF capabilities in the north remain fully operational during the Covid-19 pandemic. In contrast, the operational readiness of key US capabilities in strategic locations across the Indo-Pacific has been degraded by the pandemic. Defence strategists in Washington and Canberra would do well to consider what lessons could be learned from this, especially about maintaining the operational readiness of their capabilities.

Australia's ability, at least to date, to slow the spread of Covid-19 and the unprecedented success in Australia's north are likely to pique the interest of US military officials. To be fair, they're likely to be the same officials who were already attracted to northern Australia by its strategic geography and world-class training facilities. The US was already building critical strategic infrastructure, such as bulk jet fuel storage in Darwin, to mitigate Australia's lack of investment in resilience. It seems very likely that before the end of the Covid-19 crisis Australia will receive requests to increase and broaden the US military presence in Darwin.

For the ADF's leaders in Canberra, raising, training and maintaining capability in Australia's north, particularly Darwin, is an expensive proposition. Despite ongoing strategic commitments across consecutive Defence White Papers, the ADF's presence in northern Australia, especially that of the Army in Darwin, has been in decline. Decisions on force posture in northern Australia ought to align with broader defence policy and be guided by the threat context and mission requirement, not just efficiency.

With a greater US presence likely, and the possibility of an increasing number of short-notice humanitarian assistance and disaster response deployments, the ADF will need to reconsider its decreasing operational footprint in Australia's north. At the very least, Defence will need to revisit the planned movements of specific capabilities, such as Army aviation assets.

## **Nation-building in Australia's north**

Covid-19 has already shown that market forces don't always promote adequate national resilience in myriad areas, from broadband bandwidth to the capacity to produce basic medical supplies. Until now, long-term Australian funding of national resilience and responsiveness has often seemed economically inefficient. Little surprise, then, that policymakers regularly looked to the market to provide such resilience, especially in critical infrastructure investments. However, the creation of spare capacity is often not a commercially viable prospect.

In contrast, Japan's massive investment in energy resilience through the INPEX LNG plant near Darwin and Sun Cable's proposal to build a \$20 billion solar farm to supply power to Singapore illustrate the kind

of strategic thinking that Australia needs for nation-building in the north. Forward-leaning countries view energy resilience as critical to national security. They also recognise that such activities are long-term investments that need to be nurtured rather than left to the whim of market forces.

The Covid-19 pandemic has made it increasingly clear that Australia's current model for nation-building infrastructure investment is far too narrowly focused. The notion that such investments should be funded mainly by those who directly benefit from them is reducing the country's resilience. This is even more obvious in the north, where Defence so often wears the cost of developing infrastructure that ought to be funded as part of wider national security or nation-building programs.

The debt-based Northern Australian Infrastructure Facility and user-pays nation-building efforts are unlikely to result in anything more than passing peaks of economic activity. Unfortunately, those arrangements aren't supporting the kinds of large nation-building efforts needed in Australia's north, where the Australian Government should be considering ambitious investments. Private-public partnerships focused on providing national and regional energy resilience should be given priority. For example, the development of condensate plants in the NT could give us the capacity to meet some of our liquid fuel requirements.

National security and resilience need to be a far greater consideration in northern development policymaking. As a starting point, the Morrison government needs to consider appointing a senior secretary-level national security adviser. That adviser would need to help ensure that Australia's Covid-19 recovery efforts have a strong focus on building greater national resilience and security across the breadth of the country's nation-building efforts.

After Covid-19, Australia's north will continue to be critical to the nation's economic and military security. However, northern Australia's full value in terms of national, energy and human security will be realised only if the federal government brings a far more open-minded approach to nation-building.

Successive governments have made strategic commitments to Australia's north. They now need to take concerted action to assure our national resilience. This will require a paradigm shift in Australia's policy thinking. Without this kind of investment, Australia might not be as lucky facing future national challenges as we've been so far, or we may find ourselves being reliant on the efforts of other governments for our national resilience.

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# Organised crime

John Coyne

Organised crime groups across the globe appear to be struggling, like the rest of us, to maintain their old ways of doing business during the Covid-19 pandemic. To date, there's little evidence to suggest consistent responses to Covid-19 across or between organised crime groups. In the *favelas* of Brazil, they're using Covid-19 as an opportunity to cement their legitimacy as an alternative authority to government (GIATOC 2020a). Colombia's criminal groups are using the government's lockdown to locate and execute their enemies (GIATOC 2020b). Mexico's infamous cartels are struggling to source the precursor chemicals they need to manufacture synthetic drugs such as methamphetamine. In the US, constrained international supply chains are leaving organised crime groups increasingly unable to meet the local market's unquenchable demand for illicit drugs.

By necessity, most organised crime groups will initially respond to Covid-19 by reducing their activities. What they'll do next, how they'll fare during the crisis and what they'll look like afterwards are not yet set. Many will be weakened by the seismic societal changes being brought about by Covid-19. However, those entrepreneurial groups with dynamic business models and flexible organisational structures will be quick to either find and then exploit new opportunities or develop new methods of operation.

## Testing assumptions

The Covid-19 pandemic is already showing that some of the assumptions underpinning Australian law enforcement strategies need to be reconsidered. Illicit drug supply illustrates this point particularly well.

Australia's national drug strategy has a three-pronged approach: supply reduction, demand reduction and harm minimisation (DoH 2017). Supply reduction has traditionally been a frontline program that targets drug dealers and importers to reduce the availability of drugs (Coyne 2020a). It's believed that, if we can reduce the number of dealers and the availability of drugs, we may prevent drug use as well. The strategy's underpinned by a straightforward assumption that the seizure of increasingly larger quantities of drugs results in reduced supply in our communities. In practice, seizures, be they large or small, are unfortunately not resulting in reductions in the availability or purity of drugs (Coyne 2018).

Law enforcement agencies' second assumption is that the impacts on domestic illicit drug availability resulting from large law enforcement seizures are masked by criminals stockpiling drugs in Australia (Coyne 2020b). Early indications suggest that the federal and state and territory governments' Covid-19 measures are already having more impact on the domestic availability of drugs than seizures have. If there are illicit drug stockpiles, they don't appear to be sizeable enough to outlast the Covid-19 lockdown, which raises the question of why, under normal circumstances, law enforcement seizures have such a limited impact on domestic supply.

## Drug treatment demand

If initial reporting from the US and the UK, where retail illicit drug prices have reportedly increased by several hundred percent, are anything to go by, we can expect significant price rises very soon (Grierson 2020). Rising drug prices and decreasing availability are likely to result in an increased demand for drug treatment services in Australia over the coming months. Australia's residential drug treatment programs

are already oversubscribed, so they have little capacity to meet a surge in demand (White 2020). Indeed, it's likely that their existing capacity will be reduced by social isolation measures.

## New priorities

Over the coming months, organised crime groups, especially those with deep transnational links, will be looking for new criminal opportunities to offset the short-term decline in illicit drug profits.

In its 2018 *Transnational organised crime threat assessment*, the UN Office on Drugs and Crime estimated that the market for fraudulent essential medicines in Southeast Asia and Africa was worth US\$5 billion per year (UNODC 2020). It's likely that the market for such goods in Australia, and across the region, is now worth substantially more.

Those groups located in mainland China or with deep connections to China's industrial heartlands will probably seek to move into manufacturing and distributing fake medical supplies (masks and hand sanitiser) and fraudulent essential medicines. The market is likely to be particularly attractive to organised crime groups because of the current demand for those products. For groups in some jurisdictions, the legal penalties for the distribution of fake or contraband medical supplies are substantially less than those for their traditional criminal activities.

While business models will vary, groups are likely to focus initially on selling those goods for inflated prices in markets in which demand has outstripped supply. In other markets, the goods may be sold at a cheaper price than those legally available.

For Australian law enforcement, the investigation of crimes related to counterfeit goods, fake pharmaceuticals and breaches of intellectual property rights generally have a low organisational priority. During the Covid-19 pandemic, the investigation of those crimes and the disruption of the associated illicit supply chains will need to become a priority—perhaps even higher than that for illicit drugs.

The origins of Covid-19 are yet to be agreed upon, but it's clear that the continued trade in and consumption of exotic wildlife presents a future pandemic risk. While the future of China's 'wet markets' is far from certain, it seems probable that the demand for exotic animal meat and by-products will continue unabated. That demand creates the illicit trade in exotic wildlife across the Mekong region. To date, investigations into the illegal trade in wildlife haven't been an Australian law enforcement or policy priority. In the wake of Covid-19, Australia needs to play a much stronger role in combating the region's illicit trade in wildlife.

## A change in the global order

It appears likely that the Covid-19 pandemic will bring about significant changes to transnational serious and organised crime. For much of the past decade, Mexican cartels were the dominant organised crime groups in central and north America, especially for the manufacturing, trafficking and sale of illicit drugs. Those groups have regularly adapted to meet consumer demands and now enjoy market domination for a variety of drug types, from cocaine to fentanyl. Those same groups have expanded their operations across the globe and integrated their supply chains with those of other groups.

The Mexican cartels' domination of global illicit drug supply chains is likely to be substantially disrupted during the Covid-19 pandemic. Their access to cocaine from Central America and synthetic drug

precursors from China will be severely constrained. Their access to North American markets will be increasingly constricted by reduced trade and people flows across the US border. Without a product to sell, the cartels' international relationships will rapidly dissipate.

The production and distribution of illicit drugs and their precursors in China have been constrained by national lockdowns. The Mexican cartels' adoption of 21st-century 'just in time' global supply chains, and supply-chain integration with Chinese organised crime groups, have left them with diminishing access to the precursors needed to manufacture synthetic illicit drugs for their global markets. In contrast, risk-averse organised crime groups operating in the Mekong region maintained their old stockpiling habits. Local authorities in the Mekong estimate that those groups' existing precursor stockpiles could continue to support industrial-level methamphetamine production for a further four to six months.

Over the coming months, the Mekong region's organised crime groups are likely to cement their status as a global methamphetamine source. Their deep connections with the Chinese chemical and pharmaceutical industry and international markets will see them well placed to emerge from Covid-19 as a dominant global organised crime force. In addition to dominating the global manufacture and supply of methamphetamine, those groups are likely to adapt and begin producing other synthetic drugs, such as fentanyl.

## Illicit drug markets

Until now, illicit drug distribution in Australia has been an amorphous, multilayered distribution ecosystem. In that ecosystem, illicit drugs move from international wholesalers to importers and then through various domestic wholesale levels until they're sold to consumers. Covid-19 may very well generate the conditions necessary for revolutionary changes to illicit drug supply chains. Already, in Bangkok, the sale of illicit drugs has moved off the streets because of Covid-19. Increasingly, the drugs are instead ordered over social media and delivered by motorbike.

In Australia, the Covid-19 pandemic is likely to result in more direct links between international suppliers and domestic consumers. While ordering drugs over the internet isn't exactly a new phenomenon, in the past it's failed to become popular. However, the Covid-19 pandemic and the promise of contactless purchases are likely to result in greater engagement with a new online illicit drug supply ecosystem.

Such a development could well see substantial declines in bulk illicit drug importations. In a matter of months, Australia's mail and parcel systems could well be bombarded with an increasing number of micro-imports of illicit drugs. Under current law enforcement models, small imports are unlikely to be investigated and at worst would involve either a warning for the drug user whose package is intercepted or a fine. The international supplier might even be able to offer a replacement, should a government official seize the delivery, given the small quantities of drugs involved.

At present, Australia's law enforcement model is focused on the identification of major imports. The argument here is that the larger the seizure, the more likely that it's going to result in the disruption of illicit drug supplies and organised crime groups. A change to bulk micro-importations would demand all-new law enforcement investigation methods, disruption strategies and case categorisation and prioritisation models. Government should consider proactive investments in enhancing air and sea cargo and parcel screening.

## A way forward

Covid-19 is having immediate and long-term impacts on the way we live. The velocity and volume of those changes continues unabated. It seems that, while organised crime groups are likely to experience a period of decreased activity, very shortly the most entrepreneurial will begin to make the most of the crisis. Any government strategy focused on dealing with Covid-19 will need to consider and mitigate the risks posed by criminal groups.

Priority must be given to the immediate possibility of fake medical supplies (masks and hand sanitiser) and fraudulent essential medicines entering Australia. While the Australian Border Force has already made several seizures, a coordinated whole-of-government effort is needed. The establishment of a national fake medicine taskforce must be given priority.

Covid-19 will result in a drastic reduction in regional law enforcement operations. We'll also see a reduced level of police-to-police cooperation, which will affect the sharing of criminal intelligence. While the activities of many organised crime groups will be curtailed during the pandemic, some will be able to exploit the opportunities presented by preoccupied governments, reduced law enforcement activity and decreased multilateral and bilateral cooperation.

In a post-Covid-19 world, arresting senior criminal figures and making large drug seizures will have even less impact on illicit drug availability. Law enforcers and policymakers will need to adopt an effects-based approach to the disruption and mitigation of organised crime threats. This will be particularly important to any strategy focused on dealing with the impacts of a predominantly decentralised micro-import-based supply chain. An absence of large drug busts would hurt law enforcement key performance measures. An inability to disrupt high-volume, low-weight importations would have a devastating impact on the Australian community.

Regional engagement and law enforcement capacity development will continue to be critical. The Mekong subregion and China are likely to become even more important to Australia's counter organised crime campaign. For that campaign to be effective, governments and other policymakers will need to work more closely with law enforcers. That close relationship will need to create the conditions for a far more agile law enforcement capability.

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## Covid-19 and the media

**Brendan Nicholson**

One significant impact of the Covid-19 pandemic on the media is recognition by proprietors and editors of some of the wilder news organisations that their readers are demanding clean, clear facts rather than polemics.

There's been a realisation that the coronavirus story is so big and so dangerously immediate that most listeners and readers won't tolerate beat-ups and ideologically or ego-driven rubbish.

That may explain why some of the media organisations and individual commentators who've ridiculed the dire warnings of scientists about climate change have now set about earnestly explaining the implications of the raging virus and interviewing medical specialists about how it can be brought under control.

The revived appetite for expertise is timely. A strong and proactive media providing accurate information is vital to inform vast numbers of scared and confused people.

The economic devastation in the pandemic's wake has already had dire consequences in vulnerable parts of Australia. Dozens of rural newspapers, which are vital to community cohesion, are no longer being printed because drought, fires and now the virus have hit the business community hard and there's no money for advertising.

Such newspapers have been writing on their regions for well over a century. They've had a little government support but not enough to save many of them.

Some were already regarded by their owners as marginal and, once newspaper presses stop, they rarely restart.

With revenue drastically down, many journalists have been sent on leave. Redundancies are likely, and the media may lose some of their best practitioners. Even some large media companies might not recover, particularly without the high levels of government support going to other industries.

It remains to be seen how big an impact the Covid-19 experience will have on the reporting of the only slightly more distant challenge of climate change.

We don't know yet how bad the pandemic's health and economic consequences will be, but global warming's impact on people and the planet will be very much worse, as foreshadowed in regional disasters and in our bushfires. Alert members of the scientific, political and media communities are looking for lessons learned from the virus to help deal with the climate challenge before we're in crisis.

Climate scientists warn that change is happening faster, and it's already doing much greater damage than they anticipated—or than they were willing to state publicly. Some became reluctant to present worst case scenarios because they knew they'd be subjected to sneering rants by media commentators with no qualifications.

The pandemic has outed shock jocks and commentators who take fact-free controversial or ideological positions on issues and pander to various bases to please and manipulate them. People understand that Covid-19 is a deadly disease that must be fought with the best science, medicine and public policy. The demand is for truth and expertise, not opinion, division and fulmination.

The challenge is to apply this recognition about an urgent global threat to other big policy challenges that aren't yet crises, but will become so unless the Covid-19 mindset is brought to the way we debate and report on them.

Most journalists are committed to providing clear and accurate information. Many risked their own health covering the early stages of the pandemic, when little was known about its dangers or how to avoid them. That meant quickly getting across enough of the medical science to tell the story and to ask the experts intelligent questions.

The Covid-19 pandemic swept across the world like a viral tsunami, confronting governments with the responsibility of saving their people from a totally unexpected threat they couldn't see, they weren't prepared for and the progress and toll of which they could only guess at.

Decisions were, of necessity, made on the run. Many were wise; others were not. Some policies and regulations were well explained to those who had to enforce them; some were not.

The media have a responsibility to report on that process, and its consequences, to help straighten out the wrinkles—and to communicate credible information people can act upon.

That's included pointing out such silliness as the decision to fine a teenager and her mother, who was giving her a driving lesson, when it would have been perfectly acceptable for them to have driven together to mix with strangers in a supermarket. Media reporting saw that decision reversed.

Conspiracy theorists' claims that the virus is a product of electromagnetic radiation have been called out by the media, rather than propagated for ratings and controversy.

As fear of the virus mounted, many newspapers around the world noted the public hunger for information and ran, for a time, the best of their online coverage outside their paywalls in a bid to inform and recruit more readers.

In the US, that accelerated a process already being driven by public concern about the dubious claims made by Donald Trump, who insisted for weeks that the coronavirus was no more harmful than the flu and would soon go away.

The President's media conferences, with his backflips, frontflips and outright lies, have been compared, eloquently, to the English monarch's performance in the film, *The Madness of King George* (Evans 2017).

The urgent desire of many Americans to sort out fact from fiction has already boosted the followings of the more credible US media organisations and slowed the threatened decline of some great newspapers.

Donald Trump's idiosyncratic approach to the truth made effective fact-checking a necessary instrument in the White House media toolbox, and the pandemic has accelerated that process. It's also rehabilitated the brands of truth and expertise over gut feelings and what 'the base' believes.

Not only the 'old' or 'mainstream' media has been through a rapid learning experience.

Social media claims that African-Americans were impervious to the coronavirus proved sadly wrong. A greater proportion from poorer socio-economic groups are succumbing to the virus.



The World Health Organization website debunks the wilder social media assertions—that 5G mobile networks and mosquitos spread Covid-19, and that drinking alcohol, eating garlic and taking very hot baths will protect you.

Social media in China, on the other hand, provides crucial information about the pandemic and some of it is reaching the populace, despite the best efforts of the Chinese Communist Party.

The *Caixin* media organisation has bravely researched and pushed out information from the start of the pandemic. The party was rattled by the public reaction to the treatment meted out by police to Dr Li Wenliang after he warned that a new disease was killing patients in Wuhan. News of the doctor's death caused outrage across China.

Much of *Caixin's* work is being censored, but frank information is still being reported.

Globally, mobile phones and social media have given everyone the equipment to be a reporter, and 'citizen journalists' have produced some remarkable scoops—and some very unfair, unproven and unjust assumptions and allegations.

Trained professional journalists have more reason than ever to work within guidelines of fact-checking and reliable sourcing and to aim to 'get it right'.

According to Nielsen Digital Content Ratings, there's been a massive increase in readership of mainstream online sites (Pash 2020). *The Guardian* and *The Australian*, far apart on the political spectrum, have each more than doubled their online audiences over the past year, and many of the gains have been made in recent months as people sought information about the pandemic. Company executives hope to build on that support and pray that the 'streams', rather than 'rivers', of gold don't dry up when the crisis passes.

*The Conversation* website runs posts commissioned and edited by journalists but written by academic experts. It says that in March its audience in Australia and New Zealand doubled to more than 26 million reads.

*The Conversation* notes that clean information is as important to democracy as clean water is to health and says that, if we're going to make sensible decisions about key issues, we need the best data and the latest research.

For that reason, large and small media organisations need support as much as other industries. It's equally important for a strong and discerning media to survive to help ensure that extreme measures put in place to fight the pandemic are rolled back afterwards.

The US-based online magazine, *Foreign Policy*, has a view on why the Covid-19 pandemic and the climate crisis have been treated very differently by much of the media and many members of the public.<sup>1</sup> It says the climate crisis can feel so daunting that, instead of mobilising people to action, it engenders paralysis. It's released fresh climate coverage aimed at finding solutions.

The pandemic may demonstrate that people and governments can act across diverse and divided groups and sectors to tackle an enormously confronting challenge.

Journalists can play a crucial role in sorting out fact from fiction, and some media and specialist sites have begun adding by-lines for both a story's writer and another staffer who fact-checked it.

Not all in the media have shifted. Some American commentators rushed to declare the coronavirus a hoax designed to embarrass President Trump, but backtracked furiously once the cheap coffins began to pile up alongside mass graves on New York's Hart Island.

Dozens of American journalists and journalism teachers signed an open letter to Rupert and Lachlan Murdoch complaining about misinformation on the virus from *Fox News* (Walker 2020).

But those overwhelmed by the tidal wave of rubbish pouring out of *Fox* and the Chinese Communist Party's *Global Times* shouldn't despair. Truth is not dead.

As in any profession, the quality of journalism's men and women varies. Among those properly trained, the best are driven by a desire to expose wrongdoing, to make the world a better place or simply to tell a story. The worst are after by-lines at all costs, pursue unquestioningly the ends of whoever owns the company or follow some ideological dogma without significant human sympathy or grasp on reality.

The media's role is so crucial in these times that some will be tempted to impose tougher rules. However well meant, that's not going to work—and it's potentially a threat to free speech.

The change that's already begun is driven from within the media, and that's the only way it can be done. It's driven by professionals determined to keep truth alive, and they're sustained by the soaring public demand for facts and accuracy.

Far more effective than regulation or watchdogs, people's concern about the horror of the pandemic, and their demand for honest reporting, are fuelling a return to strong, fact-based journalism.

It's hard to get away with being a beat-up merchant or an ego-driven denier if your views conflict with the reality the public can see of the coffins stacked up in a burial production line in one of the world's great and much-loved cities.

Patrick Gaspard, a former US ambassador to South Africa, warned on the ASPI site, *The Strategist*, that great care must be taken to ensure that measures introduced to deal with a disaster aren't used by authoritarian leaders to entrench their rule (Gaspard 2020). Defending public health and defending democracy are two fronts in the same battle, Gaspard said.

If governments and regulators feel they must do something, then they should treat openness and transparency as a vital national resource. It's become increasingly difficult for journalists to obtain information from government, and with that has come a push to punish whistleblowers for revealing wrongdoing or bad policy, and reporters for reporting.

ASPI's Director of Defence and Security, Michael Shoebridge, told the Press Freedom Summit in Sydney last year that it was time to reassert the priority of healthy public disclosure (Shoebridge 2019). 'It helps journalists and officials understand issues and perspectives without breaching classification rules, and so helps set important behaviours and understandings,' Shoebridge said.

The public's demand for facts during the pandemic provides a good place to start opening the process up and to underscore the need for this behavioural change to continue after Covid-19.

Active journalism in free media will help us face other national and global challenges.

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# Business resilience

Karen Edwards and Jerry Cashman

## Introduction

A business continuity and disaster recovery (BCDR) plan considers significant business disruptions or events that may impair an organisation's core operations and sets out risk mitigation strategies for each event or disruption described. It would be hard to find an organisation that hasn't considered significant external business disruptions—such as pandemic disease—that prevent operations from continuing for a prolonged period. However, because such an event is *unlikely*, mitigation strategies would have been considered *adequate*.

Covid-19 will challenge such *adequate* mitigation strategies and will threaten to cannibalise the core operations of many businesses, and indeed entire sectors. Now is the time to develop a strategy for Australia's workforce resilience.

## Entering a period of hibernation

For many organisations, the call to action for their BCDR plan came on Sunday 29 March 2020. Prime Minister Scott Morrison and Chief Medical Officer Professor Brendan Murphy addressed the nation and urged all Australians to stay home in an effort to flatten the Covid-19 curve to save lives and livelihoods. This included the direction that 'If you can, work from home ... for at least six months' (Morrison 2020). The Prime Minister has termed that period as one of 'hibernation'.

Hibernation implies preparedness, but few, if any, organisations were prepared for the extent of disruption brought about by the pandemic. Many organisations will wake from hibernation ill-equipped to face the challenges ahead without advice and support.

## Will Covid-19 be the reset button for returning to business as usual?

BCDR plans are designed to return organisations to business as usual once a disruptive event has passed. Covid-19 will challenge that notion, as the underlying assumptions about how we work, live and connect to the world have changed.

Many Australians who can work from home now do so. Online conferencing platforms have been effective in replacing office and boardroom meetings, and webinars are providing an adequate learning and training platform for the workplace. Undeniably, the social experience of being in a room for a meeting or training has changed; however, objectives are being achieved.

For some employees, the new experience of working from home has created the positive externality of the rediscovery of valuable time that was previously devoted to commuting or other business travel. Many Australians will take advantage of suddenly having an extra two or three hours every day to spend with family, exercise or participate in other leisure pursuits. Many employees may find this difficult to give up when organisations emerge from hibernation.

The pandemic has provided an opportunity to reimagine the organisations of the future. This is particularly so for organisations that were able to successfully reorient their core functions while still delivering their services and products. For some, this period has provided a chance to examine, re-evaluate and potentially create improvements and efficiencies to their business operations.

A strategy for future organisations that takes in the lessons from the pandemic is vital. For some organisations, the recovery will be prolonged, so short-term thinking won't help.

## Human impact

Working from home is not unusual. On the contrary, from 2015 to 2019 in Australia there was a steady upward trend in the proportion of employed Australians who have agreements to work regularly from home (ABS 2019). What's unusual is the sudden surge of people unexpectedly finding themselves reimagining their workplace at home. At the same time, many employees face competing responsibilities, such as caring for dependants, home schooling and sharing the new home office with other household members also working from home. Suddenly, dining-room tables have become prime real estate.

As if that wasn't a big enough jolt, people's inability to leave home due to social distancing and isolation rules, increased anxiety due to the virus, the withdrawal of social interaction and any combination of them are likely to test the mental wellbeing of Australia's workforce on a scale not seen before.

For many, the mental and physical impact from the pandemic will be great. It's essential to prepare and equip organisations to face the challenges ahead. A strategy that focuses on personal resilience when re-entering the workforce is critical. At the very least, the following areas should be addressed:

- Recognise and develop strategies to address mental and physical challenges, as well as opportunities for employers and employees returning to the workforce.
- Anticipate future turbulence and develop mitigating strategies.
- Create a step approach to re-enter the workforce, as that will reduce the shock of re-entering.

## Financial impact

The rational response to this crisis is to immediately move into survival mode when global supply chains are disrupted, social distancing measures are enforced, employees' capacity to deliver is tested, international and domestic borders are shut, the coronavirus percolates across the globe, and no one knows how long the crisis will last. That means cutting costs where possible, managing the economic loss as best we can, and holding on tight. While that approach is rational, it provides little assurance to business owners, operators and other stakeholders.

The Australian Government's economic response is providing sustenance for organisations in hibernation through unprecedented stimulus packages (Treasury 2020). Those extraordinary and far-reaching measures are a desperate attempt to flatten the economic curve of the expected recession. Importantly, the measures are providing much-needed assurance to all parties that everything is being done to get businesses through to 'the other side' of Covid-19. It's too early to say whether the measures are working and, if they are, to what extent. Similarly, it's too early to determine the opportunity cost and political risk of money spent on organisations and sectors that might not emerge as competitive as they were pre-Covid-19.

A strategy for an organisation's financial resilience should:

- provide plans and guidelines on reviewing budgets and forecasts with new underlying assumptions
- provide procedures and frameworks for crisis financial management
- provide guiding principles for scenario testing, including best case, worse case and mid-case scenarios
- anticipate future turbulence.

## Impact on business infrastructure

By the time you're reading this, many businesses, agencies and organisations in Australia have been operating in a mode that few imagined previously. This 'new normal' includes a massively distributed, remote workforce that's putting unexpected demands on remote-access infrastructure. We're all learning very quickly which aspects of our 'pre-Covid' BCDR plans have worked and which ones haven't. We're also learning exactly which elements of our operations are the most critical to ongoing viability and where to focus strained resources.

However, amid the crisis, we must consider this: much like strategic climate change thinking, IT and systems BCDR thinking must reimagine itself and focus on *business resilience* planning. Business systems design and architecture shouldn't focus on how to return to 'normal' after an event as quickly as possible. Instead, we should be working to re-architect systems to decouple from physical locations and become more resilient and adaptable.

We need to evolve our thinking and plan to support our workforces outside the traditional security of the physical office. This new way of operating doesn't just cater for the few (usually senior) 'road warriors' who have been mobile for years. Consider the advice from government: 'Everyone who can should work from home.'

This event has thrown a huge challenge at IT and systems planners. The response to the challenge will be business systems and modes of operation that will be flexible and will bend with disasters, not snap and fail.

Strategic business resilience should consider the following factors:

- IT and business support should be critically examining the way our organisations are functioning *right now*, as we can learn valuable lessons that might be forgotten otherwise.
- Security is critical but must be balanced with utility. Consider the flexible segmentation of applications and functions to provide 'just enough' security for each, as appropriate.
- Countries have quickly closed their physical borders in response to the pandemic. Consider the impact of countries closing their *network* borders and how that would affect your resilience plans.

## Conclusion

The current degree of uncertainty about the future poses widespread personal, economic and structural challenges for many organisations. The term 'BCDR plan' implies a return to the past; however, that concept is not big enough following a global pandemic. A strategy that takes into account what we learn from this pandemic and how we work, live and connect after Covid-19 is the key.

Organisations need financial, policy and regulatory support to assist them to transition out of hibernation and to re-enter the workforce with a new set of underlying assumptions.

## Recommendation

The government should establish an advisory group with members from government, industry and welfare communities. The advisory group should quickly act to develop a strategy for Australia's workforce resilience. The strategy should consider personal, economic and business infrastructure resilience to prepare and equip organisations to face inevitable challenges when they wake from hibernation. This will ensure that organisations will have a go-to resource to help them bounce back and be ready for when the pandemic wanes and the economy grows again.

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# Returning to work during the pandemic: Testing, surveillance, apps and data as our near term future

Michael Shoebridge

The early signs are that the national cabinet's social distancing measures, and the Australian people's compliance with them, are slowing the rate of growth of Covid-19 infections. Plenty of voices are already speculating about various restrictions being lifted, if not in quite as uninformed a way as President Trump. (Samuels and Chalfan, 2020)

It's tempting to feel that we've succeeded so we can all relax now, but I don't think anyone looking at the world, listening to those with real knowledge and examining the evidence thinks that's possible. As our premiers, our Chief Medical Officer, international experts and Australia's own Norman Swan tell us, we're nowhere near ending this pandemic in Australia. (Ferguson, Visontay and Snowden, 2020; Swann, 2020)

We won't be unless one of two things happens: we get a vaccine that's effective and widely available faster than even the best case accelerated development says is possible (still some 12–18 months away), or we suppress Covid-19 inside Australia's borders and keep those borders sealed biologically against the virus. (Walker, 2020)

Let's imagine we don't get either of those answers in the next six months, or for some time beyond then. So, the coronavirus remains highly infectious and also devastating for a sizeable chunk of the Australian population, and its spread can be limited primarily through social distancing, rapid quarantining of the infected and the isolation of our most vulnerable.

Let's imagine also that the current social distancing measures stay in place, but we enable sections of our society and economy to resume business through specific measures designed to allow that, while preventing a reacceleration of the spread of the virus.

How might we do this? For all the WHO's systemic failures on Covid-19, and its shameful prioritising of Chinese Government sensitivities over global health, the organisation's boss got one thing right a little while ago when he said countries should 'test, test, test'. (Farge and Revill, 2020) Vox magazine's survey of experts on this put it better: 'Test millions. Test early. Test late. Test over and over. Test until the whole damn pandemic is over.' (Irfan, 2020)

Step one in controlling Covid-19 in a world without a vaccine is having data on who has the virus, who hasn't, and who has had it but recovered. Doing this means having extremely widespread testing operating across the Australian population, every day (Woods and Batniji, 2020). That testing either happens in our homes or on our arrival at places of gathering.

That's the world that people in Wuhan are living in now (Bloomberg, 2020). It's in no way 'back to normal' pre-virus, but it's not a complete lockdown either.

The practicality of such widespread testing depends on the availability of tests that are cheap to manufacture, simple to distribute and simple to administer and evaluate. This seems to be becoming a practicality, as researchers are developing tests that spot both infection with the virus and antibodies that show a person has had the virus (Abbott and Roland, 2020).



Finger-prick tests seem the most likely candidates (Smith, 2020). Early versions haven't been accurate enough to be useful, showing too many false negatives and false positives; however, rapid development continues. If tests can't be sufficiently simple and accurate to take at home, then we're back to the Wuhan model of testing on arrival at any places where groups need to gather in numbers for work or education. That allows trained personnel to administer and evaluate tests. The issue then becomes being able to test people rapidly as they arrive, both for efficiency reasons and to minimise infection being spread while people wait.

Tests and results are not enough, obviously. The data from them needs to be analysed in as close to real time as possible and used for rapid decision-making if we're not to face a re-emergence of Covid-19 spread at scale in our population. Here, there are also promising developments.

The Wuhan experience shows Chinese authorities using WeChat—a widely available social media application that's also a 'hub' for Chinese citizens to engage with government authorities—as the data gatherer for their tests. This can allow those who test negative for the virus or who show that they've already been infected but have recovered to be given what is essentially a 'digital Covid-19 passport'.

Such a digital passport can allow individuals to enter workplaces and to travel and interact with others for that day. Its renewal depends on the test result next day.

A non-authoritarian parallel is the unprecedented cooperation between Apple and Google to use people's smartphones and their Bluetooth proximity detection capabilities to be a ubiquitous and real-time contact-tracing system for nations' health authorities (Schechner and Winkler, 2020). Imagine widespread real-time testing on arrival at workplaces, schools and universities, with test data fed to an app that also enables real-time contact tracing for those who've come into contact with a person who is infected. Iceland's government has already approved an app that uses GPS to track users, and users can allow access to that data for government contact tracing (Schwartzel, Sider and Haddon, 2020). One-third of Icelanders had already downloaded the app shortly after its release. Reports say the national cabinet is considering an opt-in app for this purpose (Probyn, 2020).

We would be wise to supplement this individually based testing with community health surveillance measures, such as analysing infection prevalence and location through sewage testing, as is done with illegal drugs (Le Lievre, 2020).

This combination of testing, analysis and surveillance could get many Australian workplaces and educational institutions back to some kind of operation beyond working from home well before a vaccine is developed.

It would require as strong compliance from our population as we're achieving with the current social distancing measures. And those measures would need to stay in place except for the workplaces and educational institutions that we could resource sufficiently well with testing.

The Apple and Google approach apparently protects individuals' identities from other users, who simply get an alert that they've been in close proximity to someone who has tested positive for the virus. The identities of those who do test positive would need to be shared with health officials for the app to be effective, however. Iceland's approach is based on individual citizens' consent to have their data provided to health authorities for contact tracing should they test positive. This opt-in approach appears to be what national cabinet is considering.

In parallel with testing and surveillance, we can expect to see therapeutic treatment of those who develop serious illness from Covid-19 to improve over coming weeks and months as Australian and international medical practitioners and scientists understand the virus and how it interacts with human bodies better, and as experimentation in treatment occurs globally (Ledfor, 2020).

There's enormous ground to cover to stop Covid-19 from being one of the ugliest killers that humans have experienced, (Horton, 2020) but that ground will be covered more rapidly than in the past because of the state of medical knowledge, the expertise of the globe's practitioners and researchers and very high levels of international cooperation.

As we've seen with ventilators and protective equipment, private initiatives are blossoming, but recognising them, making them coherent, and making their products available at scale is the work of governments. Where governments are shaping responses well (Taiwan, South Korea, New Zealand and Australia), the spread is being controlled; where they aren't, the pandemic is devastating (Italy, Spain, the US and Iran) (John Hopkins University of Medicine, 2020).

In Australia, the national cabinet can orchestrate the testing and surveillance measures set out above, but it will also need to fund test and app development, and fund the investments in manufacturing and the operation of this new regime. Hundreds of thousands or perhaps even millions of tests repeated every day will involve thousands of Australians in making, distributing and administering the tests and assessing results across the country.

More than just focusing and funding the work, our governments need to design the approach in a way that works for our democracy. Australians have implemented government-directed social distancing measures in their personal and business lives without a heavy-handed penalty regime or repressive violence from internal security personnel, unlike the Chinese Government model for its own people.

To stay true to our society and our successful approach to date, surveillance of our citizens' health status and daily contacts through technology needs to be designed and run as part of the existing health surveillance system, not the security apparatus of our government.

And government leadership and funding commitments are needed well ahead of the rollout of such testing and surveillance because of the need for development to be informed by government policy. It's also key because manufacturing capacity has to be built for test production, administration and evaluation at the national scale, and the data analysis and functionality have to be designed and built into an app or apps that the government will endorse and use to issue Australian digital Covid-19 passports.

The fastest and most successful approach will be a public-private partnership between test developers and producers, app developers and operators and the Australian state and federal governments. We might ask a 'first mover' government such as Iceland's to let us use its app as our own starting point to shorten development time.

The national cabinet can be the focal institution for this partnership, but we'll need new money—probably billions of dollars—as well as the horsepower of all our state governments, the Australian Public Service and the corporate heavyweights in the National COVID-19 Coordination Commission to make this work. You can see that even with united effort, this new regime is months away.

Even when it's in place, before a vaccine is widely available, Australians will need to practise social distancing as we are now—at home, at work and in any other places where people gather. That's because the testing and surveillance regime will have holes no matter how accurate and widespread it is, and the coronavirus is highly infectious. At the same time, showing we're getting people back to workplaces and educational institutions will help engage the sections of our population who continue to see the measures taken so far as an overreaction.

Social distancing practices at work will look a bit like your employer has become hygiene-obsessed and your colleagues suspect you of being either just plain dirty or dangerous. Anyone who feels at all ill will simply not be able to go to school or work. On arrival, everyone will be tested prior to entry. Those who test positive will be put into immediate quarantine, while those who enter will need to practise workplace hygiene protocols.

It'll be smart—and mandatory—to have minimal staffing levels in workplaces, to use at-home work to the maximum extent possible, and to have mandatory disinfection and cleaning regimes in place in individual workplaces, schools and universities.

How widely this combination of measures can be applied across Australia's workplaces and educational institutions will depend not just on resourcing and availability, but also on the nature of the industry and workplace.

Industries and workplaces with high levels of contact with transient chunks of the broader population will probably need to remain subject to current restrictions—think cafes, restaurants, food courts, shopping centres, cinemas and hospitality, tourism and public sporting organisations.

The hygiene and distancing protocols will probably be easier for advanced manufacturing workplaces, it turns out, as those workplaces are already pretty socially distant, with low levels of staffing and high levels of automation (The Economist, 2020). A lot of construction work is mainly outdoors and is also now more mechanised than labour intensive. And a regime of testing workers on arrival, combined with strict workplace health protocols, will probably be feasible for many other manufacturing, large-scale agricultural and white collar workplaces—including our parliaments.

Small businesses will struggle in the absence of almost ubiquitous community testing, unless 'precinct' approaches provide testing and health hygiene for facilities that house groups of such businesses (shopping centres and business parks are examples).

This diversity across workplaces and organisations means that taking the path advocated here—tests, data, apps and surveillance—will involve a clear and pervasive communication effort between our leaders and our people. Confusion about who's in, who's out, which businesses can start planning to get back into operation in facilities now closed and which must stick to what they have now will unravel this approach. And being able to explain how the health surveillance approach has been designed to work with our democratic society and to not be a part of any future national security surveillance powers will be key to bringing different parts of our population along. Again, this communication task is a job for the national cabinet.

So, our next few months look like what we're all living through now. If the months beyond that are to be any different, then this 'test, surveil and operate' model needs to be planned and resourced rapidly now.

This won't be the fabled 'bridge back' to pre-pandemic life our leaders spoke of a couple of weeks ago, but it will get as much of Australia as is feasible back to work and life in ways that let more of our economy operate effectively and that are able to be sustained until a vaccine is developed and available. Given that a vaccine might take longer than the best case scenario of a year from now, that seems worth doing.

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# Smashed like an avocado: The impact of Covid-19 on young Australians and opportunities for the future

Albert Zhang, Alexandra Pascoe, Daria Impiombato, Emily French, Hal Crichton-Standish, Julia Butler and Tracy Beattie

The Covid-19 pandemic has had significant economic and psychological impacts on young people in Australia. It has disproportionately hurt young people in casual work via loss of employment and income. Those losses have exacerbated pre-existing and underlying economic insecurities and intergenerational wealth disparities that concern many young people. The crisis has also compounded existing anxieties about the climate crisis and a lack of confidence in political leadership that's unresponsive to issues important to young Australians.

As we emerge from the Covid-19 crisis, the federal and state and territory governments need to seize the opportunity to refashion policies. Young Australians want to see an Australia that provides a fair and humane social safety net, promotes sustainable economic growth, encourages greater equity and gives more opportunities for our youth to thrive in the future.

## The economic impact of the pandemic on young Australians

Young Australians have disproportionately borne the brunt of Covid-19's economic impacts. Youth underemployment in Australia rose to 18.3% in February, and economists are tipping that youth unemployment could hit 20% as a result of the pandemic (Chalmers 2020).

The percentage of casual employees in the Australian workforce has remained steady over the past 20 years at around 25% (Das & Campbell 2018). However, the percentage of employees under 25 who work casually has risen from 47% to nearly 54% in the past 10 years, and younger Australians make up a high proportion of those in casual work (Jericho 2018).<sup>1</sup>

Occupation groups with the highest prevalence of casual workers include hospitality staff (79%) and food preparation assistants (75%) (Gilfillan 2018). Younger workers are highly represented in those sectors and have been among the first to face reduced shifts and diminished income, or unemployment and loss of income.<sup>2</sup>

Casual workers already deal with a great degree of uncertainty. They have limited entitlements to paid leave, their hours aren't guaranteed, and their employment can be ended without notice. While this is compensated by casual loading rates, 'junior pay rates' deduct 10% of the adult pay rate for each year that a worker is under the age of 21.<sup>3</sup> The underpayment of casual workers is already a political issue, but the pandemic has further highlighted the fragility of casual working contracts.

Further, the government's 'coronavirus co-payments' aren't scheduled to begin until 27 April, leaving many unemployed casuals not on any pre-existing government benefit scheme with over one month without income.

## Compounding economic and financial pressures

The economic impact caused by the Covid-19 pandemic has exacerbated existing financial pressures faced by young Australians.

Key measures used to slow the spread of the virus around the world, such as national lockdowns, movement restrictions and business suspensions, have led the International Monetary Fund to predict a post-Covid-19 recession that will be ‘at least as bad as during the global financial crisis or worse’ (IMF 2020). This generates great economic uncertainty for young people in a time of already high unemployment levels, rising living costs, stagnant wage growth and massive student debts.

The economic realities after the Covid-19 pandemic will hit differently for young Australians, who grew up with aspirations and expectations shaped by technology, globalisation and unprecedented social change. Fifty-four per cent of young people have said that Covid-19 has affected their purchase decisions, which is higher than among any other generation (FirstInsight 2020). Moreover, due to their financial insecurity, fewer young Australians will have long-term plans to buy a house.

Despite the high cost of living in Australia, payments such as Youth Allowance—an allowance specified for students or jobseekers under 24—are nearly half the cost of living in capital cities such as Melbourne and Canberra (ANU 2020, University of Melbourne 2020). The addition of the coronavirus supplement of \$550 a fortnight and the JobKeeper program have given many economically affected young people a rare chance to eat healthily and afford access to comprehensive health care (Freya et al 2020).

In future, society must recognise the inherent need to provide adequately for those who suddenly find themselves in need of welfare assistance. The significant increase to some existing payments during this crisis has given many a welcome reprieve and reason to hope.

## **Compounding wider issues and anxieties faced by young people**

The crisis has also compounded existing issues involving young people’s relationship with the climate, politics and mental health. As Australia transitions into a recovery phase from this pandemic, that recovery is likely to place further stress on younger generations unless it’s handled well.

Australia’s current wealth isn’t being used to effectively mitigate the effects of climate change, leaving younger Australians to ultimately foot the bill (Acevedo & Novta 2019). As the cost of the government’s stimulus package is likely to be paid in the future by young generations, the response to this pandemic has only made the economic future of young Australians less secure. April’s Ipsos Issues Monitor survey has confirmed such worries, finding that young people identify unemployment, cost-of-living pressures and the environment among their primary concerns (Wade 2020).

At the same time, mental health issues for young Australians will become more pronounced as job insecurity and social isolation increase. No doubt the mental health of all demographics will be affected as a result of this crisis, but young people will carry a particular mental burden, as stress is exacerbated by existing anxieties over climate change that many young Australians share (Taylor & Murray 2020). Supporting the mental health of Australians both during and after this pandemic should be an important factor in any response to the crisis.

Further, until 2020, young people were politically disengaged because they felt that politicians were not responsive to their issues. During the 2019 federal election, Australian electorates with the youngest median age had some of the lowest voter turnouts (Wright & Koslowski 2019), and an ageing population has led political parties to appeal to an ageing voter base (Wood & Percival 2019). Compared with previous generations, modern youth have also been less active in participating in protests and political parties.

For leaders, this presents a strategic opportunity to encourage the involvement of youth in the political process. There's also a responsibility to incorporate younger perspectives into decision-making.

## Recommendations

As the country enters a period of greater uncertainty, we must use that as an opportunity to address the socio-economic inequalities and anxieties facing young Australians that have been exposed by the Covid-19 pandemic.

We recommend that significant resources be put into improving mental health support for young Australians, particularly remote services for rural communities, which are at a greater disadvantage (AIHW 2018). Australia requires dedicated services for young people who need someone to talk to, including systematic follow-up support.

Addressing economic reform, Australia should ensure that not only the youth, but other minorities and the most vulnerable, all have guaranteed and timely access to essential social services.

A permanent increase in welfare payments to a level above the poverty line is essential. Despite continuously rising living costs, Youth Allowance has not increased for the past 25 years, leading 9 in 10 young people on the allowance to skip meals, and 1 in 3 to interrupt their studies for lack of funds (Davidson et al 2020). This contributes to intergenerational and cyclical disadvantage, as growing up in poverty negatively affects education and employment outcomes.

Research has shown that spending money on services such as JobSeeker or Youth Allowance provides greater economic and social advantages than tax cuts (ACOSS & Jobs Australia Ltd 2020). Because those payments are immediately spent, not saved, they create more demand and boost GDP, rapidly creating more jobs, benefiting regional communities and ultimately stabilising the country's economy in the long run (Triggs 2020). Socially, they significantly reduce inequalities by supporting Australia's most vulnerable.

A revision of the Fair Work Act would also assist in alleviating the concerns of casual workers and increase their sense of security, while signalling that Australia truly values its casual workforce. Casual workers remain excluded from several entitlements and, while they should be paid a higher hourly rate compared to full-time and part-time employees to supplement their lack of entitlements, that's often neglected (ILO 2016). Such issues should be addressed with high priority through the introduction of extra benefits for the young and casual workforce.

A more humane and robust social safety net should be accompanied by investments in education and training—for instance, in services that have proven to facilitate employment, such as vocational training and employment counselling—and fiscal policy that creates jobs in diverse and sustainable industries. This combined focus on social security and investments in health, education and employment will bring widespread and long-term benefits, not only for young people but for Australia more broadly.

Our politicians must demonstrate long-term vision and leadership. Political thinking needs to extend beyond the next election cycle, and a sense of bipartisanship on critical issues affecting Australia's future prosperity must be fostered. Action on climate change, investment in health and education in both urban and rural areas and investment in industries that deliver sustainable economic growth are vital to address the issues most important to young Australians.

We're optimistic that, despite the dark times we find ourselves in, the Covid-19 pandemic presents an opportunity for young people to reclaim their voice in the public arena, and for longer term thinking that considers the issues most important to young Australians. Boosting youth involvement in decision-making should be a two-sided effort by the government and youth to create a new, more inclusive and dynamic collaboration that will bring about the changes we all yearn for and need.

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## Notes

- 1 Seventy-six per cent of employees aged 15 to 19 years of age and 41% of employees aged 20 to 24 years of age are casual employees (Gilfillan 2018).
- 2 The United Workers Union has reported that 1,581 hospitality jobs, 8,173 shifts and over \$1.3 million in wages had been lost in a single week in March this year (Davies 2020).
- 3 These generally amount to a 25% surplus on the hourly rate (Gilfillan 2018).



# The world after Covid-19

## Health preparedness and biosecurity

Paul Barnes and Anthony Bergin

In 1854, London was beset by an outbreak of cholera in the vicinity of Broad Street in Soho. A local doctor, John Snow, convinced town officials to take the handle off the communal water pump on the street, making it impossible to draw water.

From an analysis of the location of households with the disease, he'd found that a common factor was access to water from the pump. The incidence of cholera almost immediately trickled to a stop (Frerichs 2020).

Physical distancing (as well good hand hygiene) is a modern manifestation of Snow's convincing authorities to remove the handle of the Broad Street pump.

Equally important is ensuring access to personal protective equipment (PPE) for frontline medical responders and support staff in acute settings. Capacity planning for meeting surge capacities in hospitals and the design of medical wards are also important.

The nexus of human, animal and plant health, along with agricultural practices, food production and human activity, are central to the current Covid-19 pandemic, given the likelihood that the transfer of the SARS-CoV-2 virus to humans occurred in a 'wet market' of live animals in the city of Wuhan. More broadly, around 60% of all infectious diseases in humans are zoonotic (transferred to humans by animals), and at least 75% of all new infectious diseases are from wildlife.<sup>1</sup>

Wet markets similar to those in Wuhan exist throughout much of Saharan and sub-Saharan Africa. Degrees of concern may exist, given that recent infectious disease outbreaks such as Middle East respiratory syndrome (Mers), Rift Valley fever and West Nile virus are all zoonotic in origin. One study of the 2002–03 sudden acute respiratory syndrome (SARS) outbreak suggested that a large reservoir of SARS-CoV-like viruses in horseshoe bats in southern China, combined with the long-established regional practice of consuming exotic mammals, was a cause of disease (Cheng et al 2007:683).

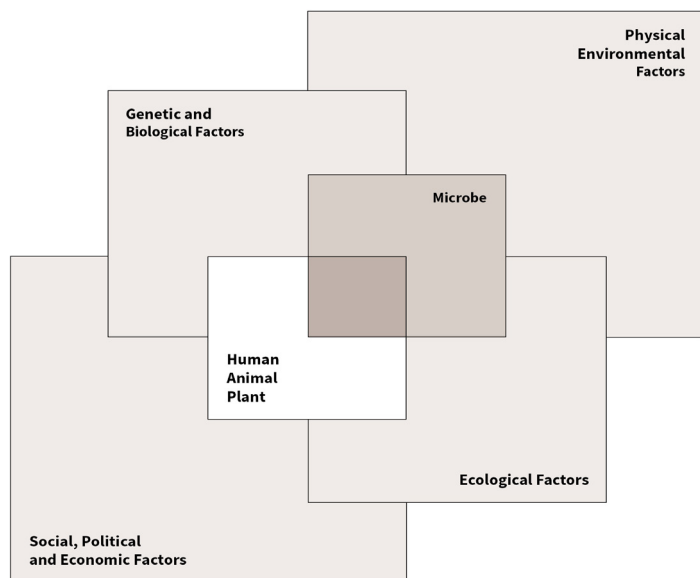
Some suggest that sudden appearances of diseases from zoonotic sources are difficult to predict, but that's a question of how agile state and global institutions are in disease surveillance and sharing data on confirmed instances of infectious outbreaks.

Health issues at the human–animal–environment interface can't be effectively addressed by one sector alone. Collaboration across all sectors and disciplines responsible for health is required. The World Health Organization (WHO), the UN Food and Agriculture Organization and the World Organisation for Animal Health have promoted a collaborative *One Health* approach, engaging physicians, nurses, veterinarians, epidemiologists, laboratory scientists, basic scientists and other health professionals to identify what could be done better to prevent future outbreaks or, at least, reduce their impact (WHO 2019).

*One Health* aims to achieve better public and animal health outcomes through understanding and preventing the exposure to pathogens that occurs at the interface between humans, animals and their environments.

As shown in Figure 1, the nature of exposure or contact between a ‘host’ and a ‘causal agent’ and the likelihood of infection are influenced by genetic and biological factors, physical environmental factors, ecological factors, and social, political and economic factors.

Figure 1: How disease can occur



Source: Derived from Smolinski et al (2003).

The four groups of factors cover a range of major determinants of health. Their influence can either increase or decrease the likelihood of a disease process commencing in human, animal or plant hosts. The nature of contact between a host and a causal agent is complex and well suited to the collaborative cross-skilling approach of the multisectoral *One Health* program. Australia should actively pursue the benefits of a *One Health* approach.

## Next steps

### 1. Establish an Australian centre for disease control

Three years ago, the Australian Medical Association called for Australia to establish a centre for disease control (CDC). We should act on that advice (AMA 2017). We don't have an established national authority delivering scientific research and leadership in communicable disease control.

A CDC would provide a national focus on current and emerging communicable disease threats. It would deliver the communication of technical and surveillance information and work with the states and territories to manage the allocation of public health workforces and resources to tackle emerging and current threats.

A CDC would coordinate Australia's work with other countries to build international public health capacity through expanding and managing communicable disease surveillance; prevention and control; environmental health; and health awareness and promotion.

## **2. Create a national bio-threat advisory group and a register of experts**

We currently have a Chief Veterinarian, a Chief Biosecurity Officer, a Chief Medical Officer and a Chief Scientist. But we need a collective focus through a national bio-threat advisory group on issues central to the *One Health* paradigm to benefit disease prevention and enhance the agility of our national response capabilities.

The Australian Academy of Science recently put out a call for experts to register if they can contribute to Covid-19 pandemic planning (OCS 2020). This should be applauded.

However, in conjunction with the Chief Scientist, we should also develop a register of experts—as a community of practice—for providing timely advice to government and the private sector on other national risk exposures, such as bioterrorism and climate change.

## **3. Ensure adequate supplies of personal protective equipment**

To achieve this goal, we need to enhance our national stockpile, diversify our supply chains and establish an in-country manufacturing capacity for PPE.

PPE should be regarded as a component of critical national infrastructure. There should be a standing order for Australian companies to manufacture these items. Government purchasing requirements should stipulate that PPE be Australian-made.

## **4. Establish a parliamentary inquiry into key medical supply chains**

We import 90% of our medicines. A significant proportion of our medicines are from the US, but a large component of US medical supplies comes from China.

Many of these supply chains are potentially unreliable and make us vulnerable to supply-chain interruptions. During the Covid-19 crisis, nations competed for essential medical equipment and supplies. At times, there might not be enough of a specific medicine in the Australian marketplace, leading to potential weaknesses in supply.

One recent study found that Australia is particularly vulnerable to medicine shortages arising from factors such as difficulties in procurement, political instability, another global economic crisis and a range of natural disasters (IIER 2020).

## **5. Enhance our hospital surge capabilities**

A 2011 Australian study found that, in the event of mass casualties in this country, between 59% and 81% of critically injured patients would be at risk of being denied immediate access to operating theatres (Traub et al 2011). Between 31% and 69% of critically ill patients were estimated to be denied immediate access to an intensive care unit bed. There was a shortfall of available X-ray machines of 38% for Australia. The study found that the physical assets in Australian hospitals don't meet US hospital preparedness benchmarks for mass-casualty incidents.

In the case of mass-casualty events, a recent cross-national survey of trauma centres revealed the need in Australia for greater engagement of trauma leadership roles in institutional disaster planning, a focus on real-world disaster drills, enhanced assessment and testing of the surge capacity of key specialties, accurate and timely information about staff capacity and training for disasters, and improved take-up of post-disaster plans (Gabbe et al 2020).

Improved preparedness of trauma centres will be needed to optimise responses to the growing number of mass-casualty incidents occurring worldwide.

## **6. Rethink aspects of hospital design**

In the light of the Covid-19 pandemic, there's a need to rethink certain aspects of hospital design (Brown 2020), including:

- the ability to rapidly reconfigure and repurpose departmental space
- the need for more isolation beds
- the need for 4-bed rooms to go
- the ability to delineate areas into 'clean' and 'dirty'
- airlock controls
- the ratio of negative pressure rooms
- restrictions on access points
- whether to future proof some hospitals into clean and dirty
- remote monitoring of patients through sensors.
- the capability to provide 'pop-up' emergency departments close to major hospitals

This is an issue that health ministers might usefully take up in the Council of Australian Governments (COAG).

## **7. Ensure regular mass-casualty/sickness drills for major hospitals (at least 50–100 casualties minimum) to test capability and capacity gaps**

Each jurisdiction should set aside one day a year to test the surge capacity of its health systems in an all-hazards context and one or two days for a national exercise. The most recent national pandemic exercise was in 2008.

## **8. Introduce national hospital surge standards**

The federal government should insist that all hospitals meet national standards on surge capacities and provide leadership to measure performance across the jurisdictions.

Comprehensive, state-by-state, publicly available government audits of national healthcare preparedness for pandemics and mass casualties (in which the quantity, severity and diversity of injuries and other patients rapidly overwhelm the ability of local medical resources to deliver comprehensive medical care) should be conducted regularly.

Setting national minimum standards for dealing with pandemics and mass-casualty events would allow hospitals to know what they're reasonably expected to be able to cope with and enable them to plan and resource appropriately.

There's a case for each of Australia's capital cities redefining one of its CBD hospitals as a national security hospital (Graham 2020).

## **9. Appreciate the benefits of state–federal cooperation in scenario planning for health crises**

National security has very often been run as a Canberra 'top-down' policy. Defence, foreign affairs and intelligence are all primarily federal responsibilities. Pivotal to decision-making during the Covid-19 crisis has been the creation of the national cabinet involving the Prime Minister, premiers and chief ministers.

As we've seen during the pandemic, the 'Canberra knows best' approach doesn't work when it comes to a health security crisis: the states have the key responsibilities for health preparedness and treatment.

We should use the Covid-19 model of the national cabinet, in which the states have been key players, to better integrate the roles of the jurisdictions in our national crisis preparedness and planning.

## **10. Enhance the role of local government in environmental health**

Local government needs to be bought into national crisis planning much more. The Australian Local Government Association is represented at COAG, but not in the national cabinet. Local government provides public health services. Resilience lives locally, so the importance of local government shouldn't be overlooked.

Australia has about 560 local government bodies. Local government is really the primary governance actor in many of our regional areas. More work needs to be done to see how local government could be better integrated into our national health security crisis planning.

## **11. Tighten our advance passenger processing regime and establish dedicated quarantine stations**

When our borders reopen post-Covid-19, we should require proof of vaccination or a certificate of immunity from Covid-19 before people enter the country by either air or sea. This could be part of our Advance Passenger Processing regime, just as airlines are required to see whether a potential visitor has an appropriate visa.

We also need standing arrangements for quarantine stations and not rely on our hotel sector. One appropriate site might be the former INPEX village near Darwin (Coyne 2020).

## **12. Australia, with like-minded economies, should promote a resolution in the UN General Assembly to pressure the shutdown of wet markets in China and elsewhere**

At the time of writing, China has reportedly banned wet markets, but some reports suggest that the Wuhan markets have been or are being reopened and that city officials have committed large sums of money to upgrade the city's farmers' markets in a campaign to improve hygiene practices.

The *One Health* approach recognises that preventing human diseases originating at the interface between humans, animals and their environments is critical. Given the likely transfer of the SARS-CoV-2 virus to humans in a live-animal wet market in Wuhan, there's a case for a concerted UN-focused effort to shut them down globally.

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## Notes

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# What impact is Covid-19 having on the global balance of power?

Rod Lyon

There are grounds for caution in attempting, in mid-April 2020, to distil the geopolitical consequences of Covid-19. The pandemic is still in its early phase. The datasets we have for infection rates and fatalities in different countries are unreliable, incomplete, or both. Further, it's not clear that any country has an effective strategy for managing the crisis. While social distancing has been effective in lowering transmission rates, we have as yet neither cure nor vaccine—nor even an assurance as to when either might be available.

My assessment of the impact of Covid-19 on the global balance of power begins with an assumption: that pandemics tend to magnify and accelerate geopolitical changes already underway in the international system (Lyon 2020). That's not a particularly radical assumption (see Haass 2020, Kahl & Berengaut 2020); indeed, critics argue that it encourages analysts merely to double down on their previous judgements about likely shifts in the global balance.

It's also worth stating, at the outset, that the global balance of power is *always* shifting—because states grow at different rates and are unevenly skilled at leveraging economic wealth, military force and soft power for national influence. But, in an average year, the balance changes little and slowly.

So when we're looking at the global balance of power, we're primarily interested in consequential changes and large perturbations—events that create a hegemonic transition or threaten one already underway. Such changes can sometimes occur with shocking suddenness. The Cold War ended with the implosion of the Soviet empire, and subsequently the Soviet Union, rapidly transforming a bipolar order into a unipolar one.

Is Covid-19 one of those large perturbations likely to lead to a consequential shift in the global balance? Let's break that big abstract question into two smaller, but more engaging ones. First, is the pandemic making major-power war more likely? Second, is it accelerating hegemonic change in the global order?

So, is major war more likely? Most readers will think the correct answer is 'probably not', simply because major-power wars are comparatively infrequent, especially in the age of nuclear weapons. And pandemics are more likely to drive international cooperation than conflict.

But that easy answer invites a deeper interrogation. It's entirely possible that we're headed into an era in which some of the barriers to major war—including the nuclear barrier—will be weakened.

With the US the current epicentre of the global pandemic, a global strategic order centred on US pre-eminence is more likely to be seen—by adversaries and allies alike—as suffering from a single point of failure. Risk-tolerant leaders of revisionist states might calculate that the pandemic opens a window of opportunity for them—a window during which they can act with relative impunity and little prospect of American intervention.

American and Australian strategists have worried in recent years about just that scenario—a situation in which either China or Russia attempts to create a *fait accompli* in relation to a specific strategic objective. For China, the objective would probably be the absorption of Taiwan; for Russia, the absorption of Ukraine.

Can nuclear deterrence prevent such adventurism? Not entirely. Limited adventures are the salami slices that challenge nuclear thresholds.

Indeed, part of the US worry is that China and Russia might see a 'red theory of nuclear victory' down that path. That's because the traditional US response to a *fait accompli*—think Saddam's occupation of Kuwait—has been to position in-theatre an 'iron mountain' of conventional capability that can then be used to reverse the outcome of the adversary's actions. The worry, of course, is that a nuclear power would pre-emptively attack the iron mountain with a nuclear warhead, simultaneously depriving the US of its conventional option and forcing it to confront an unappetising choice between nuclear escalation and acceptance of a new strategic reality.

Chinese and Russian calculations about specific strategic opportunities would be heavily influenced by the degree to which their own societies—and militaries—were already affected by Covid-19. They might also turn upon the more brutal logic of relative rates of infection, the timing of distinct 'waves' of reinfection, the pre-emptive quarantining of military units, or even the proactive infection of military personnel to 'vaccinate by exposure' before military operations. More ominously, they could even turn on which country discovers a vaccine first. If China discovers a vaccine appreciably ahead of its Western rivals—and can keep the details secret for some weeks—the likelihood of strategic adventure would increase (Allison & Li 2020).

Let's move to the second question. Is Covid-19 accelerating hegemonic transition in the international order? Here, the short answer is 'yes'—because an age of potential hegemonic transition was already upon us when the pandemic hit.

If we remember the world in 2019—for Australians a time before coronavirus, floods, bushfires and record levels of smoke haze—the global strategic order was already more contested than settled. Globalisation was in retreat. There were revisionist great powers in the system, and they were more likely to be risk-takers than the Soviet Union was in the days of the Cold War. China's sense of entitlement to a Sinocentric Asia and, down the road, a Sinocentric world, was of particular concern.

Moreover, the principal security guarantor of the current liberal order—the US—looked worryingly introspective and overstretched. Upholding, simultaneously, regional security orders in Europe, Asia and the Middle East, while attempting to ensure free and open access to the global commons in the maritime, space and cyberspace domains, was taking its toll. The US no longer enjoyed the buffer of sheer material power that it had when the alliance system was first built in the late 1940s and early 1950s—a buffer that had been renewed by the collapse of the Soviet Union but which was now largely gone.

As the buffer dissipated, and the costs of the 'forever wars' rose, US commitment to its own liberal order-building project waned. It was waning under Obama before the arrival of a Trump administration dedicated to domestic priorities and a transactional, what-have-you-done-for-me-lately approach to its own allies.

But the Obama administration managed to paste an international face on that agenda—Obama himself spoke of the revival of the US middle class as the prerequisite for continued global leadership. Trump has done almost nothing to sustain that portrayal. Worse, much worse, he has cut away at the credibility of US security commitments by his overt abdication of global leadership both before and during the Covid-19 crisis and by his clear reluctance to help even individual US states, such as New York.



The most noticeable effect has been a sudden quickening in the demise of the liberal international order that's largely shaped the world since World War II. US global leadership has suffered grievous reputational damage during the pandemic. And other Western nations, all of which have coasted for too long on the back of US strength and leadership, have found themselves abruptly cast into a world in which Washington refuses to lead.

## **What will recovery mean?**

Recovery from the pandemic won't mean an automatic restoration of Western strategic influence, but nor will it automatically enthrone a new global leader. In truth, none of the great powers has covered itself with glory. My assessment is that China patently lied about the scale of the outbreak, and Beijing's carefully targeted offers of 'assistance'—the offer of 1,000 ventilators for New York came only a day after Jared Kushner insisted that US states had no entitlement to the federal stockpile of ventilators—suggest an agenda of wedging and splitting, rather than a genuine effort to help.

Further, China has its own problems. Foreign manufacturing is leaving, technological 'decoupling' is in full swing, and the international markets that provided China with much of its wealth have collapsed.

Moreover, even before Covid-19 we were sliding into a world in which other countries—including India, Vietnam and Indonesia, for example—refused to 'choose' between the US and China. We could reasonably expect a number of more autonomous powers to be a feature of that emerging order.

After recovery, then, we'll see a more multipolar world, in which no single power has the reserves to dominate. Power balancing will once again begin to play a larger role in international relations—one it hasn't played since 1945.

The liberal order is likely to reappear as a shrunken vision of itself, something akin to a code of behaviour and cooperation among a relatively select fraction of the international community.

## **Will there be differences in future?**

That world is likely to be more strategically competitive, but it will be a competition lacking the moderating influences of the Cold War superpowers' typical risk aversion. Tomorrow's great-power competition looks like being risk-tolerant and opportunistic. In a world in which no single country has the power reserves to dominate, we might even be looking at the displacement of one hegemon without the emplacement of another. Opportunism will become more prevalent, and harder to reverse—an attribute that will favour revisionist great powers over their *status quo* counterparts.

## **Some policy prescriptions for the Australian Government**

First, we should see the world as it's likely to be. Richard Haass's 'world of disarray' is now likely to be even more disarrayed than he initially thought (Haass 2018). Indeed, Haass speculates that the 2020s and 2030s may bear a disturbing similarity to the 1920s and 1930s in terms of great-power competition, economic depression, the weakness of multilateral institutions and the lack of American leadership in global affairs (Haass 2020). It will be a more fractious and dangerous world than the one Australia has enjoyed since 1945.

Second, in that world it will be more difficult for Australia to pursue meaningful security through a ‘middle-power’ strategy of cooperating creatively with other middle powers to reinforce the rules-based international order. Such a strategy made sense when it meshed with our major ally’s effort to entrench liberal values and institutions, but international rules will be contested space for the next couple of decades. We’ll be living through an era when power is more important and rules are less important. Nations wanting to be seen as ‘players’ in that world must bring power to the table.

Third, in a world in which Western states turn increasingly inward, Australia will find itself living a lonelier strategic life. The twin cores of the liberal order in future are likely to be the separate strategic communities of North America and Western Europe. Each will have the power reserves to make itself a comparatively unattractive target for adventurist powers. In Australia’s region, we won’t have that advantage. We’re in comparatively greater danger of being forced into difficult strategic choices. Still, let’s not be lonelier than we need to be: we should look for regional partners willing to share the risks and benefits of power-balancing.

Fourth, although we haven’t wanted to admit this before, we must now take seriously the idea that we may have passed ‘peak ANZUS’. What does that mean? It means the alliance might not hold the degree of centrality it has previously enjoyed in our strategic and defence policy. While we shouldn’t overlook the possibility that Australia might yet benefit from America’s rationalising its current strategic portfolio—writing off some commitments while reinforcing others—we shouldn’t take such an outcome for granted. We need to find options that strengthen our capacities when the US isn’t the only game in town.

Fifth, we need to press ahead with a long-range strike capability. Just as the US alliance system as a whole suffers from a single point of failure—the US itself—so, too, the US hub-and-spokes model of alliances in Asia suffers from the virtual American monopoly of offensive weapons systems. The model was built that way, of course, largely because Washington didn’t fully trust its allies in Japan, South Korea and Taiwan (Cha 2016). But it’s time for the model to change.

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# China

Peter Jennings

Will the Chinese Communist Party (CCP) emerge stronger after Covid-19, to be even more tightly in control of the state, or will the damaging effects of the virus have weakened the party's grip on power? There are few more important questions, because CCP success or failure—the way in which the party consolidates its power or ultimately loses control of the instruments of state authority—will determine the internal stability of China and the stability of the broader Indo-Pacific region.

In this paper, I apply a simple scenario method to sketch out some plausible futures for the CCP and the Chinese state. The benefit of this approach is that it avoids making what can only be guesses about an unknowable future. Using scenarios also breaks away from an assumption often made by policymakers that, on current trends, tomorrow will look pretty much like today. From the Boxer Rebellion through to the Cultural Revolution, China's modern history has experienced many points of fundamental discontinuity in political control. Covid-19 could well be a catalyst for deep political change. Then again, crises can also be used to consolidate power.

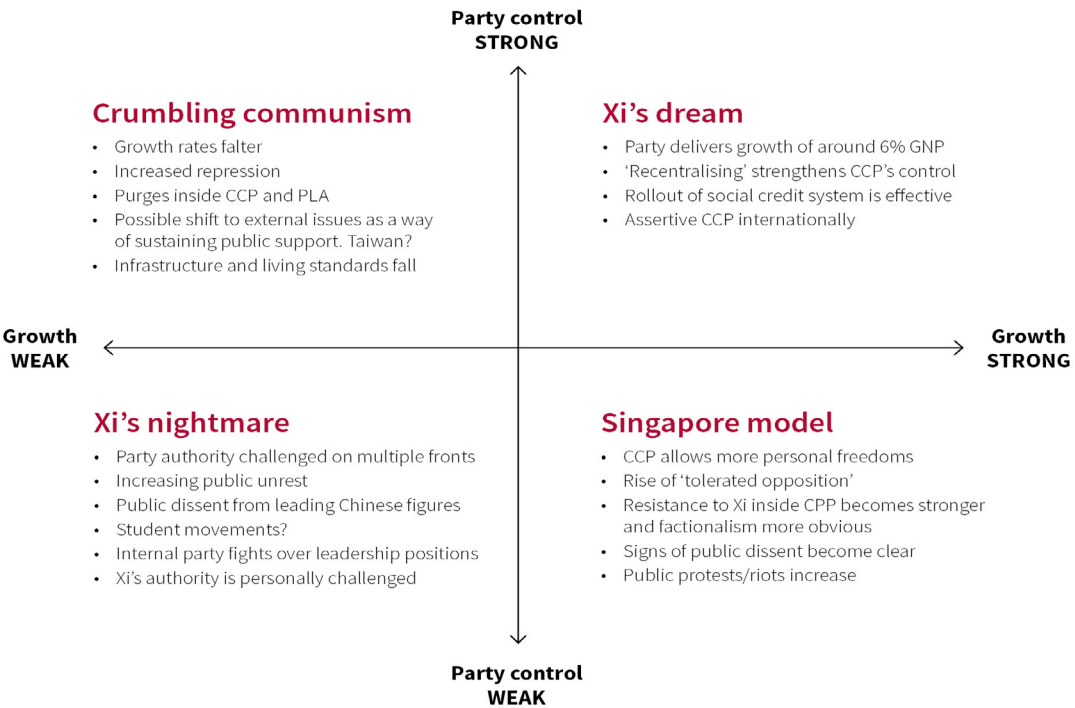
For Australia, the challenge is to think broadly about China's possible plausible futures and to recognise the signs that point to emerging outcomes. The Australian Government needs to have policy approaches that preserve our interests no matter what happens in China. To do that properly, we can't afford to assume that, after Covid-19, there will be a return to business as usual in Beijing or in Canberra.

The scenario approach used here is to develop four plausible futures for the shape of Chinese politics based on the intersection of two fundamental factors. The first factor is the level of Chinese economic growth. Since the opening of the Chinese economy in the 1980s, economic growth has averaged 9.5%, dropping to 6% in recent years (Treanor & Smith 2020). It's often claimed that growth at about the 6% level makes it possible for the CCP to meet popular expectations for consistent improvements in living standards. Wuhan's wet markets show just how far China still has to go in developing better domestic living conditions. China's economic and social lockdown of hundreds of millions of people in the first months of 2020 will certainly hit economic growth. A key question here will be how quickly growth can resume.

The second fundamental factor influencing the shape of Chinese politics is the nature and degree of CCP control over the instruments of state power. A clear priority of Xi Jinping's leadership has been to strengthen his control inside the CCP and the CCP's control over the country. This has been achieved through Xi's purges of potential factional enemies and placements of his supporters into key roles in the CCP, the People's Liberation Army (PLA), the People's Armed Police, businesses and state agencies. Xi consolidated his personal leadership across key policy areas and now oversees the unrolling of deeper society-wide ideological indoctrination and the establishment of a comprehensive technology-enabled surveillance regime. But the party faces challenges, including an increasingly educated and well-travelled population with greater access to information, not all of which can be controlled all the time. Even inside China, the CCP has been publicly criticised for its management of the Covid-19 crisis. Outside of China, many once hoped that economic growth would ultimately produce a more open (if not more democratic) society. What are the prospects for CCP control after Covid-19?

The intersection of these factors gives rise to four scenarios, as set out in Figure 1.

Figure 1: A matrix of scenarios



The top right quadrant of the diagram shows 'Xi's dream'—a China where economic growth quickly 'snaps back' to around 6% of GDP and where CCP control of the instruments of power continues to strengthen. Over the course of Xi's premiership, the trend has been for growth to decline and party control to strengthen and become more repressive. That was the story from 2012 to 2020. In the 'Xi's dream' scenario, the trajectory would presumably be to stifle dissent inside the party and Chinese society through a combination of surveillance and iron implementation of the 'social credit' system. Xi would further prime assertive nationalism, taking people's minds off disappointing shortfalls in standards of living by focusing aggressively on Taiwan or island construction in the South China Sea. The central challenge for Xi would be to restart economic growth while overseas markets languish and reduce their supply-chain dependency on China.

Think of the bottom right quadrant as the 'Singapore model', in which strong economic growth resumes but party control weakens. It's difficult to see how Xi could shift gears on the issue of CCP centrality, at least in the short term. One factor that might force his hand is if delivery falters on some of his signature policy initiatives, such as the Belt and Road Initiative and the Made in China 2025 plan for global dominance in science and technology. That could create a situation in which opposition to Xi in the CCP starts to rise. While dissent in the party and elsewhere has clearly been stifled, it has gone silent rather than been eliminated. If it were a necessary step to stay in power, Xi might be prepared to allow some 'tolerated opposition', but in doing so he may open the door to a leadership coup. Leadership handovers seldom work well in authoritarian regimes.

Public intolerance for corruption and incompetence remains high, as was seen, for example, in the unprecedented national outpouring of support for Dr Li Wenliang, who died from Covid-19 on 7 February. Earlier, Li had been detained by the authorities and forced to recant for ‘spreading rumours’ about the virus. ‘I think a healthy society should not have just one voice,’ he said (Green 2020). Many Chinese seemed to agree with him. For now, my judgement is that the ‘Singapore model’ is an unlikely immediate path for China. Based on its record, the party will first opt for more repression, but popular anger and strategically placed internal CCP opposition to Xi might force a U-turn in that path if there were no alternative. Then there would be the very difficult task of boosting growth while the party relaxes its 70-year grip on the political reins. Nothing we’ve seen during Xi’s tenure suggests that the party has the faintest interest in delivering that outcome, or the capacity to do so.

Looking to the top left of the diagram, we see a scenario in which party control remains strong but growth seriously falters. This is the world of ‘Crumbling communism’—that is, the CCP, with its adherence to remaining shreds of Marxist ideology and a large dose of Leninist authoritarianism, loses its legitimacy. The economic and social lockdown necessary to stem infections in Wuhan and other cities has delivered a major blow to China’s economic growth aspirations. Restarting the engine will be difficult. As Stewart Paterson of the Hinrich Foundation points out, China is unlikely to be able to restart growth by expanding exports, but a domestic consumer-led recovery would force the party to redirect money away from its ‘neo-mercantilist and nationalist economic agenda’.(Paterson, 2020) Many Chinese state-owned enterprises and so-called ‘private’ businesses are heavily indebted and will struggle to sustain operations when demand for their products falls, risking unemployment and community dissatisfaction.

The risk for social disharmony and instability as China comes out of lockdown is growing. This has led the CCP to increase loyalty indoctrination training among local police agencies (Dotson 2020). Beijing has long focused on promoting ‘social harmony’—pushing people to follow the correct political line and backing that effort up with police and internal security forces. The immediate political challenge after the Covid-19 crisis is to nip dissent in the bud to avoid any sense that the country is sliding into the ‘Crumbling communism’ scenario.

The final scenario is ‘Xi’s nightmare’, in which weak economic growth combines with an unravelling of CCP power in an accelerated version of ‘Crumbling communism’. In such a scenario, one would expect to see increasing public dissent directed not just towards local officials but also towards leading party figures, including Xi himself. There have indeed been instances of this. Xu Zhangrun, a professor at Tsinghua University, wrote a brilliant essay in February, excoriating the CCP leadership and calling for China to embrace constitutional democracy (Xu Zhangrun 2020). A Beijing-based property developer, Ren Zhiqiang, has also recently written scathing assessments of President Xi, according to the *New York Times*, calling him a ‘power hungry clown’. Ren is reported to have disappeared (Hernández 2020).

For all the CCP’s attempts to portray its management of the Covid-19 outbreak as a success, the virus also unleashed a political pathogen of criticism directed against China’s rulers. The challenge for the party is to arrest the attack on its legitimacy, and it’s clearly working very hard to do so, both domestically and around the world. In the short term, the CCP has all the repressive instruments of power at its disposal to stifle dissent, but equally remarkable is that prominent figures are speaking out in a way not seen for years. The balance of community opposition versus repression—‘when fury overcomes fear’, as Xu Zhangrun puts it—is a potential tipping point that must be closely watched.

It's important to stress that these are scenarios, not predictions. None of them is especially good from the perspective of Australian strategic interests. An assertive, nationalist, militarily powerful CCP presents obvious regional risks, but so too does a faltering China in which the party may be grimly hanging on to power against a mounting tide of domestic instability. All four of these scenarios were plausible before the Covid-19 crisis, but the risks to economic growth and to party control are considerably greater now. That means the Singapore model—perhaps the most benign outcome from an Australian perspective—is now perhaps the least likely one.

## Policy recommendations

What should the Australian Government do to strengthen our policy settings, considering these alarming strategic possibilities for China's future?

First, there's an urgent need to break away from some policy assumptions that underpin Australian defence and national security thinking. Key among those is that Chinese economic growth will continue unabated and be a reliable platform for our own growth. A second assumption, which is now widely questioned, is that Australia has the strategic time and space to plan submarine and warship replacements for the mid-2030s. The urgent need is to strengthen our defence and deterrence capabilities right now.

Second, Australia needs to be working with its key ally, the US, and with vital partners such as Japan and the European democracies to develop a shared view about managing military, political and economic relations with China. The failure to develop a shared policy approach on excluding Chinese companies from 5G networks demonstrated the inability of preoccupied democracies to identify and protect their own strategic interests. After Covid-19, there will surely be little support for a simple snap-back to reliance on Chinese technology and economic relationships. It's time for Australia to engage in coalition building with like-minded democracies to ensure we can collectively push back against the worst behaviour of the CCP.

Finally, our government needs to have a more open discussion with the Australian people about the nature of the strategic risks posed by overdependence on China. We need to harness the intellectual engagement and support of Australians of Chinese background who, if anything, have more at stake than most of us in seeing a China develop that looks more like the Singapore model than any of the other three scenarios (as remote as that prospect may be). We can't have that national conversation if the government isn't prepared to offer a more direct assessment of the strategic problems we face. It follows that the government should be urgently developing a new national security strategy and a new Defence White Paper to rebase our security planning and investment.

It may be thought that the government is too busy fighting Covid-19 to be able to turn its thinking to these broader geopolitical challenges. Rest assured that the CCP and its military arm, the PLA, are rapidly turning their collective minds to the crisis *after* the crisis. The CCP is looking for every strategic advantage it can extract to assure its own survival. As Australia endures the winter of Covid-19, we should be preparing for a spring and summer of geostrategic challenges.

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# The PLA

Malcolm Davis and Charlie Lyons Jones

The growth of China's military power has significantly influenced Australia's emerging strategic outlook, as Beijing has challenged US strategic primacy in East Asia and demonstrated its resolve to exert hegemony across the Indo-Pacific region. Although the Chinese People's Liberation Army (PLA) has been modernising since the late 1970s, Beijing has demonstrated greater willingness to use military power since Xi Jinping took office in 2012.<sup>1</sup>

In the face of Covid-19, Xi and the Chinese Communist Party (CCP) may see benefit from adopting an even harder nationalist line on key issues, such as the party's territorial claims against Taiwan, or its determination to strengthen its control over the East and South China seas, to distract any internal unrest and reinforce Xi's leadership. That means one likely outcome of Covid-19 is that the risks of major-power competition becoming military conflict will increase, and the PLA's future isn't one of economic retrenchment and retreat from its goal of becoming a world-class military. China is unlikely to pull back on its ambitious plans for military modernisation, even as its economy suffers from the impact of Covid-19.

## Building a world-class military?

Xi stated to the 19th National Congress in October 2017 that the CCP will 'strive to basically complete national defense and military modernisation by 2035 and fully build the people's army into a world-class military by the middle of the century' (Xi 2017; see also Fravel 2019). Building a world-class military is an essential component of Xi's 'China Dream' of a rejuvenated China that is a 'rich country with a strong army' (Allison 2017).

Understanding how Xi Jinping seeks to realise his 'dream of a strong military' (强军梦) is important. The 2019 Chinese *Defence White Paper* made clear that the PLA needed to move beyond its roots in Maoist 'people's war' to 'advance the integrated development of mechanisation and informationization (信息化)' (SCIO 2019). The 2013 *Science of military strategy* (战略学) notes that incorporating technology into the PLA's combat preparations through wargaming across the tactical and strategic levels is the principal way for the PLA to develop into this technologically superior force (SCIO 2015).

The PLA will need to have the means to fight and win 'informationized local wars' against a peer adversary (SCIO 2015). China's focus on space, the cybersphere and the electromagnetic spectrum has also assumed greater prominence in recent years (Maizland 2020). The PLA is deploying long-range high-speed anti-access/area-denial (A2/AD) capabilities based on precision-strike systems and is expanding its power projection forces, including advanced naval surface combatants and submarines, and advanced long-range air power.

## The PLA faces Covid-19

China's official reporting claims that not a single person in its 2-million-strong military has contracted Covid-19 and that the PLA's military readiness is unaffected (Quirk 2020; see also Huang 2020), but such claims are unlikely to be true. Early in the crisis, the *Liberation Army Daily* (2020) alluded to a possible outbreak of Covid-19 in the PLA Navy; commanders authorised strict measures, including temperature checking, disinfection and contact tracing, across the Eastern Theatre Command. Reports in the Hong



Kong media later indicated that numerous officers and enlisted personnel had been isolated due to Covid-19, including Yu Songqiu (余松秋), the commander of a Type 054A guided-missile frigate (Oriental Daily News 2020). Given the importance of the Eastern Theatre Command to a Taiwan invasion (Burton 2018), such an outbreak of Covid-19 could undermine PLA mobilisation capability for military operations (Wuthnow 2020).

However, the PLA's Eastern Theatre Command has managed to conduct exercises in the Taiwan, Bashi and Miyako straits since the outbreak of Covid-19 in Wuhan (MND 2020a, 2020b). This included the deployment of an aircraft carrier taskforce centred on the PLA Navy's first carrier, the *Liaonang*, which was accompanied by two guided missile destroyers, two frigates and an auxiliary vessel (Lendon 2020). Furthermore, the geographical proximity of disputed territories close to China makes it easier for Beijing to sustain a forward presence in East Asia than it is for the US. Although the Joint Logistics Support Force's deployment to Wuhan would potentially affect PLA Navy operational sustainability, a more rapid operational deployment for a Taiwan invasion or East China Sea provocation could still occur. If the US Navy's readiness is significantly reduced as its ships become contaminated, China might seize such a window of opportunity to undertake rapid military operations against Taiwan or in the East or South China seas (Pawlyk 2020).

## China after Covid-19

Critical in understanding the future of the PLA after Covid-19 is the impact of the pandemic on Chinese economic growth. Stephen Nagy suggests that China's economic growth is likely to decline sharply in a manner that could imperil the CCP's bargain with its citizens, in which the party retains political control in exchange for steady and stable economic growth (Nagy 2020):

A significant drop in consumption in China, a slow return to the full functioning of the economy, and the slow return of migrants and other workers to manufacturing centers and cities mean one of the engines of global growth is running on half speed.

The immediate severe contraction in Chinese growth—and it was slowing before the outbreak in Wuhan—is likely to be compounded by the shock to global stock markets and calls to diversify supply chains. China's economy is still heavily dependent on exports, and it's now hostage to the downward spiral of export markets, where demand is collapsing (Segal & Gerstel 2020). There's also the risk of secondary and tertiary outbreaks. Nagy argues that:

... a return of Covid19 in any form to China will accelerate the decoupling and deglobalization process [which] ... will inculcate more instability into US–China relations, the global economy, and the global community's ability to deal with global issues such as climate change, transnational diseases, and the next black swan event.

The primary role of the PLA is to protect the CCP's grip on power. The PLA is a militarised branch of the CCP and, as such, its needs would be prioritised over the economic or personal wellbeing of the average Chinese person.

Although China will certainly bear severe economic pain emerging from this pandemic, the economies of its competitors may be likely to suffer even greater reversals (Oliver 2020, Miller 2020). That potential is likely to reinforce Beijing's perception of a window of opportunity to move decisively to exploit its adversary's moment of weakness and resolve outstanding territorial disputes in Beijing's favour.

There's also an internal leadership dimension that can't be ignored. For the leadership in Zhongnanhai, slashing military spending, right when such an opportunity presents itself, would intensify rumblings of internal dissent within some lower levels of the party against Xi's handling of the Covid-19 crisis (Minxin 2020). Xi must appear strong and assert leadership, and keeping the PLA on side is crucial in that regard. Losing its support would fatally weaken Xi's grip on being 'President for life'.

## What next for the PLA?

It's likely that the PLA's modernisation program will be protected. Yet the CCP now has to give greater consideration to how best to balance the growing needs of internal security to protect the party's grip on power at all costs, against sustaining investment into the types of capability development necessary to decisively win in informationised local war. Covid-19 accentuates the importance of internal security, along with the need for greater capacity for humanitarian assistance and disaster relief (HADR), so allocations of defence funding for the Army and the People's Armed Police may rise. The pandemic has demonstrated that there will need to be greater resilience within the PLA to black swan events if China's military capability is to be sustained.

Even so, Taiwan remains the 'primary strategic direction' in Chinese strategic thinking that shapes defence modernisation. Xi's failure to coerce Taipei into acceding to the '1992 consensus' and to 'unify' on Beijing's terms is likely to intensify his desire to invade and annex Taiwan sooner rather than later (Fravel 2015). That means the prioritisation of developing advanced naval, air and missile capability to strengthen and expand A2/AD, as well as the continued growth of space, cyber and network warfare capability. There will also be a need for building offensive amphibious capability—a step consistent with the recent expansion of the PLA Navy Marine Corps (Blasko & Lee 2019). Continued investment in the development of large amphibious carriers such as the Type 075 LHD would also be essential either for an invasion of Taiwan or to assert greater control over disputed territories in the South China Sea (Trevithick & Rogoway 2019).

The requirement to win informationised local wars means that capabilities based on joint and integrated warfare, intelligence, surveillance and reconnaissance 'systems of systems', and long-range, high-speed stand-off weapons will be prioritised. In that sense, expect to see continued development of key capability programs associated with long-range high-speed A2/AD systems. Those would include the DF-17 hypersonic glide vehicle and DF-26 anti-ship capable missile system, as well as advanced anti-ship cruise missile systems (Axe 2019, CSIS 2020). The development of strategic airpower will continue, including the long-range H-20 bomber, as well as advanced unmanned autonomous systems (Rogoway 2019). China recognises the importance of space capability, including developing a full range of counterspace (anti-satellite or 'ASAT') systems to deny the US and its allies access to vital space capabilities at the outset of a conflict (Weeden & Sampson 2020). In terms of naval capabilities, China is unlikely to scale back its ambitions for a truly blue water navy, epitomised by the Type 055 Renhai cruiser, quieter and more advanced submarines, and up to four aircraft carriers.

What of the PLA Army? Since 2015, greater emphasis on seapower and airpower has challenged the traditional dominance of the Army within the Central Military Commission (Liu 2019). The focus on preparing for maritime struggle, and the requirement noted in the 2015 *Defence White Paper* that 'the traditional mentality that land outweighs sea must be abandoned, and great importance has to be attached to managing the seas and oceans and protecting maritime rights and interests', have seen the Army's fortunes fade (Saunders & Chen 2016). Similarly, the rise of the CCP's paramilitary service, the

People's Armed Police, has caused the PLA Army to take on a less significant role in domestic security missions (Boyd & Nouwens 2019). Notwithstanding the possibility that China's land borders may become more sensitive due to rising anti-Chinese sentiment in Russia, India and Kazakhstan after Covid-19 (Purohit 2020, Rich 2020, Aruuke Uran Kyzy 2019), the PLA is likely to continue prioritising air and maritime capabilities at the expense of ground forces. China's land borders are unlikely to shift Beijing's gaze away from the Western Pacific, meaning that ground forces will have only a limited role in the PLA's force structure after Covid-19.

## PLA missions other than war?

The PLA has been instrumental in China's response to the outbreak of Covid-19, providing logistics support and medical expertise to the front lines in Wuhan (Lyons Jones 2020). Xi Jinping also expressed confidence in the ability of PLA scientists to work with civilian counterparts in winning the 'people's war' (人民战争) he declared on Covid-19.<sup>2</sup> Still, questions remain about the quality of research produced by PLA scholars, especially in the biomedical sciences.<sup>3</sup> Further investment in the PLA's military medical universities appears likely, as both China and its immediate region are hotspots for emerging epidemics.

Outside of China, the PLA can be expected to take a more prominent role in HADR missions as the Indo-Pacific grapples with the consequences of Covid-19. The shock to the Chinese economy caused by the pandemic could place pressure on China's naval shipbuilding and aircraft carrier programs,<sup>4</sup> meaning that the PLA Navy will have to be more flexible in the way it deploys existing capabilities. For instance, the aircraft carrier *Liaoning* could be redeployed on HADR missions if a Covid-19-related crisis or natural disaster were to occur in the South Pacific (CPP, n.d.). Assuming that anti-Chinese sentiment does not rise across Central Asia after Covid-19, the PLA Army could also join the PLA Air Force on HADR missions in hard-hit areas such as Afghanistan or Pakistan. The ADF will need to think through these scenarios once Australia gets its own Covid-19 outbreak under control.

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## Notes

- 1 The PLA includes not only the PLA ground forces, but also the PLA Air Force, the PLA Navy, the PLA Rocket Force and, from 2015, the PLA Strategic Support Force, which handles space, cyber and network operations, as well as the PLA Joint Logistics Support Force established in September 2016. It also includes the People's Armed Police.
- 2 'Xi Jinping: Providing strong scientific and technological support to win the epidemic prevention and control battle' [习近平: 为打赢疫情防控阻击战提供强大科技支撑], *Xinhua News Agency* [新华社], 15 March 2020, [online](#).
- 3 'Sleuths report web of research fraud in 400+ papers from China,' *Science The Wire*, 23 February 2020, [online](#); Dr Bik's dataset is available [online](#).
- 4 The PLA Navy was already facing budget issues. See Chan (2019).

# The United States

Rod Lyon

## What impact did Covid-19 have on the United States?

Covid-19 has bitten deeply into the US, making it (to date) the country with the largest numbers of infections and deaths. The pandemic ravages a struggling superpower, promising to sharpen partisan divisions in what was always going to be a difficult election year and threatening a more intensely introspective America in the 2020s and 2030s.

Australia, by contrast, has—so far—escaped the worst of the pandemic. We don't really think about our losses in terms of wartime fatality rates. The same can't be said of the US. Americans killed in World War I numbered approximately 116,000, in World War II approximately 405,000. During the Korean War, the US suffered about 37,000 fatalities; the number for the Vietnam War was about 58,000.

Covid-19 fatalities in America are currently climbing on a trajectory that suggests some future aggregate fatality number not too dissimilar from America's experience with major wars in the 20th century.

Moreover, the US economy continued to function during those wars—and, at least in the world wars, US economic strength was instrumental to the final outcome. As the Covid-19 pandemic and the associated policy of social distancing send the economy into a nosedive, many Americans sense that they're living through a war and an economic depression rolled together. And we're still in the early days of what might well be a rolling crisis that lasts for many more months, and possibly years.

Yet the raw numbers tell only part of the story. The pandemic's harsh light has revealed a deeply polarised country, led by a populist, egocentric president lacking in leadership skills or charisma. The President's news conferences tend to be a mix of actual briefing, generally provided by the medical experts, and surrealist theatre, during which President Trump variously attempts to portray himself as a 'winner' (in terms of his management of the epidemic), a 'victim' (getting little credit for that management), a 'shaman' (able to prescribe 'cures' to his followers) and, on occasion, even as a 'reverse-Truman' (the buck doesn't stop here).

Professor Stephen Walt of Harvard University describes the administration's self-centred and incompetent handling of the crisis as 'a failure of character unparalleled in US history' (Tisdall 2020). If the consequences were merely domestic, that would be bad enough. But they aren't. Reputational damage to US global leadership has been great. NATO celebrated its 71st anniversary on 4 April with its members locked in an unseemly struggle for scarce medical supplies and equipment.

In brief, then, the pandemic has killed Americans in the tens of thousands, profoundly weakened the American economy and greatly diminished Washington's authority on the international stage.

In this paper, I explore only two of a host of questions about what might come after the pandemic. First, given that this is a presidential election year, how might Covid-19 affect the election? Second, what should we think about America's future global leadership role?

Let's start with this year's election campaign, already effectively underway even though neither Republicans nor Democrats have yet held their party conventions. In the looming presidential contest, two white men in their seventies will campaign for their nation's highest office. It's possible, of course, that one, or indeed both, of them might be struck down by Covid-19 either before election day (Tuesday 3 November) or before inauguration day (20 January 2021). But let's assume they aren't.

Before Covid-19 struck, the broad assessment was that Trump would probably win a second term. After all, in US presidential contests, it's unusual for voters to deny an incumbent president a second term. And Trump could point to a solid economy as the central achievement of his administration. Deregulation has helped business to cut through red tape, and the stock market has been strong. Liberals might have chafed at his tariff war with China, his abandonment of the Trans-Pacific Partnership, his renegotiation of the North American Free Trade Agreement, his decision to move the US embassy to Israel to Jerusalem, and—above all—at his border wall and immigrant family separations, but many of Trump's base support those policies. That bloc of voters always intended Trump to be a wrecking ball in Washington, and he hasn't disappointed them.

The pandemic adds a less predictable variable to that earlier assessment. It has certainly ruined the economic figures, which is why Trump fought so hard to avoid shutting down the economy and why he's keen to reopen it at the earliest opportunity. But it's also given the President an opportunity to lead from the front during a national crisis—one of the in-built advantages an incumbent president has over his rival during an election campaign. True, even some of his close supporters probably wish that he'd cut a more impressive figure during his regular press briefings, but poll-tracking data from the *Real Clear Politics* website doesn't yet show any plunge in national support for the President.

Joe Biden certainly looks presidential material, and his latest endorsements from both Bernie Sanders and Barack Obama show a Democratic Party trying to unite behind its chosen candidate. Still, remember the 2016 election. The outsider, Trump, triumphed over the establishment figure, Clinton, by channelling popular discontent towards the Washington 'swamp'—and by winning the key states. That's because US elections aren't won by a countrywide popular vote. They're won by votes in the US Electoral College, and those votes are won by winning the popular vote inside states. In exceptionally tight races, especially those in the big states with many Electoral College votes, small differences matter—as shown by the war of the 'dimpled chads' in Florida in 2000 (Elving 2018).

So, even in a normal election, what counts as a 'vote' matters. This year, the US won't be having a normal election. Indeed, Covid-19 will probably ensure that it's one of the strangest US elections on record. Strangeness is sibling to uncertainty, meaning special procedures, including the possibility of people voting from home, are likely to provide opportunities for the loser to question the validity of any result that goes against him. In brief, expect partisanship to become more, rather than less, intense as the year unfolds. And don't be surprised at an unsavoury electoral endgame.

Turning to the second question canvassed here, what effect might Covid-19 have on the US global leadership role? In this case, the simplest answer is probably also the right one. America turned inward more than a decade ago. It's likely that whoever is sworn in as President on 20 January will feel the need to prioritise domestic concerns over international ones.

After 9/11, some foreign policy commentators feared the attacks could induce US cocooning—a huddling away from the world’s threats—but those fears proved overblown. They might be less overblown in the current age of rampant nationalism.

## **What will recovery mean?**

As Thomas Wright and Kurt Campbell have observed, the task confronting an incoming Biden administration would be immense:

For Biden, his post-pandemic agenda cannot be an exercise in restoration. It will have to be a masterclass in redesign, a national effort made more difficult by empty coffers, a frayed social safety net, an uncertain economic environment, a populace venturing outside for the first time in many months, and a daunting challenger rising across the Pacific. (Wright & Campbell 2020)

It’s not clear that Biden’s got that message. His current campaign seems to offer voters a choice between a continuation of the current policy direction or reversion to a pre-Trumpian ‘normalcy’. That sounds more like restoration than redesign.

For America to ‘bounce back’ will take prodigious effort—and not just by the President. Some losses will be easier to recoup than others. The US remains a large, diverse, technologically capable country, with deep wellsprings of resilience and talent. Its military power is unmatched, and its economic base is broad and productive. Moreover, new leaders will emerge over time, although they haven’t done so in time for this year’s presidential contest.

But, in relation to the ‘redesign’ thesis, two limiting factors stand out. First, partisan divisions currently run deep in the US. The spirit of cooperation that might usually flourish in a time of national crisis is struggling to find a foothold. There’s a job of healing to do.

There’s a second factor that’s also going to make it hard for America to bounce back. Previous cases of bouncing back have generally occurred when the US wasn’t carrying the world on its back. In this case, bouncing back may require the US to do some load-shedding. America in 2020 doesn’t exercise the same level of global dominance that it did at the end of World War II. Indeed, it looks stretched—most importantly in relation to its strategic commitments. It can’t continue to underpin regional security arrangements in Europe, the Middle East and Asia while simultaneously exercising a mastery of the global commons—the oceans, space and cyberspace. It needs to set priorities. And it needs others to step up.

And here we find the only silver lining to load-shedding. It’s that America’s strategic priorities are increasingly to be found in Asia. If anything, there’s a growing consensus in Washington that relations with China are becoming ever more competitive. Yes, I’m afraid that’s the good news!

## **Some policy prescriptions for the Australian Government**

Australia has long had a keen interest in the role that the US plays in the world, and here we have to fight our own temptation—for a restoration of the world in which American power dominates and Western values underpin a liberal order. Power is more diffused in today’s world. And, as the recent Munich Security Conference pointed out, the current strategic order is increasingly characterised by Westlessness rather than Western values. Our ideal world can’t be restored.

Instead, Australia needs to think about redesign just as critically and in just as hard-headed a fashion as America does. There's a danger that, if Biden is elected, we'll slip back into our old, comfortable assumption—that a friendly great power and close ally will once again be there to solve our problems. We need to seize the day.

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## Southeast Asia

Huong Le Thu

### Covid-19 will deepen disparities within Southeast Asia

While much is still unknown about the novel Sars-CoV-2 (Covid-19) virus pandemic, one thing's already certain: no one is going to come out unscathed. When the pandemic is over, we'll be facing a world in which the nations with strong foundations will be stronger and the weak will be further weakened. For Southeast Asia, in particular, disparities within each society are likely to deepen. The repercussions of Covid-19 are, in many ways, already undoing the regionalism efforts that the Association of Southeast Asian Nations (ASEAN) has been pursuing for decades.

At the time of writing, the Covid-19 death toll has not exceeded the annual number of deaths from air pollution, traffic accidents, diabetes, heart disease, regular flu or standard natural disasters such as typhoons, floods and droughts. In 'better case' scenarios, should the Covid-19 virus be merciful to the region, we may see limited stress on governments, an economic slowdown and some intrusions against privacy. Tighter control over citizens may well remain long after the pandemic, in which case political activism will suffer collateral damage.

However, there are many ways in which this pandemic can trigger far worse scenarios. Southeast Asia is one of the world's most densely populated regions, so the effect of social distancing measures are simply not as effective. The region's also home to large numbers of refugees, displaced persons, stateless people and unreported migrants. All of them are highly vulnerable, and their limited access to medical facilities raises the potential for mass casualties.

It's also conceivable that the region's post-Covid-19 political landscape will be very different: some countries may have changes of leadership, and others might even find themselves new political systems, if the crisis spins out of control.

### Covid-19 exposes the region's political vulnerabilities

Crises that cut across many fundamentals of a nation expose the quality of its governance unmercifully. Weak centralised power, lack of political cohesion or administrative competence will surface and be further exploited. It will be no different for Southeast Asia. Deep internal divisions will remain a factor hindering timely and effective responses to the pandemic across the region.

Malaysia's response to Covid-19 was protracted because of the political discord that ensued after Muhyiddin Yassin became Prime Minister in March in confusing circumstances.

At the time of writing, Indonesia presents one of the highest risks of internal instability. President Joko Widodo's weak response raises questions about his government's competence, and even its legitimacy. Should its failure create an opportunity for the military to return to power, that would throw the democratisation process, of which Australia has been a strong supporter, into reverse. That would have far more significant consequences, as it would shape a post-Covid-19 Southeast Asia with even stronger and more legitimised authoritarian rule.

Persisting issues, including separatist movements, radical religious elements and a history of ethnic-based violence, can be amplified by the current crisis. Lasting conflict hotspots, such as ethnic persecution of the Rohingya in Myanmar and Indonesia–Papua tensions, can be refuelled and fragile peace processes can be challenged, including the Bangsamoro peace process in the Philippines or ceasefire in Southern Thailand.

As in any crisis, opportunists—be they criminals, insurgent groups or even external actors—will seek to take advantage of distracted leadership. Even legitimate actors, such as large corporations, or political actors can see this as an opportune time to pursue control and entrench their power. In the Philippines, for example, President Duterte readily used his relationships with police and public security to implement strong-arm tactics in his ‘drug war’ campaign and further strengthen his control.

How the various governments will exert and enforce control during the crisis is one issue, but whether and how those extraordinary measures will be phased out after the crisis is over is another. This is a concern among well-established liberal democracies, but it’s even more so for countries with track records of limiting civil liberties without any unusual circumstances in play.

The Covid-19 crisis is not unfolding only on the healthcare front, but also poses other challenges, including to food and economic security. Indonesia, Malaysia, Thailand, Vietnam, Laos and the Philippines have already announced restrictions on food and beverage exports to protect domestic supply. They’re among the world’s key sources of rice, so the restrictions will cause a global fluctuation in supply and price (Neo 2020). Internal food shortages in the region in the past have caused riots and cost governments power, and the most recent ones in Thailand in 2014 resulted in military rule. In Myanmar, the early days of lockdown have already caused unease among the poor, who face the looming threat of hunger as the economy shuts down (Lovett 2020).

## **Perennial risks are going to grow**

There are also perennial threats that will exacerbate existing weaknesses and vulnerabilities. The real danger is when they occur concurrently and on a large scale, leaving little chance to effectively minimise the costs of each of them.

Most Southeast Asian countries face cybersecurity challenges, including cyber-enabled crime. Many have inadequate technology to protect their critical infrastructure and prevent it being compromised. Only a few have the technological capacity to continue functioning for a longer period of socially distanced work, but not even they are immune to malign attacks. As those people who can do so move their professional and personal activities online, secure networks and reliable connections become critical. Malign actors will proliferate and will cause disruptions.

Climate-related risks aren’t ‘on hold’ during the Covid-19 crisis, and the region’s prone to frequent and often concurrent natural disasters. Indonesia, for example, has just reported three volcanoes erupting in one day. Any additional disaster can easily overload the crisis management capacity of a country, posing grave risks to human security and political stability and further complicating future recovery.

## The lasting economic costs

Southeast Asia is home to some of the world's most dynamic economies, but also some of the most fragile ones. The World Bank has estimated that, in the immediate post-Covid-19 world, there'll be some 11 million people falling below the poverty line in the wider Asia-Pacific region (World Bank 2020a), which means that we'll be living in a less prosperous and less stable region. In fact, economic factors have been among the main ones preventing timely and appropriate responses to the pandemic, including in Indonesia. Many people in the region rely on the informal economy and depend on day-to-day income, and now fear that a shutdown is a cure that's worse than the disease.

By now, all countries have revised their GDP growth projections as a direct result of Covid-19, but they'll also have to make significant mental and policy adjustments in a region that has previously enjoyed some most impressive growth trajectories. Most Southeast Asian economies are export-oriented, and their main exports are manufacturing, tourism and hospitality, and services—the sectors that are taking the biggest hit from the pandemic. The recovery of manufactured exports will be contingent on external conditions (the global supply chain), while for other exports recovery will depend on how well the major export markets recover. At the time of writing, the average manufacturing order cancellation rate for most of the Southeast Asian economies is already above 30% and is likely to grow.

Many have reflected on the recession that followed the 1997–98 Asian financial crisis, which transformed the region's economies. Coming out of that crisis, China's economic growth allowed many other economies to recover, too, and as a result most of Southeast Asia became more deeply dependent on China. However, unlike then, Covid-19 has affected everyone around the globe at the same time, weakening many major economies. This time around, there's no other 'China' to help. If the economic costs across the globe are severe, the aid-providing capacity of Southeast Asia's major traditional assistance partners and main markets (notably the EU, Japan, the US, Australia and even China) will remain constrained.

In sum, in 12–18 months from now, most Southeast Asian countries will still be recovering from the Covid-19 crisis. Risks of inflation, recession, reduced economic resilience, reduced competitiveness and increased external debt create the potential for nations to be even more dependent on external economic actors. In the short to medium term, the region will experience a reduction in wealth, making it poorer and with a deeper development gap than in pre-Covid-19 times. In the longer term, individual economies will recover over different time frames, further testing regional integration and cohesion. If the economic impact of Covid-19 is stronger than the impacts of the Asian financial crisis or the global financial crisis, it could take Southeast Asian economies more than a decade to recover and generate growth again, and that might depend on how successful they are in reinventing themselves.

## What should Australia do?

The crisis is affecting the Southeast Asian nations differently, and the Australian Government should understand those differences and pay close attention to developments across the region. While the region's vulnerabilities are high, there have been also a number of strong performances worth noting. For instance, Vietnam and, in the earliest phase of the pandemic, Singapore were effective in contact tracing and in capping the number of infected people.

Canberra should not approach the virus as a merely domestic issue, as most public debate has framed it. Australia should actively and regularly communicate with Southeast Asian neighbours individually as well

as through broader ASEAN Plus expert discussions on Covid-19. Canberra should closely monitor other security challenges beyond the virus itself, including the conflict-prone areas discussed above, the potential for social unrest and other humanitarian vulnerabilities.

## **Strategise assistance in three phases: resolve, recover, reinvent**

There are three basic phases of the response to the Covid-19 crisis: resolution, recovery and the reinvention of political, economic and healthcare systems. We need to be thinking of them all simultaneously. In considering how to best assist its immediate neighbourhood, Australia should strategise its engagement within that framework.

We're still in the resolution phase, but we need to already be planning specific steps for recovery. Resolving this crisis requires healthcare assistance, including help with personal protective equipment, respirators, other medical help, and vaccines when they become available. An immediate action could be to offer test kits to Indonesia, which has an extremely low testing ratio and currently has the highest death rate in the region. Acting early could help reduce the number of people infected and avoid Italy's or the US's trajectories.

Australia, like any other country, should also share knowledge and best practices in detecting the virus, containing the number of infections, treating infected people and researching this novel virus. Not all countries in the region have the capacity to conduct research to develop a vaccine. Australia's CSIRO is a frontrunner and may be one of the first organisations to deliver a vaccine accessible to all, despite economic disparities among nations. That expertise is Australia's great strength and an asset that it needs to share with the region and the world.

The recovery phase includes the continuation of medical and scientific work but will be heavy on economic revival. The speed of the recovery will depend greatly on how effective the earlier phase has been. This will be a global project, and it will depend on the health of many other major economies. Given the interconnectedness of the global economy, Australia, like other middle powers, should also make sure that access to economic institutions and solutions is equal and do its part in leaving no vulnerable ones behind—at home or abroad.

Beyond recovery is reinvention, which means the modernisation of regional economies. Southeast Asia before Covid-19 was a global hotspot for start-ups and innovation. The region will need to go through a rapid digitalisation in an acceleration of that already prevalent trend. Australia should prioritise the region's engagement in technological and scientific development, and help accelerate digitalization, which will increase countries' resilience to and preparedness for future challenges. Inequality within the region will affect people's access to technology and connectivity to allow the continuation of education and economic activities. Australia can make a difference in helping make that access more equal.

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# The Pacific islands

Richard Herr and Anthony Bergin

## The impact of Covid-19

The Covid-19 crisis has imposed two competing, but not entirely equal, challenges for the small and micro-states of the South Pacific region.

The pandemic's threat to the health of Pacific islanders is the principal danger, but, as at mid-April, it's been the economic devastation that's been more evident.

The direct health impact of the pandemic on the approximately 13 million people living in the 21 Pacific island countries and territories (PICTs) has to this point been limited.

As of 21 April, the Pacific Community reported that six PICTs (the Commonwealth of the Northern Marianas, Papua New Guinea, Fiji, French Polynesia, Guam and New Caledonia) had reported 249 cases and seven deaths (SPC 2020).

Those relatively low infection rates can be attributed to two factors. These states are remote, and most of them don't engage directly with areas that became pandemic hotspots. The bulk of the cases in the South Pacific have been limited to countries with significant tourism traffic.

Equally significantly, the regional states acted swiftly to close borders and impose social distancing measures internally to prevent the contagion from becoming established in their islands.

Such prophylactic barriers are vital. Covid-19's threat to the PICTs could be especially destructive, (especially in high risk dense settlements) should it become a regional epidemic.

The uneven distribution, and often inadequate quality, of medical services and facilities across the region are serious health vulnerabilities. There's also a warning from New Zealand researchers that Pacific islanders could be more susceptible to the pandemic than Europeans. In the 2009 influenza (H1N1) pandemic in New Zealand, for example, the risk of hospitalisation was seven times higher for Pacific islanders than for other New Zealanders (Wilson et al 2020).

The paucity of capacity in the region has made international support essential. Despite the transport difficulties of closed borders, major donor countries, including Australia and China, have rushed medical equipment and supplies to the region to address the shortages. But, given donors' domestic requirements, professional and support staff weaknesses are less amenable to international assistance.

The regional system has mobilised to provide multilateral coordination for the provision of medical and humanitarian assistance through the Pacific Humanitarian Pathway on COVID-19 to deliver aid 'in a timely, safe, effective and equitable manner' (PIFS 2020).

Should the pandemic strike hard across the region, the huge disparity in medical capacity in the region will mean the 'equitable' objective will be the most challenging.

Due to their reliance on grants, tourism and imports, the more direct impact of the pandemic is on the PICT economies (World Bank 2020).

Even those PICTs that haven't had confirmed cases of the virus, such as Solomon Islands, Tonga and Samoa, have had to manage the economic costs of reduced trade, lost tourism income and the costs of taking preventive health measures. Estimates of job losses are devastating for Vanuatu (40%) and Fiji (25%) and significant for Palau and Samoa (Hartcher 2020).

Even if the PICTs' tourism-based economies hadn't closed their borders, the flow of tourists into the region has been cut off at source. Airlines aren't flying and cruise ships aren't sailing. Similarly, travel and quarantine restrictions by destination countries have affected remittances and trade income.

The pandemic-induced economic malaise has affected demand for the region's exports. Reduced trade is threatening food security, as many islands depend on imports for food.

## **What will recovery mean?**

Just how the region will define 'recovery' will depend very much on how the pandemic has ultimately affected the health of the PICTs.

The pandemic is first and foremost a health crisis. The economic consequences are essentially collateral damage: should the health threat be contained, the focus of 'recovery' will be on economic revival.

In the absence of a vaccine or an effective therapy, prevention is the only real option for the PICTs, regardless of the cost imposed. But the region's testing capacity is limited, and it has a shortage of intensive care beds, ventilators and medical personnel to deal with a large numbers of critical care patients.

Unless Covid-19 becomes a regional epidemic, the reopening of the PICTs' borders will be determined by the infection from extra-regional sources being contained enough for those countries to open their borders to travel and trade.

The PICTs' internal travel restrictions will be governed by the prevalence of Covid-19 within the island states. Only two PICTs (Guam and Niue) are not multi-island (archipelagic) polities. The remoteness of many islands spread across the ocean may impede the spread of the pandemic within each country, but resource and transport difficulties would make addressing an outbreak on distant outer islands much more challenging.

Beyond prevention, recovery will hang on PICT governments' confidence that there's sufficient capacity to swiftly interdict any outbreak before the virus could spread. This will require some assurance that the international support to deliver necessary medical support will be effective, along with public confidence in the governments.

Transparency and honesty build public trust. In some islands, such as Papua New Guinea, there was panic buying, and, in at least two island countries, identifying Covid-19-positive patients led to a backlash against the victims and a reluctance by others to come forward for testing.

In this context, it's sensible that Australia is assisting PICT governments with Covid-19 public information campaigns. And it was prescient that in October 2017 Australia established the Indo-Pacific Centre for Health Security in the Department of Foreign Affairs and Trade. It's working with several island states to provide a clinical surge response capacity in the event of an outbreak.

Private-sector recovery for the PICTs might look rather like being the caboose on the global economic freight train. The engine that will pull the PICT economies forward has to start up first, and then its pulling power has to be transmitted through intermediate cars in the train before it reaches the islands.

This means that the islands' economic revival will depend very much on how quickly and with how much energy their traditional partners and friends get their own economies going. The restart is likely to be rather 'clunky', as different cars in the global train start at different times with different levels of power to pull the following cars.

Before tourists return, for example, travellers in the source countries will need the disposable income and confidence to book vacations. Airlines and cruise ships will need revitalised demand to restore services. Travel agents and hotels will need the capital and liquidity to recall staff and restore inventories to reopen both at source and in the region.

Full recovery for the PICTs' private sector might not occur until the economies of key extra-regional partners have stabilised, but some interim recovery could be vital to the shape of full recovery. Already, there are reports that in at least one island country political pressure is being applied to give government contracts to Chinese state-owned enterprises without going through open tender processes. Hasty, but poorly constructed, stimulus packages shouldn't serve to hollow out the locally owned private sector.

One area that China may seek to exploit in the region after Covid-19 involves requests for debt forgiveness or restructuring from some debt-ridden island states. The World Bank, the Asian Development Bank and China are the Pacific's biggest lenders. If the multilateral banks show they're willing, it's likely China would follow suit (McGarry 2020).

As much as the private sector's revival will test the patience of islanders needing the boost for both their personal and their business finances, the same economic trajectory is likely to apply to the public sector.

The PICT governments are unable to pursue financing in international capital markets competitively against larger and more robust economies to which the World Bank and the Asian Development Bank have committed financing packages to aid recovery. The Australian Infrastructure Financing Facility for the Pacific established last year is likely to be one of the more significant bilateral sources. Australia should also be lifting our aid to the Pacific's health sector which has been cut in recent years (Howes 2020).

The process of recovery for the public sector will be very important to the PICTs for their development aspirations and their external relations. That recovery will be linked to, and lag behind, the extra-regional mitigation of the Covid-19 economic shock globally.

One important metric for recovery will either be that the public service was not severely affected by national financial constraints or that it's being brought back close to normal levels. Another key metric may be one indicating a return to meeting the PICTs' pre-Covid-19 stated development objectives.

## **Will there be differences in future?**

Will the PICTs be fundamentally changed by the Covid-19 crisis? The depth and duration of the pandemic's impact on the PICTs has yet to be inflicted in full: what scars it will leave remains an open question. Much will depend both on how well the rest of the world copes with Covid-19 and the extent of the contagion's damage in the PICTs.

Like the rest of the world, the region is hostage to the development and timing of an effective vaccine or at least a therapeutic treatment.

Confidence to restore commerce and social life hangs on the certainty that the virus can be treated. If effective treatment comes quickly, the scars will be shallower and less visible. Nevertheless, there will be scars.

On the health front, the key change will be to ensure ‘never again’. The region must consider the possibility of another pandemic: the Covid-19 outbreak is the fifth and most virulent global epidemic this century, after Zika virus (2015), Middle East respiratory syndrome (2012), swine flu (2009) and SARS (2002).

For the region to avoid responding like ‘generals planning to fight the last war’, it will be necessary to distinguish the broad lessons from those measures novel to Covid-19.

Assisting the region to meet the threat of a pandemic has emphasised the difference for the PICTs of a threat for which there is spare international capacity to help them from one, such as a natural disaster (Cyclone Harold hit several islands in mid-April) by which their usual sources of support are also overwhelmingly challenged.

Some positive lessons from the present crisis for future crisis management will be measures that have general utility beyond Covid-19.

Infrastructure investment in upgrading the region’s internet system (both for security and uniformity of platform) will make telemedicine responses possible. With proper training and support networks, this would improve general health outcomes, just as it’s doing in rural and remote Australia.

A regional telemedicine project should be linked to expanded epidemiological monitoring through existing regional mechanisms, such as the Pacific Community’s Pacific Public Health Surveillance Network.

The telemedicine project should be supplemented by appropriate stockpiles and response strategies, including mobile ‘pop-up’ clinics to reduce the reaction time in future regional epidemics.

But can the PICTs hope to establish a priority for their communities when there isn’t spare capacity to help? The use of the Boe Declaration as the basis for the Pacific Humanitarian Pathway on COVID-19 is a brave attempt to provide just such a mechanism. If it can be extended practically to give the region a more competitive presence in international markets for essential goods, including medical supplies, this would provide the architecture to promote post-pandemic recovery and build long-term resilience against natural disasters (Herr 2020).

We should enhance Australian engagement with regional police and military forces around health security (Thomson, Singh and Littlejohn 2020). Regional security forces can, for example, provide enforcement and response measures in health emergencies, especially when people are frightened or indifferent to the threat.

We’ll need time to assess whether the geopolitics of the region will be changed by the pandemic. There are well-founded claims that the Chinese are exploiting the health and economic vulnerabilities of the region to realign loyalties. To be effective, China will need to support the regional response rather than undermine it (Powles & Sousa-Santos 2020), but to date it hasn’t been an effective multilateral player (Herr 2019).



Many of the responses being made by the region's traditional friends, including Australia, suggest that regional competition, especially in the health field and border management, will return to the trajectory that it was on prior to the pandemic.

Finally, unless Covid-19 devastates the PICTs, in their view the region's existential threat will remain climate change. Island leaders will point out that, just as governments around the world asked their societies to do everything possible to 'flatten the curve', all states and their citizens will also need to do their part in tackling climate change.

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# Advancing gender equality and global security: Navigating the disruption of Covid-19

Lisa Sharland

Covid-19 is disrupting the world as we knew it. Few aspects of life have been immune to its effects, as governments have locked down societies, shut down parts of the economy and restricted the freedom of movement of billions of people across the globe. While the virus itself doesn't discriminate, responses to it do. The policies that have been designed to stem the spread of Covid-19 will continue to have a disproportionate impact on many segments of the population based on where people live, their access to housing, health and sanitation, and the nature of their employment. Consequently, efforts to address the pandemic are likely to exacerbate many pre-existing inequalities across the globe. That's particularly true for many women.

The Covid-19 crisis has occurred at a particularly significant juncture for efforts focused on advancing women's empowerment and gender equality. This year marks 25 years since the adoption of the Beijing Declaration and Platform for Action, and 20 years since the adoption of first UN Security Council resolution on women, peace and security (WPS). Not surprisingly, the report card on progress is mixed. There have been gains in some areas, and more than 80 countries have adopted national action plans on WPS. Yet that hasn't always translated into tangible results. As the UN Secretary-General has warned, women's rights continue to come under attack and support among member states remains fragmented, as some members of the Security Council seek to roll back the hard-fought gains (UN 2019).

In other words, we still have a long way to go when it comes to achieving gender equality. And this is important context for navigating what the Covid-19 crisis will mean for women. Research has shown that gender inequality and the propensity of a country to engage in conflict are inextricably linked (UN & World Bank 2018). Poorly formed policies that exacerbate existing gender inequalities are likely to result in greater insecurity in the longer term and be less than optimal.

One of the challenges for political leaders and policymakers, however, is that women's participation and gender considerations tend to get overlooked in crises. And this is a major crisis. Even the Security Council, which is well versed in WPS, has had a 'tendency to overlook gender when responding to an emerging or drastically deteriorating situation' (Security Council Report 2017).

If we're looking forward to a more gender-equal society after Covid-19, or even to simply retaining the gains that have already been made, then our responses need to be shaped by policies focused on women's participation, their protection and the inclusion of gender-sensitive approaches. This is true in Australia and across the globe. As a starting point, we need to ask:

- How does the crisis affect women?
- Do women feel protected?
- Are women meaningfully participating in decisions to address the crisis?

## Covid-19's impact on women

The evidence regarding the disproportionate impact of Covid-19 on women is overwhelming. More women than men serve in 'frontline' roles such as healthcare workers, cleaners, carers and shop assistants. It's estimated that up to 70% of healthcare workers are women, with direct exposure to patients, so women are likely to be more susceptible to acquiring Covid-19. This may be compounded further if women don't have access to adequate personal protective equipment (PPE) that has been designed for women, rather than for men (Merson 2020). With limited PPE of any sort available in many hospitals, it's less likely that many women will have the ability to select adequately fitting PPE.

This is further compounded for many women also balancing the burden of care demands at home. In Australia, that challenge has been reduced partially by the provision of free child care. Even though that decision by the federal government was driven more by economic realities than to implement more gender-sensitive policies, it's a welcome move for women's ongoing participation in a critical sector of the workforce.

Sadly, this global pandemic has focused the attention of countries inward on domestic responses, drawing away resources from existing programs and support from areas that require it the most. Conflict-affected countries are likely to bear the brunt of the health and economic effects of the pandemic. Refugee and internally displaced persons camps such as those in Syria and Bangladesh are particularly susceptible to the spread of Covid-19. Women and children make up the vast majority of displaced populations in conflict-affected areas, meaning that they're likely to be affected first by the economic crises that will follow Covid-19, if they haven't succumbed to the health impacts (ICG 2020). And that's just one example.

## Women's security and protection

To halt the spread of Covid-19, governments across the globe have been putting in place strict social distancing measures and lockdowns that limit the movement of people outside their homes. Unfortunately, for many women, home isn't a safe place to be.

In many countries, lockdown measures have resulted in spikes in the number of cases of domestic violence or 'intimate terrorism', as some abusers use the pandemic as a tool of control. In Spain, there were 18% more calls to police in the first two weeks of lockdown, in France there was a nearly 30% spike, and in China calls increased nearly three-fold (Taub 2020). Concerns about the increase in domestic violence globally have prompted the UN Secretary-General to call for a 'domestic violence ceasefire'.

Domestic violence was already a national crisis in Australia before Covid-19 came along. Now the social and economic stresses brought about by the pandemic have heightened the risk of violence for many women: search engines such as Google are 'seeing the highest magnitude of searches for domestic violence help in the past five years' (UN Women 2020a). The Australian Government has recognised the potential risks, committing an initial \$150 million to support those experiencing domestic, family or sexual violence. It's an important move that recognises the protection needs of women in this crisis. However, it's unclear whether the policy will go far enough in addressing the shortfall in victims' assistance services, which are already under strain from social distancing measures.

The militarised approaches that some Indo-Pacific countries are taking to address the pandemic are also a potential cause of concern for women. Many countries across the region are mobilising their security sectors to enforce quarantine measures through checkpoints, inspections and surveillance. This is often aided by using language characterising the pandemic as a ‘war’ that requires ‘battles’. While such approaches can assist in generating resources and public responses, they can have detrimental impacts for women, who in many cases remain underrepresented in security and military organisations and suffer disproportionately as victims of sexual and gender-based violence (UN Women 2020b).

## **Women’s participation and leadership**

Women’s representation in the response to this crisis, particularly in leadership positions, will continue to matter. Failure to include women in decision-making roles risks ignoring the perspectives of half the population and limits the diversity of thinking available to leadership teams when it comes to responding to the challenges of the pandemic. The bringing together of the national cabinet in Australia has meant that the audible voices of leadership during the crisis have been slightly more diverse because of the inclusion of female premiers from New South Wales and Queensland.

There’s some early anecdotal evidence that those countries that have female leaders, such as New Zealand, Iceland, Finland, Norway, Denmark, Germany and Taiwan, have taken some of the more effective approaches to the crisis. Responses have also often been creative, drawing on social media influencers and even engaging in dialogue with children regarding their questions about the crisis (Wittenberg-Cox 2020). Considering the mental health toll that Covid-19 is likely to have on a significant proportion of the population, such empathetic forms of leadership will be increasingly important, particularly when building trust in government institutions and responses.

None of this is to suggest that such qualities can’t be drawn on by male leaders, but it reminds us once again about the importance of ensuring that there’s broad diversity in the representation of the political leadership teams that are responding to the crisis, and that women are meaningfully engaged and have an opportunity to influence recovery processes.

## **Recommendations to the Australian Government**

As the Australian Government looks ahead to bringing the country out of lockdown, it will need to carefully and cautiously navigate the social, economic, health and security disruptions that have taken place within and beyond Australia’s borders because of Covid-19.

There will be significant pressure for social distancing measures to be relaxed to enable the economy to ‘snap back’ into place. But what ‘normal’ are we seeking to return to? Even in the Australian context, we haven’t closed the gender pay gap, despite decades of effort to address some of the barriers to women’s participation in the workforce. One of those structural barriers has been the cost of child care. This crisis has shown that it’s possible to make that more affordable, in order to ensure that women in ‘essential’ jobs are able to continue to go to work.

The government should resist the urge to roll back those support measures too quickly and should instead assess the different costs and benefits that might emerge from the measures. There will be considerable resistance as the government seeks to offset the deficit and put in place austerity measures, but opportunities for reform to existing budgetary support to families and women could be

transformative in Australia's approach to gender equality. Similar consideration will need to be given to the types of industries that receive support.

More broadly, on security issues, the Australian Government will need to consider its approach to WPS. The government was due to release its second National Action Plan on WPS, but that's been delayed. That plan was drafted prior to Covid-19 and, despite attempts to ensure its longevity for the decade ahead, is likely to require some form of review in the face of this global pandemic.

Traditionally, Australia's approach and that of other developed countries has been to focus implementation on post-conflict contexts beyond our borders. However, Covid-19 has once again highlighted that it's increasingly difficult to separate externally facing security challenges (traditionally addressed by Defence and Foreign Affairs) from internal ones (usually managed by Home Affairs and the states). Terrorism, cybersecurity, climate change and, yes, health pandemics don't acknowledge borders. Given the existing delays, the Minister for Women should consider a further round of dedicated consultation on the National Action Plan on WPS ahead of its release, noting that our recovery from Covid-19 will shape the decade ahead.

Beyond our borders, Australia's approach to the crisis phase and recovery in the Pacific and beyond will need to continue to include a gendered response. Defence has already appointed a gender adviser to work on its Covid-19 taskforce, reflecting good practice that has evolved within the organisation as part of its commitments to gender, peace and security. Similarly, the Department of Foreign Affairs and Trade is engaged in initiatives to support women's economic empowerment and protection from domestic violence in the Pacific region in response to the crisis. Such efforts, with a focus on the needs of women, are both the right thing to do, but they'll remain important for building resilience and longer term security in the region.

Disruption has enabled seismic shifts in gender equality and the movement for women's rights this past century. The world wars of the 20th century opened the workforce to women, but many countries were quick to close those doors and opportunities when the wars ended, setting in motion long campaigns to advance gender equality in the decades that followed.

There's cause for concern that Covid-19 will exacerbate existing gender inequality. However, 2020 serves as a reminder that the past two decades of advocacy and research have provided us with guidance on how to avoid that. By placing women's rights and gender analysis at the core of our responses, there's also an opportunity to catalyse change.

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# Creating resilient supply chains

Marcus Hellyer

Perhaps more than any other peacetime event, the coronavirus crisis has made people around the world aware of the vulnerabilities of the supply chains that they rely upon for essential items. Whether it be the sight of shelves bare of toilet paper, hand sanitiser and face masks, or the desperate shortages of ventilators and PPE in hospitals, we've realised that we can't take the supply of the things we need for granted.

Overnight, we've gone from complacent satisfaction with market forces and the 'just in time' global supply chains that deliver what we need when we need it at ever decreasing cost to virtual unanimity that this can't go on and something must be done.

The problems presented by deeply interconnected, globalised supply chains have been known about for a long time (after all, supply-chain security has been a cause of war for centuries), but have seemed too wicked to solve. Wicked problems involve many stakeholders who bring many different interests and assumptions to the problem space, so there's no agreed definition of the problem, let alone solutions.

Resolving supply-chain insecurity is one of the most wicked problems. You start with a simple question like 'How can we ensure there's hand sanitiser on supermarket shelves when we need it?' and soon you're grappling with other questions:

- Which goods do we need to manage and which can we leave up to the market? Doesn't that depend on the crisis? Which crises are we preparing for?
- How much are we willing to pay to ensure supply-chain security, and who pays it?
- Are we just trying to ensure supplies of essentials in times of crisis, or are we trying to prevent one country achieving a dominant position that it can exploit anytime?
- Do we need to bring manufacturing back onshore? How, then, do we ensure the viability of Australian manufacturing?

There have been previous supply-chain scares, such as China's coercive use of its dominant position in the production of rare earths a decade ago. After the initial shock and much talk that something had to be done, the world went back to business as usual due to the cost of establishing alternative sources of supply, particularly when China could manipulate prices at will.

This time it's different. The shock of Covid-19 will impart a sense of urgency, allow people to question cherished assumptions and create common ground—in short, the problem will become less wicked. Despite the current shortages, there are grounds for optimism that we can develop more resilient supply chains without abandoning the positive aspects of globalisation.

As with other issues, Covid-19 will accelerate trends that were already occurring. The US had already begun to address supply-chain resilience in the movement known as 'decoupling'. While it's easy to dismiss it as simply Trump's trade war, it's a broader American movement driven by US industry and the security community as much as by the President reacting to factors that have been brewing for a long time. Those include:

- China's refusal to follow the rules of the global trade order, including employing massive state subsidies to drive competitors out of business
- China's insistence that Western companies share their intellectual property if they want to do business in China, as well as massive state-sponsored industrial espionage
- China's national Made in China 2025 strategy, by which it aims to dominate key technologies globally
- growing Western awareness of excessive dependence on essential items manufactured in China, such as pharmaceuticals
- growing private-sector awareness that risk and resilience need to be considered as much as cost.

The situation may seem grim. For example, the US is now heavily dependent on imports of generic medicines from China (USCESRC 2019). Certainly, it's important not to be dependent on a single source, particularly one that makes idle threats of cutting off supplies and letting 'the United States fall into the hell of a new coronavirus pneumonia epidemic' (Swanson 2020), but it's also important not to buy into Chinese Communist Party narratives about the inevitability of Chinese domination of production. Europe still exports 58% of the world's unpackaged medicaments, the US 16%, and China less than 6%. For packaged medicaments the numbers are 77%, 9% and 1%, and for medical instruments 49%, 20% and 7.5% (OEC 2020). In short, the West still has substantial capacity. Remedying the situation shouldn't be beyond the ability of the US and Europe.

And it's not all China's fault. Generic medicines have low profit margins, and China's growth in this area, as in many others, is in large part due to Western companies offshoring production in search of ever cheaper sources of labour and less regulation. What we're likely to see out of this crisis isn't the death of globalisation, but an amended form in which states and companies consider risk and resilience to be as important as cost.

What we've seen so far from decoupling is that the US economy hasn't collapsed. If anything, the Chinese economy has suffered more than the US's. There hasn't necessarily been a renaissance of US manufacturing, but production has relocated to countries such as Vietnam and Mexico (Van den Bossche et al 2020). This will only accelerate. US political leaders are already introducing legislation to progress decoupling efforts.

With the critical shortages of medical equipment and PPE in Europe, it's highly likely that European countries and companies will follow suit as they reassess their resilience strategies.

These developments will be good for Australia's supply chains. We should be concerned about our dependence on single sources of key items, particularly China, but we shouldn't let China's position as our largest two-way trading partner distort our perceptions. China provides less than 20% of our imports, and the vast bulk of them are things that aren't critical in a crisis, such as electronics, furniture and textiles (although a long-term embargo or blockade would be a different matter).

As in America, there's growing awareness here of China's role in our medical supply chains (IIER-A 2020). It's true that Australia is heavily dependent on imported medicines and medical products and instruments. In 2018–19, we imported \$15.7 billion in medicines, pharmaceutical products and medical instruments from China, but we imported more from Germany and the US. Overall, we imported more than \$5 billion in medicaments from Europe and under \$1 billion from China. Australia is itself a substantial exporter (DFAT 2020).

We need to map our supply chains to understand where there are vulnerabilities and excessive dependencies so we can develop solutions, but the situation is far from hopeless.

What kinds of supply-chain solutions should Australia consider, particularly to provide greater national resilience? We'll need to adopt a combination of measures involving diversified sources of supply, greater stockpiles and enhanced domestic manufacture. Doing so will require a level of central planning that we haven't done outside of world wars, are not accustomed to and currently lack the capability to do. It will be hard work and needs to be part of a national resilience strategy. Working out who pays for it will be one of the hardest parts of the wicked problem to manage.

The US's and likely future European efforts to decouple will provide us with more diverse sources of supply—ones likely to be less susceptible to Chinese manipulation or coercion.

Of course, in a future pandemic or global crisis, key items will still be hard to source, so our national resilience strategies need to consider which items will be critical in future crises and where we need to invest in larger stockpiles.

We're fortunate that Australia can produce more than enough food for our population and that shelves have remained stocked, but food production and distribution are heavily dependent on liquid fuels, as are all our transportation systems. In the short term, the Australian Government should reconsider its unwillingness to increase our liquid fuel reserves and should investigate ways to preserve our rapidly declining petroleum refinery capacity. In the longer term, moving as many transportation and generation systems as possible to renewables and reclaiming our natural gas production from long-term export contracts must be high priorities.

There are also potentially options to develop shared stockpiles with allies and neighbours, to spread risk, particularly in the face of localised crises; we don't all need the same stockpiles if we aren't all going to face the same crisis at the same time. Australia can play a role as the stockpiling and distribution hub for the Pacific island countries. Not only does that reinforce our role as their security partner of choice, but it also creates economies of scale for Australian manufacturers.

The problem with stockpiles is that often, when the time comes to draw on their holdings, they have decayed, been lost or become obsolete (Sanger et al 2020). The government should work with industry to support it in building greater holdings into its supply chains, so regular supply chains flow through the stockpile, constantly refreshing it. It's a very different model from the lean, 'just in time' model we've become accustomed to, but for key items it will be worth the overhead.

Ultimately, stockpiles are a stopgap measure until regular supply chains can be re-established, so there are likely to be things that we'll need to be able to manufacture here, but bringing manufacturing back onshore will be challenging. Diversifying our economy from primary production and services such as education and tourism to value-adding manufacturing has long been an unachievable Holy Grail.

Defence industry provides an example in which the government has implemented a range of measures to support domestic production of military equipment. Despite a willingness to pay more, progress has been slow. Even if we can manufacture to meet normal demand, there's an additional cost in maintaining idle surge capacity.<sup>1</sup> A key lesson is that we need to make rigorous, informed decisions about where to invest.



Again, there are reasons for optimism. Outside of the relatively small defence sector, we're dealing with larger quantities, providing scale and economic viability. Also, most things we need in a crisis are not as complex as defence equipment—even a ventilator is nowhere near as complex as a warship.

In Australia, we already have the elements of advanced manufacturing that characterise the fourth industrial revolution. Capabilities such as 3D printing that can be rapidly switched to produce different types of items on demand are being put to good use in the current crisis. Our preparation for future crises needs to build those capabilities into our planning rather than simply hoping for bursts of innovation when the time comes.

Achieving resilient supply chains doesn't mean retreating into North Korean-style autarky, but it does require planning and a sustained commitment to invest. Australian governments' obsessions with delivering budget surpluses and constant tax cuts has limited their aspirations. Any idea with an impact on the budget bottom line has been dismissed as a threat to 'the economy'. The current crisis has shown that we can entertain more ambitious, imaginative concepts for creating a robust, resilient Australia.

Finally, we shouldn't forget that the biggest disruption to supply chains is war. A key goal of war has always been to break and realign supply chains. Ultimately, having strong military capabilities of our own, along with relationships with robust allies and partners, is essential to deter any states from attempting to reshape global supply chains through military force or coercion.

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## Notes

- 1 From 1999 to 2015, the Department of Defence paid \$526 million for munitions produced domestically by facilities in Mulwala and Benalla, but it spent a further \$1.9 billion building, operating and maintaining the facilities to keep the industrial capability ready for possible war (ANAO 2016).

# The role of autonomous systems in Australia's defence

Malcolm Davis

Amidst the national crisis of the Covid-19 pandemic, the Morrison Coalition government has committed to the delivery of 12 Attack-class future submarines and nine Hunter-class future frigates on time. Clearly, the government isn't planning to reduce defence spending to provide a quick economic fix to meet the cost of fighting Covid-19. But it's a worrying indication that the government is missing a golden opportunity to transform Australian defence thinking and, with it, boost ADF capability quickly.

One of the most important technological developments that will shape military power in the 21st century is the growing role of autonomous systems in the air, on or under the waves, and on and over land. Those systems will have far greater degrees of trusted autonomy than has been evident in current and previous systems and, while humans will remain 'on the loop' (at least for the armed forces of Western liberal democracies), they offer the opportunity to integrate artificial intelligence into force structures.

The combination of autonomous systems and artificial intelligence, working together, opens the prospect of manned–unmanned teaming over the battlespace and allows the reintroduction of mass to small, boutique defence forces such as the ADF, as well as offering greater flexibility and capability to such forces for potentially fewer defence dollars. It's a step that Defence should embrace sooner rather than later.

Autonomous systems in the ADF will also enable much more rapid force transformation in the face of rapidly changing threats. Rather than depending solely on vulnerable international supply chains to acquire capability, Australia can leverage the advanced manufacturing technologies of the fourth industrial revolution (4IR) to develop such capabilities locally, as Boeing Defence Australia is doing with its Loyal Wingman unmanned combat air vehicle project (Boeing 2020).

4IR technologies offer far greater ability to respond to quickly changing strategic circumstances, including through experimentation and spiral development, to locally develop large numbers of new capabilities as needed. This is a model that's much more appropriate to compressed strategic warning periods. The days of Defence White Papers confidently assuming a 10–15-year warning ahead of major conflict are long gone, yet we continue to rely on large 'megaprojects' with acquisition cycles measured in decades—a mindset born in a different era of sustained economic growth and assumed world peace. Sustaining that thinking in the 21st century generates far too many risks in a much more dangerous future.

Instead, there are useful autonomous capability solutions for the ADF that could be pursued now. For example, the US Navy has signed a contract with Boeing for five Orca extra-large unmanned underwater vehicles (XLUUVs) for a total cost of US\$300 million and an entry into service by 2022. Were it to follow the US Navy's lead, the RAN could have a fleet of 24 Orca XLUUVs by 2035 for a total cost of US\$1.5 billion (Davis 2019). Locally building Orcas as part of a co-development partnership with the US would add to our ability to transform not only our defence force, but also Australia's defence industry sector.

Orca isn't a small torpedo-tube-launched unmanned underwater vehicle (UUV) that's remotely controlled from a parent submarine. It's a large platform that operates fully independently and has a range of 12,000 kilometres and an endurance of months at sea (Baker 2019). Unlike small UUVs that have very limited mission capability, XLUUVs such as the Orca would be able to carry out the full range of undersea warfare missions and operate either independently or as part of manned–unmanned teaming

arrangements with crewed Collins-class and then Attack-class hunter-killer submarines as well as naval surface combatants. As I suggested recently in *The Australian* ‘... in the future, a RAN Orca XLUV might depart Fleet Base West at Fremantle, and sail to the South China Sea, operate for two months to gather intelligence, and then return to Fremantle—all by itself’ (Davis 2020a).

The ability of a platform such as Orca to support undersea warfare, including offensive antisubmarine warfare (ASW), alongside crewed submarines and be supported by acoustic sensor arrays such as those that make up the US Integrated Undersea Surveillance System would deepen our ability to undertake ‘theatre ASW’ operations (Davis 2016). This would enhance our ability to develop a broad-spectrum regional undersea surveillance capability, akin to an undersea version of the Jindalee Operational Radar Network.

Maritime surface sensors on autonomous systems, such as the experimental Bluebottle unmanned surface vehicle (USV), could add into such a network and dramatically boost our ability to maintain pervasive maritime surveillance (Ocius 2020). The Bluebottle is a locally developed platform that could offer the RAN a low-cost networked solution for ocean surveillance, employing renewable energy sources—wind, wave and solar—for long range and months of duration on station.

For a higher level capability, the US Navy is testing the Sea Hunter medium USV for undertaking long-duration naval operations (Trevithick 2019). Such operations might include ASW patrols in coordination with crewed naval and air platforms, and Sea Hunter is opening up future alternative fleet designs for the US Navy that could see either optionally crewed or unmanned naval surface combatants operating alongside crewed naval vessels. Sea Hunter has already sailed from San Diego to Pearl Harbor and back, without a crew on board, highlighting its ability to undertake a range of missions, including ASW, electronic warfare and scouting operations and even to act as a decoy.

The Sea Hunter USV was developed for a cost of US\$20 million and has operational costs of around US\$15,000–20,000 per day, compared to around US\$700,000 for a manned naval surface combatant.

The advantages of low acquisition cost, fast development, potential for rapid innovation and experimentation and low operational cost while delivering real capability gains should make ADF investment in autonomous systems such as Orca, Bluebottle and Sea Hunter an easy choice, potentially emerging out of a co-development and co-production arrangement with the US.

The same can be said for the air domain, where Boeing Defence Australia is leading the world with the development of its Airpower Teaming System based on its Loyal Wingman platform (Trevithick 2020). A full-scale replica was unveiled at the 2019 Avalon Air Show, and the prototype is due to make its first flight in 2020. That’s an astonishingly quick development time. The Department of Defence has invested A\$40 million into development, and the Loyal Wingman, if accepted for service in the RAAF, would allow manned–unmanned teaming with crewed platforms such as the F/A-18F, F-35 and Wedgetail aircraft. Its long ferry range of 2,000 nautical miles suggests an unrefuelled combat radius of 660 nautical miles, depending on payload and mission.

Loyal Wingman demonstrates in physical terms what autonomous systems can do to rapidly boost ADF combat capability at low cost in comparison with manned systems that take far longer to acquire and cost a great deal more money. It’s a platform that could be evolved into a potent long-range strike capability

that would fill the strike capability gap currently apparent in the RAAF after the retirement of the F-111C in 2010 (Davis 2020b).

For the Army and land warfare, we're starting to see the early development of armed unmanned ground vehicles (UGVs), including experimentation with autonomous light tanks. BAE Systems has demonstrated two UGVs based on converted M113 armoured personnel carriers to the Australian Army, but they have a human in the loop, so they're not fully autonomous (Ball 2019). Yet interest in armed UGVs, even ones with humans in the loop, appears to be growing as an answer to the advanced precision-strike capabilities appearing in adversary forces, particularly those now being used by Russia's armed forces (Judson 2019, Bendett 2019).

The land environment is more complex for autonomous systems than the air or the sea, especially in highly dynamic urban combat environments, and that can make operating them a challenge, particularly if the rules of engagement are constrained from exploiting fully autonomous systems. In that sense, it might be more useful to consider the prospect of autonomous systems operating 'over the land', at a very low level, with an emphasis on swarming and using networked air micro-vehicles rather than unmanned tanks. Such a swarming capability generates its own advantages in terms of sheer numbers being able to overwhelm ground defences and the ability of a networked swarm to offer a tactical 'sensor and attack cloud' for manned platforms. With the Army now looking at a replacement for the Aussie Tiger helicopter, my colleague Marcus Hellyer has made a strong case that it should consider investment in autonomous systems, rather than another manned attack helicopter, as a solution (Hellyer 2019). That should include advanced networked swarms of air micro-vehicles working as part of manned-unmanned teams.

The potential offered by autonomous systems—in the air, on and under the waves, and over the land—is very clear. They offer government the ability to reshape the ADF in a manner that's comparatively low cost compared to reliance on manned systems.

This can be done right now, but making it happen demands a significant change in mindset within Defence. The Defence Department, and the ADF, must stop thinking about autonomous systems as the 'next-generation' replacement for manned systems, and instead invest in these capabilities and in local development and production quickly in the face of a much more challenging strategic outlook emerging from the Covid-19 pandemic.

Certainly, there seems to be a reluctance to embrace autonomous systems for fear that they're immature technology. Instead, it seems that policy settings suggest it's better to wait another 20–30 years so that maybe the F-35 Joint Strike Fighter eventually gets replaced by an unmanned platform in the 2040s. That's entirely the wrong approach to take. The time to invest in large-scale acquisitions of autonomous systems, in numbers and capability well beyond that planned for in the 2016 Integrated Investment Program, is now.

Australia's defence industry sector and the R&D potential within our universities offer great opportunity for developing a whole new level of defence industry based on 4IR technologies that can rapidly develop new types of capability for the ADF. This would contrast with continued and traditional reliance on megaprojects as the core of ADF acquisitions. Megaprojects' long timelines increase the risk of cost blowouts and project delays, not to mention the challenge of future-proofing a capability that won't

appear for decades. That brings the potential risk of Australia falling further behind a rapidly sharpening defence technology curve, especially as China moves rapidly to modernise its forces, *including* by introducing a wide range of unmanned autonomous systems.

Size matters, too. It's well past time for the ADF and Defence to shift gears to embrace a larger, more capable military (Davis 2018). A small ADF, no matter how technologically advanced, that's unable to sustain combat losses in the face of a major-power threat, such as that presented by the People's Liberation Army, is less useful in a future conflict. Continued emphasis on crewed platforms raises the risk that such forces can't be deployed into harm's way due to political constraints on taking casualties. Autonomous systems remove that constraint, and reintroducing mass through autonomous systems reduces the risks that our boutique forces will be too fragile to be effective in future war.

Finally, we need to recognise the strategic value of investing in the co-development of autonomous systems such as Orca, Sea Hunter and Loyal Wingman. Investment in these projects now, alongside key allies such as the US, Japan and the UK, would boost our strategic currency and allow us to tap into technology sharing that would benefit the ADF for the future. Waiting a decade or two for one submarine or ship to appear doesn't do that.

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# Climate change

**Dr Robert Glasser**

The timing of the Covid-19 crisis could have been a lot worse. It could have struck three months earlier, in the midst of the worst bushfire crisis in Australia's history. The scale and complexity of the simultaneous disasters would have enormously complicated the government's efforts to coordinate effective responses.

Measures to respond to the one disaster could have undermined responses to the other, as bushfire evacuation centres and naval vessels assisting in evacuations potentially became hotspots of contagion.

Climate change, which is increasing the frequency and severity of many natural hazards, makes simultaneous disasters more likely (Glasser 2019). Many climate impacts are now increasing exponentially, so disasters on the scale of the recent bushfires will occur more often.

The Covid-19 pandemic has already been hugely disruptive. Hundreds of thousands of people will have died before the virus has run its course. The economic, social and political impacts have been unprecedented. Nevertheless, the impacts are likely to be modest and short-lived, relative to what we can expect if the climate warms past the 2°C limit countries committed to in the Paris Agreement (UN 2020).

A recent authoritative scientific assessment concluded that even relatively small temperature increases have major consequences (UN 2018). For example, an increase from 1.5°C to 2°C of warming would cause water scarcity for up to 270 million people, trigger a 10-fold increase in the number of vulnerable people negatively affected by changes to crop yields, and plunge more than 100 million additional people into poverty. We're currently on track for over 3°C of warming. Once the warming occurs it's effectively irreversible, and the societal impacts will accelerate rapidly as the temperature continues to rise.

The Covid-19 pandemic has important implications for global efforts to address climate change. On balance, they're positive, but much will depend on how the crisis evolves in the coming months.

The pandemic illustrates the international community's failure to respond to big threats until they're perceived as imminent. By that time, it's often too late to forestall the disaster or respond effectively. This is a pattern very familiar to climate and disaster management practitioners.

Health experts have for many decades urged governments to take the threat of a global pandemic seriously (Hoffower 2020), and the H5N1 (Abbott & Person 2004), H1N1 (CDC 2019), SARS (Verma 2003) and MERS (Kramer 2013) outbreaks in the years preceding Covid-19 should have increased the sense of urgency.

A long-term, well-funded global plan was needed to reduce pandemic risk. Instead, national government funding was incremental and short-lived, triggered by those earlier novel disease outbreaks and fading as the crises caused by them subsided. The response to climate change has been similarly incremental and inadequate.

But the pandemic has also demonstrated that, once a severe threat is seen to be imminent, governments are capable of implementing responses that in normal times would have seemed inconceivable. The global shutdown required to implement virus-slows social distancing has ground the global economy almost to a halt. The ultimate financial cost may exceed US\$2.7 trillion (Orlik et al 2020).

By the same reasoning, as the scale and impact of climate-induced natural disasters increase in the years ahead and the intervals between major disasters diminish, governments will see the need to make the sacrifices necessary to prevent further warming and the greater losses that would follow (ideally, before it's too late to avoid critical climate tipping points).

We had an inkling of this dynamic in the aftermath of the recent eastern Australian bushfires when Prime Minister Scott Morrison announced some unprecedented measures to strengthen Australia's resilience to future disasters. Those measures included expanding the role of the ADF in disaster response and using the authority of the federal government to declare a national emergency in response to widespread and severe natural disasters.

The pandemic may also have implications for the global energy transformation from fossil fuels to renewables, which is the foundation of an effective response to climate change. Already, the trend to renewable energy is irreversible. In many markets, onshore wind and solar photovoltaic power are now less expensive than fossil-fuel options, and new solar and wind installations will increasingly undercut even the operating-only costs of existing coal-fired plants (IRENA 2019).

The pandemic could slow the pace of the energy transformation. The US Solar Energy Industries Association warned recently that half of the workers in the industry could lose their jobs at least temporarily because of the coronavirus outbreak and that the industry may be forced to reduce by one-third the deployment of new solar capacity planned for this year (Penn 2020). Firms under financial pressure from the pandemic's economic impacts could reduce renewable energy R&D, and others may cancel or delay investments they had planned to transition to renewables.

The global shutdown is likely to cause the largest reduction in CO<sub>2</sub> since World War II, but it's unlikely that reduction will significantly offset the reduced investment in renewables or meaningfully slow climate warming, particularly if emissions rapidly revert to their pre-pandemic levels, as they're expected to do by next year.

These related impacts of the pandemic—slower deployment of renewables and reduced investment in R&D—are discouraging. However, the massive disruptions caused by the pandemic could also create an unequalled, transformational opportunity for climate action.

Governments are currently focused on supporting businesses and employees with grants and low-interest loans designed to enable them to weather the pandemic and re-emerge once restrictions are lifted. The longer the crisis lasts, the more likely it is that additional stimulus measures will be needed to reactivate the economy.

In many countries, that will be an opportunity to overcome the politics that have led to economically inefficient subsidies for fossil fuels and underinvestment in renewable energy technologies that are already competitive and becoming more so each year.

Investment in renewables is a useful way to create jobs. During the economic crisis in 2009, for example, the US Government, through the American Investment and Recovery Act, invested \$90 billion in the clean energy sector (E2 2020b). Employment in the sector skyrocketed from a few hundred thousand to 3.4 million. Today, employment in the US clean energy sector outnumbers jobs in the fossil fuel industry by almost three to one (E2 2020a).

Stimulus packages focused on the renewable energy sector have additional benefits relative to those targeting fossil fuels. Solar and wind farms can be constructed more rapidly than coal or natural gas facilities, freeing governments to meet the immediate need without having to lock in investments over the long term.

One additional aspect of the pandemic relevant to climate change is its impact on multilateralism. In relation to global trade, with its emphasis on efficiency, the pandemic has highlighted the vulnerability of supply chains and global production optimised for just-in-time delivery. In relation to the movement of people, countries have closed their borders in a desire to seal themselves off from the external threat of infection. There's been international competition for, and hoarding of, scarce medical supplies. Multilateral institutions such as the World Health Organization have been accused of downplaying the danger (Moreno 2020).

It would be surprising amid this constellation of reactions if multilateralism didn't become at least a partial casualty of the pandemic. Countries are likely to be more inwardly focused after the pandemic, but it would be simplistic to assume that they'll be less inclined to support *all* multilateral action.

We should expect countries to focus both on reducing their internal vulnerabilities—such as supply-chain risks and technology and manufacturing gaps—and on engaging multilaterally to reduce future pandemic risks that they can't address on their own, such as the need to strengthen global disease surveillance.

Support for multilateral action on climate change may diminish temporarily. However, climate change is also a threat that can be addressed successfully only with multilateral action. The rapidly increasing scale, frequency and impact of climate-related disasters will ultimately make that abundantly clear and politically compelling.

Even without multilateral action, market forces will accelerate action on climate change. The renewable energy transformation is one aspect of this, but so is the growing engagement of the financial sector. As Larry Fink, the chairman of BlackRock, the world's largest asset manager, recently put it:

Climate change will have a profound impact on our global economic system, from how food is produced, to where people are able to live to how diseases spread globally. These changes will reshape global finance by driving a significant repricing of risk and assets. And the pandemic we're experiencing now highlights the fragility of the globalized world and the value of sustainable portfolios. We've seen sustainable portfolios deliver stronger performance than traditional portfolios during this period. (Fink 2020)

A number of implications for Australian policymakers flow from these observations. First, officials are no doubt already developing and refining additional economic stimulus options that could be used at various stages in the recovery process, including after the pandemic has passed. The renewable energy sector should be included in those options as an opportunity to create employment that simultaneously promotes a rapidly growing industry of critical importance to our future.

Second, it's not too early for officials to begin documenting (including in real time) the shortcomings of the international and regional responses to the pandemic and to identify opportunities for initiatives to improve pandemic preparedness that Australia can promote once the pandemic is behind us. Experience globally suggests that there's often a brief political opportunity after major disasters to implement significant structural improvements. We need to be ready to exploit that opportunity.



Third, the unprecedented scale of the pandemic threat required significant adjustments to the machinery of government. For example, rather than relying on the Council of Australian Governments for the high-level governance of the response, the Prime Minister established a new body, the national cabinet.<sup>1</sup> Large-scale, national-level disasters are becoming more likely as a result of climate change. The bushfire crisis is an early indication of what lies ahead. We need to identify and retain the generic innovations we've put in place to manage the unprecedented impact of this pandemic—not just with respect to governance, but also in areas such as communications and coordination across jurisdictions—because we'll be needing them again very soon.

Fourth, the pandemic has only recently begun to seriously affect many less developed countries. Their relatively weak healthcare systems are likely to be rapidly overwhelmed, fatality rates will be high and the domestic economic impacts will be greatly magnified by declining global demand and investments. Those developments alone would be enough to raise humanitarian concerns and increase the risk of political and economic instability, but in the months ahead it's likely that at least some of those countries will simultaneously experience a climate-related natural disaster. The confluence of those events would be significant.

If this occurs in our immediate region, the ADF and Australia's aid program will need to respond. It would be prudent for officials to begin working through the operational implications involved, including alternatives to establishing densely populated camps for the internally displaced.

The Covid-19 pandemic will be with us for many more months. With luck and good planning, we'll minimise loss of life, orchestrate effective, nationally coordinated economic recoveries and invest in reducing the risk of future pandemics.

And we should simultaneously use what we learn and invest to prepare us for the much larger challenges that lie ahead in a rapidly changing climate.

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## Notes

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## Risk, resilience and crisis preparedness

Paul Barnes and Anthony Bergin

Last summer's extraordinary bushfire season seriously tested the capabilities and capacities of our emergency response and support agencies.

Apart from state emergency services and federal counter-disaster agencies, significant assistance was provided to our first responders by the ADF.

Affected states remain in recovery mode after the fires, but crises don't wait in line. Following closely behind what's probably the most significant fire season in modern Australian history, we're now responding to the emergence of Covid-19 and the subsequent escalation of infection to pandemic scale.

A problem that will continue to challenge our public and private sector leaders will be how to respond when disruptive events converge. Such events can range from traditional national security issues to the unexpected impacts of technology, emergent geopolitical tensions and climate-change-related extreme weather.

The Covid-19 pandemic has all but flatlined the normal ebb and flow of global commerce and the movement of people across regions and continents. These disruptions have been described by the McKinsey consulting firm as the biggest economic shock since World War II (Hirt et al 2020).

We can't yet imagine all the challenges associated with dealing with this pandemic. We hope many won't occur, but at the national level it would be prudent to ensure that we have the capability to anticipate what might occur in the short and longer terms, prepare mitigation options and initiate response efforts on a suitable timescale. What challenges will we face if the country is still under social isolation protocols and a repeat of last year's early bushfire season occurs?

Capacities to cope with the pandemic have already been threatened by significant vulnerabilities in supply chains for critical personal protective equipment, pharmaceuticals and other essential supplies (see the chapter in this report on health preparedness).

Those challenges may be partly addressed by the National COVID-19 Coordination Commission, which is designed to anticipate and mitigate the economic and social effects of the pandemic (Morrison 2020).

The rapid escalation of response to the disease outbreak through the national cabinet, with the active involvement of the private sector and trade unions, has been impressive (Chambers & Taylor 2020).

We should use those achievements to inform the development of new national policies and strategies where they're needed.

There's the strong likelihood of the threat of Covid-19 remaining active into the future, but significant seasonal weather / climate threats, as well as disruptions ranging from terrorism to cyberattacks, will also remain issues of importance to both the Australian Government and the state and territory governments.

As a matter of urgency, and in parallel to the ongoing pandemic emergency, we should assess our national risk analysis methodologies and crisis readiness capabilities and capacities.

## Next steps

### 1. Appreciate the complex way crises emerge from the normal

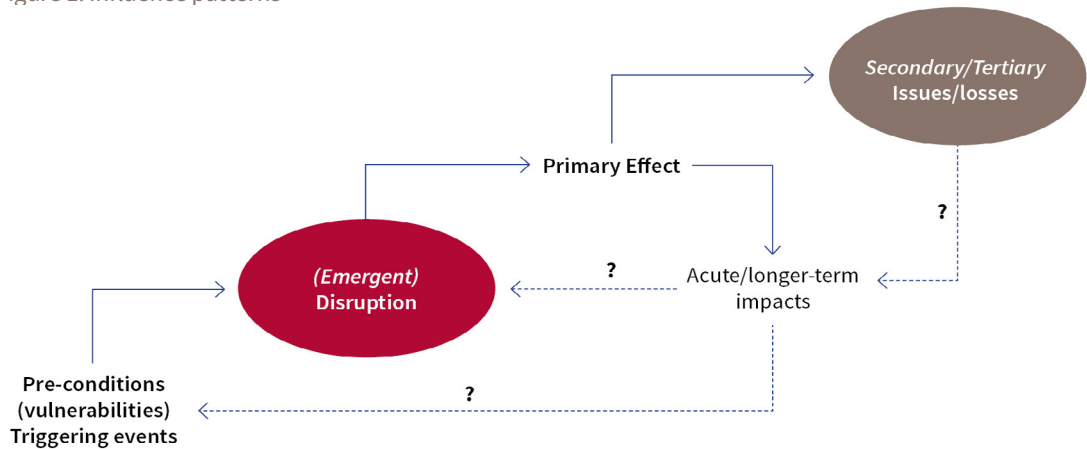
Managing operational risk entails the analysis of the likelihood and consequences of different types of disruption in society. That analysis will always be affected by degrees of uncertainty about cause and effect and the nature of extant knowledge.

We can't be linear in our thinking: as noted above, multiple concurrent threats are likely to be a norm in our near future.

We should be building capabilities for anticipating emergent, concurrent and multilocation emergencies that may grow to disaster scale rapidly.

This requires visualising how cascading and cumulative impacts propagate throughout human and natural systems. We need to understand the dependencies and interdependencies between issues and threats and their impacts (Figure 1).

Figure 1: Influence patterns



Source: Barnes (2018).

When applied within a national risk management setting (and populated by data), influence patterns can generate an evidence-based early warning picture with projections of primary, cascading and cumulative impacts and feedback on initial conditions.

This type of analytical lens will assist our leaders to make sense of the real-world contexts from which disruptions emerge. And it will highlight critical national vulnerabilities and disaster triggers.

### 2. Develop a comprehensive threat typology

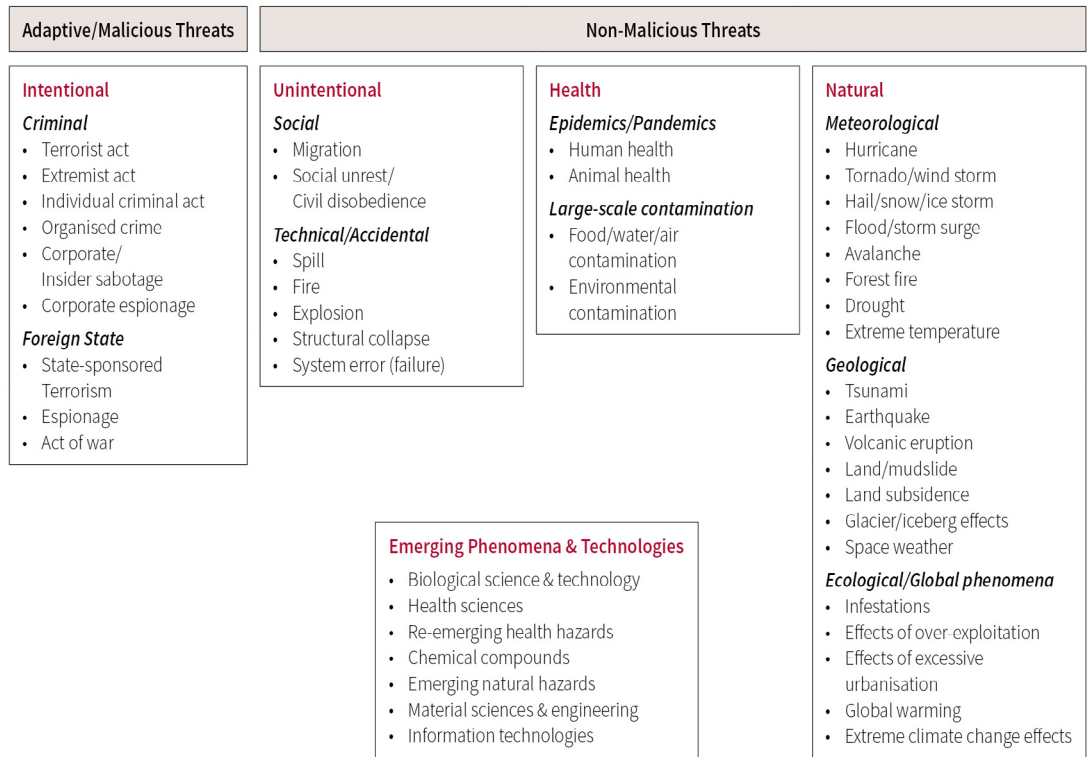
In national risk assessment and crisis planning, it's important to note that not every event that could occur will occur.

Investing in resources to prevent, mitigate and recover from emergencies should recognise this fact: a given event might be unlikely, but carry with it enormous harmful consequences.

Another event might be highly likely and could have quite severe consequences but not be deemed a critical issue because of established protective capabilities or the absence of vulnerability within national or jurisdictional institutions.

Figure 2 depicts one possible national threat typology (developed for Canada) that may aid in anticipating the source of national disruptions and guiding the development of collaborative mitigation measures.

Figure 2: Threat typology



Source: Public Safety Canada (2012).

Business continuity planning entails identifying the sources of disruption to core value-adding aspects of an enterprise. From a national continuity planning perspective, identifying threats that are more likely to impact the nation would be made more effective by leveraging this kind of typology.

### 3. Operationalise resilience as a core planning and recovery strategy for essential services and communities

Resilience is the capability of an organisation or institution to withstand the impacts of disturbances, (from external or internal sources), while maintaining some acceptable degree of functionality or service delivery and, when able, regaining any lost capacity.

Establishing a definition of ‘resilience’, particularly as it applies to communities impacted by natural disasters, is a hard nut to crack; there’s the question about whether resilience as a practical concept is understood well enough to support and nurture its regrowth in devastated communities.

The US National Institute of Standards and Technology (Flynn 2015) has focused on three key gaps in official knowledge that are relevant to current needs:

- the definition of measurable standards for community resilience and for essential infrastructure and buildings
- pathways to adopting and implementing standards for resilience in communities, infrastructure and buildings
- the identification of the political, economic and social incentives to promote investment by the public and private sectors and by individuals in supporting resilience.

State and federal policies and practices give considerable attention to enhancing the response and recovery aspect of communities in need, but we need to establish a deeper understanding of the underlying principles that make up a truly resilient community. Disaster mitigation includes improving the safety of community members, reducing damage to property, rapid recovery, and a reduction in overall costs to national, state and regional economies.

The National Strategy for Disaster Resilience (COAG 2011) sets out a mandate for coordinating national thinking on readiness and resilience needs, but it doesn't establish adequate clarity on the underlying principles of community resilience in the context of recovery from the impacts of significant crises.

#### **4. Appoint a chief resilience officer**

An Australian chief resilience officer, answerable to the Prime Minister, will help ensure that our communities, metropolitan and regional areas, and nation can better anticipate, withstand, nimbly respond to, recover from and adapt to the inevitable disruptions heading our way.

Melbourne and Sydney have appointed city-focused chief resilience officers who consider a range of sustainability factors unique to each location, enhance community and wider stakeholder engagement, mobilise resources and promote agile forms of city governance.

In April this year, the NSW Government created a new agency, Resilience NSW, which will lead whole-of-government prevention, preparedness and all aspects of recovery effort, but the NSW resilience officer is focused on better prevention, preparedness, response and recovery, not on making society more resilient by looking at economic, social and environmental resilience.

An Australian chief resilience officer could help break down silos between national agencies responsible for infrastructure planning, energy, social cohesion, housing, health care, education, economic development, social welfare, disaster management and environmental protection.

We've seen such people appointed for short periods when a major disaster occurs—think Cyclone Tracy or Australia's involvement in East Timor. It's now time to establish a permanent role so that we're proactive rather than just reactive.

#### **5. Establish a national continuity planning strategy**

Part of a national chief resilience officer's work should be to define how we best support critical industry sector reliability and the rebound (recovery) capability of sectors and, as a result, enhance resilience in the face of both sociotechnical and natural disasters.

A greater appreciation of such factors across all segments of societal infrastructure would benefit both the public and private sectors. It would involve creating flexible yet comprehensive sets of performance benchmarks for infrastructure sectors when they're affected by disasters or crises.

It would also require setting out frameworks for the assurance of continuity and recovery planning outcomes for complex infrastructure systems.

## **6. Develop a national threat and vulnerability register**

Guided by a national risk strategy, part of a chief resilience officer's function should include the development of a comprehensive threat taxonomy framework that incorporates both malicious and non-malicious threats in domestic and international contexts. This would require the development of an effective technical lexicon to ensure that participating agencies 'speak the same language'.

It would assist in developing communities of practice among central agencies using a standardised risk assessment methodology that applies an all-hazards/threats approach drawing on classified as well as open-source information. This would strengthen our national horizon-scanning capabilities and capacity to anticipate the onset of crisis conditions.

This could include components similar to the UK National Risk Register. The UK register draws upon the 2004 Civil Contingencies Act, which defined an 'emergency' as an event that threatens significant harm to human welfare measurable not only in terms of health and safety, but also in the maintenance of essential supplies of fuel, food, water, transport, cash and energy.

The Australian threat and vulnerability register should be based on needs specific to our local context. Detailed work, such as the 2018 report profiling vulnerability disaster impacts across Australia's complex and interconnected systems that support society and support national resilience, should be a key starting point (DHA 2018).

## **7. Establish a chief security officer advisory group and reinvigorate the Industry Consultation on National Security**

The National COVID-19 Coordination Commission will advise the government on repurposing manufacturing for essential equipment and shifting staff from defunct industries to areas that need them.

That's important work, but the Covid-19 crisis highlights the need to recognise that business owners and operators should be recognised as central to this country's security. A void exists between business and national security agencies when it comes to understanding each other's capabilities and limitations.

Developing a secure and resilient nation can only be ensured through mutual obligation through which both government and business understand and jointly commit to developing and maintaining the capabilities needed to safeguard Australia.

To strengthen corporate and government cooperation on national security, we should establish a chief security officer advisory group to work with the Department of Home Affairs.

The group would consist of a small number of senior security, business continuity and resilience managers, as well as organisations representing the broader corporate sector.

We should also reinvigorate the Industry Consultation on National Security, which hasn't met for over three years. It would provide a forum for the Prime Minister and senior ministers to engage with CEOs on national security policy, including health security issues.

Finally, the Australian Government and state and territory governments should expand the involvement of business in exercises related to all aspects of national security, including pandemic planning.

We need to address our national risk exposures and vulnerabilities in a more integrated manner. With collaboration and the right sets of measures, we can use this pandemic to make the goals of building Australia back better and becoming resilient more attainable.

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# Cybersecurity and critical infrastructure

Tom Uren and Jocelinn Kang

The Covid-19 crisis highlights how we've failed to deal with the challenge of securing our digital infrastructure. On one hand, our approaches to dealing with the people intent on harming us online—our adversaries—have failed; on the other hand, we've also not protected the undersea physical infrastructure that the internet relies upon. We must proactively defend our national interests, both online and beyond our borders.

Online, our diplomatic and law enforcement efforts to deter our adversaries have failed. And those efforts won't become more effective in the aftermath of the Covid-19 pandemic. We need a new approach.

Although hospitals are defined as critical infrastructure, they're poorly secured, and persistent vulnerabilities remain. In Australia, the health sector has consistently reported the most breaches under the Notifiable Data Breaches scheme (OAIC 2020). The sector remains vulnerable to damaging and disruptive cyberattacks, such as those that affected a string of regional hospitals in Victoria in late 2019 (Hope 2019).

But it's not just Australia—the failure to protect health care is a worldwide phenomenon, reflecting the difficulty in balancing cybersecurity and clinical outcomes. In the US last year, more than 70% of cybersecurity incidents in the healthcare sector were ransomware attacks (Verizon 2019).

Prior to Covid-19, we could—literally—live with this insecurity. Now, in the context of a global pandemic, a cyberattack on a hospital is unthinkable—except for criminals. Interpol has reported that it has seen a 'significant increase in the number of attempted ransomware attacks against key organizations and infrastructure engaged in the virus response' (Interpol 2020).

There are good reasons why a law enforcement approach to cybercrime has failed. Beyond the anonymity that the internet can afford, transnational cybercrime means that we rely on *foreign* law enforcement agencies to solve *our* problems. Those agencies might not be able to take on our cases because they lack the technical skills, they might not have the capacity to (prosecuting domestic criminals for crimes that don't hurt their citizens might simply not be a priority for them), or they might not even have appropriate laws. And, in some cases, cybercriminals may be protected by the state.

These overseas shortfalls of capability, capacity and motivation won't be remedied quickly, and perhaps not at all.

In response to the failure of cybercrime enforcement, the government has—literally—gone on the offensive. On 7 April 2020, Linda Reynolds, Minister for Defence, announced that the Australian Signals Directorate (ASD) 'has mobilised its offensive cyber capabilities, to disrupt foreign cyber criminals responsible for a spate of malicious activities during COVID-19' (DoD 2020).

That's a positive step. ASD can use its capabilities to effectively disrupt many criminal operations. Although 'offensive cyber operations' sound escalatory and bring to mind power outages, crashing airplanes and exploding generators, many actions that would disrupt cybercriminals could also improve security more generally. For instance, criminals typically attempt to hide their origins by launching their attacks from third-party computers that they have hijacked. In this case, ASD could both remove the

criminal's control malware and fix the vulnerability that allowed the computer to be purloined in the first place. ASD should focus on these types of actions that narrowly disrupt targeted criminals, as more destructive actions would undermine international cooperation, confidence and the rule of law.

But these actions, no matter how mundane, highlight how ineffective our efforts at deterring transnational cybercrime have been.

It isn't just *criminal* scams and ransomware that we've failed to deal with. We've also failed to deter *state* cyber operations.

State cyber operations are daily occurrences that have often had significant strategic effects, especially over the longer term. Our understanding and appreciation of their effects, however, are typically limited by often unnecessary secrecy.

One example is the Chinese Government's use of cyber espionage for intellectual property theft over the past 10 to 20 years. This was described back in 2012 as the 'greatest transfer of wealth in history' by the then Director of the US National Security Agency, and it's estimated in the US National Security Strategy to have resulted in the loss of trillions of dollars worth of intellectual property (Alexander 2012, The White House 2018). Cyber espionage is a key element in China's broader strategy to become a global leader in a range of strategic technologies for both economic and national security reasons.

In this case, a range of counter measures were tried to deter this behaviour, including public indictments, the threat of sanctions and behind-the-scenes diplomacy. With enough leverage applied, the 'solution' was to extract a presidential-level agreement between President Obama and President Xi to not 'conduct or knowingly support cyber-enabled theft of intellectual property, including trade secrets or other confidential business information, with the intent of providing competitive advantages to companies or commercial sectors' (OPS 2015).

The agreement didn't hold, despite being reinforced by engaging China in a series of subsequent commitments at the G20, and bilaterally with a handful of other countries, including Australia. By December 2018, about a dozen countries—the Five Eyes alliance, Scandinavia (including Finland), Germany, Poland, Japan and the Netherlands—came together to denounce a massive espionage operation that came to be called 'Cloud Hopper' (Nakashima 2018).

Cloud Hopper was a massive campaign that infiltrated the networks of eight of the world's largest IT managed service providers, using their services as launchpads for attacks aimed at their clients. The target companies covered finance, telecommunications, consumer electronics and medical industries in countries including Australia, the US, the UK, Canada, France, Germany, Japan, Thailand, Norway, South Africa, India, Sweden and Switzerland.

Despite this coordinated effort to name and shame the Chinese Government, Chinese hacking continues apace. Our best efforts to date have failed.

The economic devastation caused by the Covid-19 crisis will make it harder to apply stronger punishments. Governments will be focused on recovery, and European unity has been dealt a blow, so it will be harder to organise coordinated denunciations. Countries will also be reluctant to use sanctions—the logical next step in a pre-pandemic world, but perhaps a step too far in a world looking to avoid a global depression.

The Covid-19 crisis has also placed more at stake. Enforced lockdowns have accelerated our adoption of internet technologies. All of us—governments, companies, schools and individuals—have increased our use of the internet for critical functions. Even national cabinet meetings have been run over insecure commercial videoconferencing services.

This has vastly increased what's known as our 'attack surface'. This is the cybersecurity term for all the possible ways that communication technologies can be manipulated to cause us harm. A hermit living in a cave without internet access and modern conveniences doesn't have any cyber attack surface. For many Australians and our enterprises, our attack surface has rapidly and unexpectedly increased. As we need to work from home, we're now using potentially insecure tools for all sorts of sensitive work on a devil's brew of questionably secured home devices.

This increase in attack surface provides many opportunities for hostile intelligence agencies, and we could well see an increase in activity as they try to make the most of those opportunities. At the very least, we'll see a refocusing as they try to take advantage of a rare opportunity to get intelligence that was previously protected behind corporate networks.

Covid-19 has raised the stakes at a time when our previous best efforts at deterrence have failed. We need to expand the approach that we're using against cybercriminals—disrupt and deter using offensive cyber capabilities—to our most capable and dangerous adversaries.

Australia wouldn't be the only country using offensive cyber capabilities to deter adversaries. The US Cyber Command calls this approach 'persistent engagement', and the command's vision statement has advocated it since 2018 (USCC 2018).

In addition to directly tackling our key adversaries, we must also build resilience, and the Covid-19 pandemic has exposed the importance of international digital connectivity. Submarine cables are the cornerstone of fast, reliable global communications and carry 99% of the world's international telecommunications traffic (Clark 2019). There are no alternatives to the cables. Satellites can provide intercontinental communications but not the performance and bandwidth that submarine cables deliver. Despite their importance, the cables aren't adequately protected from intentional physical damage or interference. Those vulnerabilities are a serious national security concern.

During the Covid-19 pandemic, the International Cable Protection Committee (ICPC) released a statement urging government assistance to protect internet connectivity and critical communications (ICPC 2020). It argued that the repair of cables is an essential economic activity. That the ICPC felt it needed to recommend such measures emphasises the general lack of appreciation that submarine cables are a critical part of internet infrastructure.

Cable breakages can take weeks to resolve and can cause significant economic losses. 'In a single day, these cables carry some \$10 trillion of financial transfers and process some 15 million financial transactions' (Sunak 2017). Enforced isolation is close to sinking the world economy, and digital connectivity is helping to keep us afloat. Severe disruptions to internet access caused by cable damage would cripple an already damaged economy.

Currently, there are no laws in place that provide adequate protection to cables in international waters. The most applicable provisions were written in 1982, before the internet held a central role in our daily lives, within the United Nations Convention on the Law of the Sea (UNCLOS) Article 113. UNCLOS, as written, provides no protection against sabotage by a foreign national (Chew 2018). Even Australia, a country that was once praised by the ICPC and APEC as an example of global best practice in the regulatory protection of submarine cables, doesn't provide protection for international submarine cable links when they fall outside Australian territorial waters.

Beyond international law, our military needs to understand that submarine cables and digital data are just as important as supply lines and physical goods. The cables are not only important economically and financially, but also enable fast, reliable communications with our key allies. The ability to quickly transfer data in peacetime is just as important as the ability to securely transport it in times of war. Internationally, there's some understanding that subsea cables constitute critical infrastructure and need protection. As the UK National Security Adviser put it, 'In the modern era you can achieve the same effect as used to be achieved in, say, World War Two by bombing the London docks or taking out a power station by going after the physical infrastructure of cyberspace in the form of internet undersea cables' (Sedwill 2017).

For island countries such as Australia, where 99% of our international voice and data traffic is carried by transoceanic cables (Australian Parliament 2005), the security of that infrastructure is paramount. To protect data flows, we should invest more effort in countering the threat to submarine cables in the Indo-Pacific. This would include understanding which companies or countries own cable infrastructure, who has control of data as it runs across the cables, and the capabilities of potential adversaries to damage or interfere with this critical infrastructure. Those efforts should be supplemented with continued diplomatic efforts to build a global consensus on protecting digital infrastructure.

We need a far more robust approach to ensuring our ability to safely use the internet. This means that we must proactively tackle both our adversaries on the internet and the physical threats to the infrastructure that underpins the internet. Those threats won't be dealt with by passively defending ourselves on home soil—that approach has already left us dangerously vulnerable.

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# The internet of painted faces: Childhood cybersafety and privacy

Alison Howe

**The mask was a thing on its own, behind which Jack hid, liberated from shame and self-consciousness.**

—William Golding, *Lord of the flies*

Watching my daughter's first digital classroom collaboration with the children high on their new freedoms was like a flashback to William Golding's *Lord of the flies*. The teacher delivered a lesson to camera, unaware that vicious pack behaviour was brewing on the chat stream as cruel texts flew between factions.

These were not social-media-jaded teens, but 8-year-olds in their first experience of 'digital collaboration'. Sensing that rules no longer applied, masked behind their digital painted faces, the children had started to explore the new dynamics of power and social influence.

**Roger gathered a handful of stones and began to throw them. Yet there was a space round Henry, perhaps six yards in diameter, into which he dare not throw. Here, invisible yet strong, was the taboo of the old life. Round the squatting child was the protection of parents and school and policemen and the law.**

—William Golding, *Lord of the flies*

For me, as a parent witnessing this descent into primal behaviour, it took little more than hitting 'save' on the chat function to galvanise action. Within days, the school implemented controls to moderate behaviour in the virtual classroom and the rules-based order was somewhat restored. For the children, there'd been harsh first lessons in online engagement; they'd learned that nothing is private once published.

For the adults, there was an uncomfortable realisation that, beyond the moderated space of the digital classroom, was another, unmoderated environment in which every child appeared daily and where a third-party could hit 'save' on a chat, or download an image, or record the video stream.

**We did everything adults would do. What went wrong?**

—William Golding, *Lord of the flies*

In Golding's novel, the boys descended into primal behaviour in an unmoderated environment, but the 'civilised' adult world had begun its own descent, through a world war and then into the era of 'the bomb'.

Now, our children are engaged in moderated and unmoderated digital spaces. Many primary schoolers have experienced premature freedoms. Parental expectation is that innate good behaviour will prevail, regardless of the fact that our adult digital spaces are plagued with painted faces, the criminals who would cheat us, the trolls who would taunt us and the abusers who would exploit us. As adults, our knowledge, intuition, learnt experience and emotional intelligence mitigate online risk (Rivers S, n.d.). Our children, whose developmental pathway takes them on a journey through risky behaviours, have now entered this space without the safeguard of those risk-mitigating competencies.

**The world, that understandable and lawful world, was slipping away.**

—William Golding, *Lord of the flies*

In March 2020, with lockdowns already in place across Europe, Australian schools quickly implemented remote learning. Parents or carers became full-time home workers and full-time educators, experiencing varying degrees of success and compromise in both roles. The pressures of these new circumstances saw parents compromise on digital moderation, giving their children access to educational, social and entertainment media.

The well-drilled guidelines from safety advocates such as the Australian eSafety Commissioner became, for some, secondary to the opportunities and convenience presented by increasingly available online tools. The commissioner's *Top ten tips to help protect your children online* (eSafety Commissioner 2020a) provided worthy guidance, yet a brief poll of parents and carers in my network indicated that this guidance had not filtered through to those in domestic 'survival' mode. Tips such as 'co-view and co-play with your child online' became relegated to the 'nice to have' basket.

Parents said they'd lapsed when it came to implementing time limits, banning the use of devices in bedrooms and checking privacy settings. While parental or carer responsibility is a must, the reality is that it's not enough, nor consistent enough, to provide the protection children need. Confrontingly, my child entered the search term 'sick barbie videos' into YouTube while exploring her doll's 'coronavirus symptoms'. Surely, that couldn't happen in my house?

Statistics indicate that, prior to Covid-19, while many parents or carers were diligent about their child's online safety, many others struggled. A report by the Australian Centre to Counter Child Exploitation (ACCCE), indicated that '51 per cent of participants did not know how to keep children safe from online child sexual exploitation' (ACCCE 2020). Under 'normal' conditions, the ACCCE reported that:

... the increase in young people (including children and infants) accessing the internet has seen a corresponding upward trend in cases of online child sexual exploitation, including grooming, image-based abuse, and the spread of self-generated sexually explicit material. (ACCCE 2020)

During the pandemic, time spent online dramatically increased. National Broadband Network statistics showed that network usage at 11 am on Friday 10 April (Good Friday) had increased 127% compared to a pre-Covid-19 baseline (NBN 2020). In 2019, at pre-Covid-19 levels of network usage, the ACCCE triaged '17,000 reports of child sexual exploitation, each of which can contain hundreds or thousands of images and videos' (ACCCE 2020).

**Fancy thinking the Beast was something you could hunt and kill!**

—William Golding, *Lord of the Flies*

Jamie Grierson observed in *The Guardian* that:

... the shortage of moderators to combat sexual abuse online, combined with children spending more time on the internet at home, had created a 'perfect storm' for abusers to take advantage of the pandemic. (Grierson 2020)

Grierson cited Europol executive director Catherine de Bolle telling *Politico* that the agency had detected an increase in paedophile activity. 'We have huge figures of people abusing child material online,' she said (Grierson 2020).

In April, Australia's eSafety Commissioner, Julie Inman Grant, and other international leaders in child protection set out to identify these threats and propose solutions (eSafety Commissioner 2020b). They reiterated that child safety online was a collective responsibility. Recognising that individual and collective behaviours are only one factor, the team called for the tech sector to step up. They noted that having safer digital environments should not depend on whether a 'parent or carer had the right level of technical skills, time or financial resources'.

Technologies such as PhotoDNA and CSAI Match can match the digital signature of an uploaded image or video to databases of known exploitation materials. Work is underway with platforms such as Griffeye, which uses artificial intelligence to detect images that aren't catalogued in existing exploitation databases. This technology identifies attributes of classified material in its search for previously undetected materials. However, such technologies haven't been widely adopted (eSafety Commissioner 2020b).

During the pandemic, we've seen landmark collaboration between tech companies and governments, and between tech companies themselves, focused on developing contact-tracing capabilities and alerts. Australia needs tech companies to acknowledge their responsibilities and work together in this way to eliminate online child exploitation.

Currently, illegal and offensive online content is regulated under the *Broadcasting Services Act 1992* through the Online Content Scheme, which is a complaints-based mechanism. Material can be subjected to 'take down' notices, filtration advisory recommendations (for overseas-hosted content) or referral to the Australian Federal Police.

However, beyond individual industry codes, there's no federally legislated responsibility for content hosts or internet service providers to proactively detect and remove offensive materials.

Consultations on a proposed new Australian Online Safety Act finished in February 2020, and outcomes are pending. The process was based on a 2018 review to consolidate and extend the existing online safety legislations. An Online Safety Charter, which won't be mandatory, has been proposed to address service providers' responsibilities and accountability and to ensure that community expectations are met. Proposed in the Online Safety Act is a scheme requiring the technology industry to address ways to block access to harmful online content. The scheme would also expand the eSafety Commissioner's powers to address illegal and harmful content on websites hosted overseas.

Tech companies seek to minimise the imposition of laws seen as constraining enterprise and innovation, and the internet industry is particularly sensitive to the suggestion of 'state interference' and keen to uphold the principles of a 'free and open internet'. However, we've seen tech companies collaborate to innovate in the face of the pandemic, even with perceived impacts on privacy. It can be argued that a collaboration to eliminate a pandemic of online exploitation is an even worthier cause. While a voluntary online charter is one option, an alternative might be a legislative lever, comparable to the *Modern Slavery Act 2018* (under which companies must annually report their efforts to eliminate slavery from their supply chains). Ensuring a similar process for online exploitation as a part of the corporate annual reporting process would bring these issues out of the shadows and into the consciousness of shareholders and other stakeholders.



Our children occupy their time with a broad range of digital media. With every interaction, for education, social networking or entertainment, they build their digital footprints. Every subscription, preference, pattern of usage or 'like' has published a little more about the person our child is today and whom they might become. We need to understand the digital footprints our children have created and regain custodianship of their digital identities.

Social media applications such as Facebook and Twitter specify that account holders must be aged 13 years or older. This relates to the US Children's Online privacy Act and helps operators avoid a requirement to obtain verifiable consent for gathering data on children younger than 13. However, children much younger than 13 are accessing social media, and there's no requirement for social media companies to monitor or validate transactions to detect accounts held by minors.

Research indicates that, by the time a child is 12, more than 72 million pieces of personal data have been collected about them using advertising technology designed for adults (Totally Awesome Pty Ltd 2020). As our children's internet usage spiked during home lockdown, so too will have the passive and active data collection across their interactions. Our children will have profiles in one or many databases in which their profiles will continue to build into their futures. UNICEF asked how concerns about childhood digital privacy in the Covid-19 context could be balanced with their right to health. Both are enshrined in the Convention on the Rights of the Child. The organisation asked how technology and data could be used to combat the outbreak now, without creating a new normal in which children's privacy is under constant threat (Vosloo et al 2020).

Addressing childhood privacy is both a policy and a technology imperative. UNICEF has issued a call to use the current situation to create lasting change regarding the digital rights of our children. In a compatible approach to the Australian eSafety Commissioner's Safety by Design initiative, UNICEF calls for 'technology-driven solutions [which] should safely explore all avenues for minimizing the trade-off between data privacy and data sharing, especially for children' (Vosloo et al 2020).

Since 1998, the privacy of children in the US has been protected through the Children's Online Privacy Protections Act. The European Union's 2018 General Data Protection Regulation provides for the protection of children's personal data up to the age of 16. Australia's *Privacy Act 1988* doesn't specify provisions for children or an age from which an individual can make their own privacy decisions. It's based on a model in which, generally speaking, an agency or organisation may assume that a child over 15 has the capacity to consent (Eisenberg 2000), unless there's some cause for doubt. While the Australian Act applies its provisions to all citizens regardless of age, this approach has left gaps when it comes to the verifiable consent of parents for the collection, usage and storage of data relating to their children.

Content providers, technology platform owners and advertisers should be required to protect children's privacy, including by preventing the profiling of children for marketing purposes, preventing the dissemination of images, videos or geolocation data, and blocking embedded data collection tools that act without explicit parental consent. Verifiable, opt-in, parental consent should be considered prior to children sharing information or participating in unmoderated chat (Totally Awesome Pty Ltd 2020). However, we need a federal-government-led initiative to avoid inconsistencies among the states and territories. Various US states, most notably California and Washington, have been building extended child

data privacy protections into their legislation. That sounds commendable, but it could cause confusion for businesses operating across interstate boundaries. We need an Australia-wide consistent approach to child data privacy.

The massive increase in online engagement of our children during the pandemic has uncharted outcomes. However, we know there'll be increased demands on the eSafety Commissioner and the need to extend engagement activities such as the Think You Know program of the Australian Federal Police. The work of these organisations will become increasingly important in coaching parents, caregivers, teachers and others on strategies to normalise online activity and deal with the repercussions of premature or excess online exposure.

The right conversations are happening at the federal level. Increasing the powers of the eSafety Commissioner is a logical and desirable outcome. While it remains government policy to encourage internet industry self-regulation, the government needs to be clear that online services should be designed and operated with the best interests of the child in mind. The eSafety Commissioner's role becomes increasingly important as we raise community expectations that services are safe and appropriate in accordance with the Safety by Design initiative. The role of the eSafety Commissioner must be comprehensively supported in its mandate to protect all Australians online.

While preserving a free and open internet, there's cause to accept reasonable increased interventions to stifle the pandemic of child exploitation online, much as we've accepted some (temporary) reduction in freedoms to prevent the spread of a pandemic. However, an increase in legislative powers should be accompanied by increased judicial or independent oversight to protect against inappropriate censorship.

There should be a comprehensive review of global childhood data protection best practices to be incorporated into voluntary and mandatory codes. Technology-led opt-in controls that empower parents or carers to administer access to their children's data should be explored, invested in and made commonly available.

Mitigating online risk will draw heavily from a technological collaboration of service providers, content hosts, content developers, technology platform developers and advertisers. It's time to see this recognised by the tech industry in a cohesive way. Although an announcement in March 2020 (McMillan & Gurman 2020) saw five major tech companies, including Facebook, Twitter and Google, announce they were collaborating on the elimination of online child sexual abuse, there's scope for much greater collaboration. Australia, with its world-leading mission from the eSafety Commissioner, is well positioned to champion a global accord for child safety online.

Finally, it must be reiterated that child safety online is a responsibility for all of us. Government, industry, community and the individual all need to rip away the painted faces and address the reality of what lies beneath.

**Ralph wept for the end of innocence, the darkness of man's heart, ...**

—William Golding, *Lord of the Flies*

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# Conclusion

John Coyne and Peter Jennings

Historically, pandemics have forced humans to break with the past and imagine their world anew. This one is no different. It is a portal, a gateway between one world and the next.

We can choose to walk through it, dragging the carcasses of our prejudice and hatred, our avarice, our data banks and dead ideas, our dead rivers and smoky skies behind us. Or we can walk through lightly, with little luggage, ready to imagine another world. And ready to fight for it.

—Arundhati Roy (2020)

There is hope. So far, the government led by Scott Morrison has managed this crisis as well as any country has, and far better than most. There are indications that the government is beginning to focus on the need for tectonic strategic change after the immediate health crisis stabilises. Foreign Minister Marise Payne has called for an international effort to explore the causes, and Beijing's management, of the pandemic (Payne 2020). Morrison has reached out to his counterparts in the US, Germany and France, seeking to empower the World Health Organization to investigate the origins of the pandemic (Morrison 2020). These are important indications that the government understands that relations with the People's Republic of China can't revert to quiescent overdependence. Deep at the heart of this crisis is a story about the clash of political systems—messy democracies versus brutal authoritarianism. Covid-19 will reshape the global order. The urgent task for Australia and like-minded democracies is to make sure that a stronger form of liberal internationalism prevails.

The Australian Government has also announced that it will invest in developing 'government-owned oil reserves for domestic fuel security' (Taylor 2020). Although much remains to be done, this is a welcome development, and it's clear that there's a fresh appetite for addressing points of vulnerability across the economy where Australia has been too dependent on the just-in-time delivery of essential goods. With the right investment, Australia could emerge from the crisis with a stronger capacity to protect its sovereign interests and a deeper resilience when it comes to riding out the challenges of an increasingly risky regional security environment.

Scott Morrison's national cabinet, bringing together the Prime Minister and state and territory premiers and first ministers as a real decision-making body, has been a genuinely profound step in making the Australian federation's governments work more effectively. Likewise, many areas of the Australian Public Service have risen to the challenge of creating new policy quickly and effectively. Crises can bring the best out in many people and in many organisations. The urgent need is to sustain that energy and creativity and to broaden its application into new policy areas. Australia has never had a more desperate need for its public officials to think big and to be prepared to walk away from old policy settings that may simply not be relevant after the pandemic.

Although Australia and much of the world remains locked down, we need to emerge from the crisis more connected with our neighbours and with like-minded democracies. It's possible that the worst effects of Covid-19 have yet to be seen in Southeast Asia, South Asia and the Pacific. For Australia, the task should be to turn our minds to what we can do to help more fragile neighbours during this time. Here, a humanitarian imperative and a strategic necessity come together. Australia needs a stable and secure

region in which we can be stable and secure. We should do everything we can to build closer relations in our neighbourhood as well as deepening and reinvigorating ties with longstanding allies and friends. The world that emerges after Covid-19 will need strong, like-minded liberal democracies working closely together as a foundation of global stability.

Finally, Covid-19 has reminded us all that human security is at the core of security. Time spent in social isolation reminds us all about the central importance of human interaction. As neighbours get to know the people living next door, as we thank health workers and those on the front line of fighting the disease, as we engage in small acts of kindness to help strangers in need, we're surely emerging as a better, more caring community. Let's carry that spirit forward into a more resilient future.

There's so much to do and so many challenges to address. ASPI intends for this volume to be the first in a series of *After Covid* books, bringing bright minds and new ideas to major policy problems and covering Australia and the wider world. We would be delighted to receive your comments on this book and on the topics you would like addressed in future volumes.

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# WHAT'S YOUR STRATEGY?

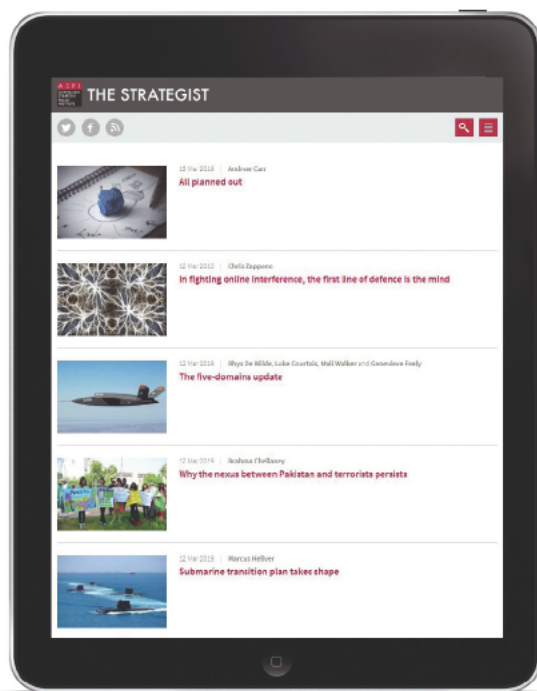


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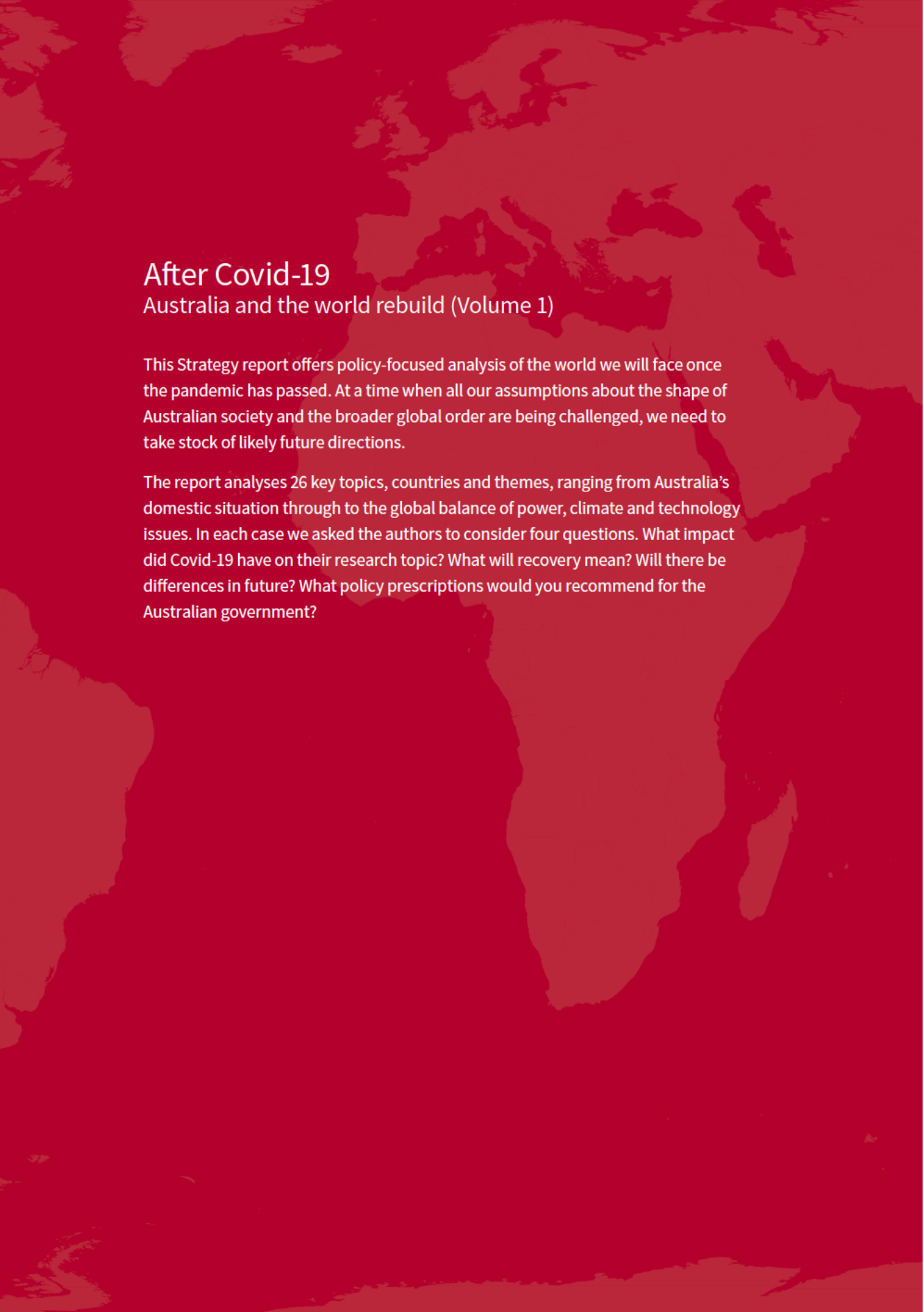
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## After Covid-19

### Australia and the world rebuild (Volume 1)

This Strategy report offers policy-focused analysis of the world we will face once the pandemic has passed. At a time when all our assumptions about the shape of Australian society and the broader global order are being challenged, we need to take stock of likely future directions.

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