

TRANSCRIPT OF PODCAST

WORK WITH PURPOSE

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REVISITING AUSTRALIA'S PLACE IN THE ASIA-PACIFIC

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DAVID PEMBROKE: Hello everyone and welcome once again to Work with Purpose, a podcast about the Australian Public Service. My name's David Pembroke. Thanks for joining me. Today, a special re-run episode as we head towards the end of 2022. It was recorded shortly before the untimely passing of Brendan Sargeant. In this episode, Brendan was joined by Katherine Mansted. Australia is currently experiencing a reset of the strategic order and the rules that governed our region for much of the last 70 years. China is challenging American dominance. We're seeing the rise of other powers such as India and Indonesia, and Japan becoming more assertive.

DAVID PEMBROKE: Obviously, there are challenges of climate change, stress on natural systems and food sources, water. And it's created a strategic environment that Australia hasn't had to deal with before. Policy makers – in fact all Australians – need to reconsider just exactly how we operate in the region, how we contribute. But it is really a poignant episode and a really interesting one, and certainly one of the most popular episodes of Work with Purpose in 2022. And I do hope you enjoy the re-run of 'Australia's place in the Asia-Pacific'.

DAVID PEMBROKE: Professor Brendan Sargeant is the Head of the Strategic and Defence Studies Centre at the Coral Bell School of Asia Pacific Affairs at the Australian National University. He lectures on Australian strategic and defence policy. Brendan retired as the Associate Secretary of Defence in 2017, having dedicated a 37-year career to the Australian people through his roles in the Australian Public Service in the Department of Defence, the Department of Finance and at Centrelink. Brendan has degrees in English literature and political science and has attended the International Security Program at the Kennedy School at Harvard University and completed the advanced management program at the Wharton Business School at the University of Pennsylvania. Welcome, Brendan to Work with Purpose.

DAVID PEMBROKE: Katherine Mansted is a Senior Fellow in the Practice of National Security at the Australian National University's National Security College. She's also a director of cyber intelligence at Australia's largest independent cyber security services company, CyberCX. She has led the ANU National Security College's public policy team and regularly briefs government business and public audiences on national security and technology policy, including cybersecurity, information geopolitics and foreign interference.

DAVID PEMBROKE: Katherine once practiced as a commercial solicitor with King & Wood Mallesons and served as a judge's associate in the High Court of Australia and worked as a ministerial advisor in the Australian government. Katherine holds a master's in public policy from the Harvard Kennedy School of Government, where she studied as a general sir John Monash scholar and graduated with a bachelor of laws and international relations from Bond University, where she studied as a vice chancellor's scholar. It's no surprise that Katherine also graduated with the university medal in law. Katherine, welcome to you to Work with Purpose. Now, Brendan, if I might start with you and if you'd be so kind to give us that primer, that 101, that

introduction if you like about your assessment of Australia's current place in the Asia Pacific region.

BRENDAN SARGEANT: The way I think about this is that we are going through a couple of major system-wide changes, one which is the current preoccupation of the policy community is the change in the strategic order. We are seeing a reset or a change in the system of rules and laws which have governed us for more than 70 years. And that system has been underpinned by American power and American presence in the Indo-Pacific. China is now challenging that strategic order. And we are seeing what I would describe is a competition between the United States and China for how the world will be run in the future. But that's not the only thing that's happening. We're also seeing the rise of other powers, India, Indonesia. We're seeing a Japan which is becoming more assertive in foreign and security policy. But we're also seeing across the Indo-Pacific countries under stress as a result of population growth, resource, insecurity, access to food, land, water and so on.

BRENDAN SARGEANT: So, we're in a period of major change and we don't know what is on the other side of this change. We're also seeing change in the biosphere, predominantly climate change, but we're also seeing stress on other natural systems, oceans, food resources and so on. And my proposition would be that these system-wide changes are interacting with each other and have compounding effects which creates the strategic environment which Australia really hasn't had to deal with before. So it's an enormous challenge. And I think that that presents a challenge for Australia in terms of how we operate in the region, how we contribute, how we exercise leadership and what role we will play in responding to these enormous changes which we are seeing.

DAVID PEMBROKE: Okay, thanks for that. Now, just in terms of the Australian Public Service and people working in the Australian Public Service, you've very clearly articulated there what that position is, but what's the relevance to them and how should they be thinking about these changes that you're talking about, these dramatic changes that you've just outlined?

BRENDAN SARGEANT: Well, some departments are obviously at the front line of dealing and responding to these challenges, Department of Defence, Department of Foreign Affairs and Trade, Treasury, Department of Environment and so on. But I think that the message for people in the public service is that every international issue has its echo in the domestic sphere and every domestic issue has an international implication. So, for example, you can't talk about health policy in Australia without thinking about what's happening internationally. I mean, that's one of the lessons of COVID. We live in a connected and interdependent world, which means that anyone in the public service in any job will need to be thinking both about what they're doing domestically in terms of public policy, but what that also means for how Australia works in the world. I mean, Katherine is an expert on this, but we are now a living in a world where the borders are very fluid and where we need to live on both sides of those borders at the same time.

DAVID PEMBROKE: So, Katherine, your views then on that proposition that's just been out outlined there by Brendan. And particularly if I might ask you to just focus on China, perhaps and the rise of China, and your views on Australia's role in the Asia Pacific and as it relates specifically to this emerging role of China and its influence on the region.

KATHERING MANSTED: Yeah, absolutely. So, I think if I had to sum up our region in a couple of words, I would say we live now in a region that is contested, congested, insecure and uncertain in ways that Australia has never had to grapple with before. We had the luxury to this point of living in a relatively benign strategic environment. Well, that is absolutely changing for Australia. We also previously had the luxury of being able to outsource in many respects, our security, even our technological innovation, our defence industrial base. All of these are really important things for a country. We could outsource that in many respects to our biggest security partner and put it on a bit of a set and forget trajectory.

KATHERING MANSTED: Australia now has a lot more agency and must step up and exercise that agency in our region. We've got a lot more choice in many respects. We need to exercise that choice wisely. And we also now are in a situation as Brendan was alluding to where many of the categories that we held sacrosanct in diplomacy, foreign affairs and national security are collapsing and blurring. We held sacrosanct that they were separate, I should say. So, whether that's economics and security, we've realised that you can't deal with one without thinking of the other, whether that's the collapsing and blurring of issues that are foreign and also domestic. And I think that's really where China comes into play. We have seen in the last couple of years, and in particular, the pandemic has accelerated this. And I know this podcast grew out of the pandemic. But China has become increasingly brazen in asserting itself and in attempting to achieve its objectives. In my realm, in the realm of cybersecurity, we see this acutely. I would say that China's use of tools of economic coercion and also cyber espionage and cyber interference are increasingly overt.

KATHERING MANSTED: They're also increasingly more reckless. And that puts Australia in a situation where we need to really carefully manage that relationship. And it's not just the APS that's on the front lines of that really difficult issue, it's also all aspects of Australian society. It's our politicians, it's our businesses and industry who are often the ones grappling with economic coercion and cyber operations. And fundamentally it's our society and our citizens. So, the question then becomes not just how the APS deals with these issues, but how we deal with them on a whole of society level and how the APS has those conversations with all aspects of the Australian economy and society to ensure that we have a really robust sense of defence to what is a really complex and fraught time.

DAVID PEMBROKE: So just in terms of those conversations and what advice might you then have to people inside the APS about managing those conversations, contributing to those conversations, so there is that robust exchange, so that the

awareness and understanding of the level of these threats is well understood by all Australians?

KATHERING MANSTED: Well, and this is the tricky part. I mean, you referred to me as an expert for which I'm grateful. I wouldn't consider myself really an expert in these matters. But what I would say is for someone who pretends to expertise, talking about these issues is actually really hard. Talking about unseen forces like cybersecurity, talking about contingent risks, like the risks of ownership and manipulation of our critical technology systems. All of these things are actually really hard to talk about, even in an academic sense. Famously former US military general once said, if a missile hits your country, it comes with a return to sender address. You know who sent it. It's obvious what the consequences are. You're mobilised in a response. Cyberspace is not like that. The information, domain, propaganda, influence, interference is not like that. Neither often is economic coercion, which often comes with a veil of plausible deniability and a range of other issues there as well.

KATHERING MANSTED: So, the first thing I would say is we need to get our own house in order in terms of how we talk about these things, but we then also need to recognise that these are not easy conversations to be had, but they must be had. And part of that is trying to make sure that we share information and sometimes even share intelligence where that's appropriate so that people can start to understand the nature of these unseen often contingent risks that characterise the 21st century, particularly when a lot of the decisions that matter, decisions by business to increase its cybersecurity, decisions by an individual frankly about which social media platform they use or what steps they take to protect themselves from propaganda or from data misuse, those are decisions that are happening at a really decentralised level across our economy and society. We need to empower people to understand those risks and make decisions appropriate to them and appropriate to the national interest.

DAVID PEMBROKE: Brendan, I'd be intrigued by your views on that specific issue around conversations, given your distinguished career and experience in the Australian Public Service. What are your views in the role that the APS can play in being a part of, as Katherine's just outlined, a very complex and difficult challenge?

BRENDAN SARGEANT: Well, at the level of individuals, I think that people in the public service should become informed about what's going on and then they should develop a view and then they should be prepared to argue that view in the context of their work and step forward and exercise intellectual and policy leadership. It's really important that the public service do that, and the people engage with the content and the context of their work. And I can tell you that one of the things that leadership in the public service wants is that type of engagement and that type of policy and intellectual and administrative commitment. More broadly, the public service has access and is a repository of vast information and corporate memory resources and they

are extremely valuable in informing policy and understanding the nature of the world we are in.

BRENDAN SARGEANT: And I think it's important that the public service really understand that and work with those resources and make them available to governments, to politicians, to stakeholders and in a sense contribute and in some cases lead the conversation on how we as a community respond. I mean, the reality is that we are all connected, that we all have multiple connections across public and private sector and other communities. And we need to be in the conversation with everyone because we are not dealing with isolated problems. We are dealing with whole of nation challenges, which will require whole of nation responses. First step is understanding.

DAVID PEMBROKE: Okay. So, Brendan, you have researched and written and described a cascade of crises. Is Australia's vision for our future large enough to accommodate and respond to the scale of change that we are seeing that's being described by both Katherine and yourself?

BRENDAN SARGEANT: Look, I think we are in a period of cascading crises. I mean, I mentioned change in the geopolitical order or the strategic order. I mean, that's big enough in and of itself. It's enormous, but the other one is climate change and everything that goes with it. And as I said, those two interact and at the moment, we are focusing very much on the changes in the geo-strategic order or the strategic order because the consequences of that are immediate. China's behaviour, the struggle between, or the competition between China and the US. That has immediate implications for our economy, for the way we live. And we are responding to that in a number of ways, building capability, strengthening our security systems, type of engagement we do with the region and so on. But I think that the question for Australia into the future is how do we think about how these crises interact, and how do we exercise leadership in the Indo-Pacific to respond to them?

BRENDAN SARGEANT: And if I look at traditions of Australian strategic policy going back decades, we tend to fluctuate between strong engagement with the world, strong participation in regional and global political and economic and trading systems. But we also have periods of what I describe as retreat, what some people call fortress Australia and we've been in a fortress Australia moment through COVID, and we are now starting to come out of it. But I think the question is, as we come out of it, how do we understand the world and how do we exercise leadership from our position as a significant country in the Indo-Pacific?

DAVID PEMBROKE: So, Katherine, from your point of view then and again, Brendan quite clearly articulates that external environment. But then, what's your advice around, how do we organise ourselves domestically in order to manage those particular risks and challenges that are obviously there?

- KATHERING MANSTED: I think the most obvious answer to that and one that the government is making a lot of movements towards is recognising that this is not an area where government can go it alone. That there needs to be collaboration, coordination, shared enterprise and vision between government and civil society, between government and industry.
- KATHERING MANSTED: So, to take it down to an area that I'm most familiar with looking at cybersecurity, we see a lot of movements from the department of home affairs in particular in terms of bringing industry along with a vision of protecting Australia's critical infrastructure. Protecting our businesses from cyber security, not necessarily in terms of government riding in on its white horse and fighting off cyber adversaries, but more in terms of defining shared, understandings of what minimum standards should be, outlining a shared vision for intelligence sharing and information sharing and actually figuring out how to work together between those two sectors.
- KATHERING MANSTED: So, I think that's the starting point that needs to be for any of the issues that we can discuss as being pressing to our times, whether that's in the security realm, whether that's in the realm of environment, frankly, it's not something that government can solve alone.
- DAVID PEMBROKE: Give us a mark out of 10 for how well Australia is collaborating and working together at the moment.
- KATHERING MANSTED: Look, I don't think I can give a mark out 10, but what I could-
- DAVID PEMBROKE: Good, bad, indifferent, your observations. Where do you think we are?
- KATHERING MANSTED: I think we're at the beginning or we're at the end of the beginning, perhaps to be all Churchillian on you. I think what it actually requires is a bit of a cultural shift from government. And particularly when we are talking about security issues, it's a cultural shift firstly, that recognises that matters of state and high politics and security. Those things used to be the realm of the close to elite in Canberra or Melbourne. And now it is distributed across society. That's a shift. Of course, there still is a role for the close to elite to have a key role to play but it is shifting, and it is changing. That this is no longer just something for security wants but also for those with a stake in health, economics and other things. That's a culture shift.
- KATHERING MANSTED: And being a little bit more outward looking, sometimes sharing information, sharing intelligence, as opposed to the instinct of any good intel agency, keeping that information inside that also is a culture shift. And we need to, obviously, we can't throw the baby out with the bath water and completely change. But I think there is the beginnings of a culture shift that recognises that things need to change in this 21st century technology driven risk laid environment that we are in.

DAVID PEMBROKE: Brendan, your views on that element of cultural change. What's your assessment given that you did spend a long time at the senior levels of the Australian Public Service working in this very area?

BRENDAN SARGEANT: Look, I think that the conversation is not large enough and not enough people are involved in it. I think one of the challenges that we have is that if you work in national security and defence, you tend to know everyone who's involved. So, it's potentially a very inward-looking community where Katherine talked about close to the elites where people talk to each other and everyone has a worldview built on very similar assumptions. I think it's really important that the conversation be broadened, and different and new voices be brought into it.

BRENDAN SARGEANT: And I worry that one of the challenges of doing policy in Canberra is that it becomes the province of experts. But we are talking about, as Katherine said, the need for that culture change that that develops the policy cultures far more integrated, far more whole of nation, brings in different constituencies and communities, engages them in the conversation. And out of that, hopefully, we start to get some different ideas about where we are, who we are and where we're going.

DAVID PEMBROKE: Do you have any recommendations around how we can actually move towards that? How can we accelerate that adoption of this new collaborative sharing culture that's required to deal with these particular threats?

BRENDAN SARGEANT: Look, I think that's a really complex question with many dimensions, but I think in terms of... One of the issues is how we operate as a political community, the type of debates we have, the timeframes within which we frame issues, how we understand issues. And in a sense, trying to develop a longer-term perspective and to bring the community along with that, while at the same time having the vigorous debates that we have and we expect. Then within the public service, to develop cultures of collaboration and cooperation

BRENDAN SARGEANT: That is happening, and it's moved an enormous way since I joined the public service a very long time ago, but we can do better and we need to bring in other constituencies. So, I would like to see closer links with academia, closer links with the business community, and to recognise that no single voice, no single group has a monopoly on knowledge or information, or has the best ideas and to bring in groups which are not normally part of the conversation in the communities, in our cities, in our rural communities and in a sense to try and lift understanding and the quality of the debate.

DAVID PEMBROKE: Katherine, there's a few ideas from Brendan. What's your how? How are we going to drive this cultural change that you articulated a need for earlier?

KATHERING MANSTED: So, a couple of ideas and as Brendan said, this is a complex issue and government is slowly biting away at it, so far be it from me to jump in and say, "This is how to solve it." But a couple of areas. One, I think we need to keep having a conversation about the role of the media and journalists. There was a PJC's hearing into press freedoms and the role of law enforcement and national security a couple of years ago. And I made a submission to that inquiry. And one of the points there that was made was, we need to make sure that we are open to facilitating a media debate about national security policy settings even if that doesn't always go in the government's favour, because that's about generating a depth of expertise and a group of journalists who can reliably commentate on these issues and create a trusted rapport with the Australian public. So, I think that's one. Two, something I think Brendan was maybe alluding to there, but apologies if I'm verbalising you, Brendan is having a slightly better parliamentary debate on all of these issues.

KATHERING MANSTED: One thing that I fear is that as we talk more about national security risk, as we talk more about issues like China, there is a risk that these issues become politicised in a way that is really damaging. There's also a risk that as we recognise that there's a need for legislative and policy change, we try and run that through too quickly without appropriate policy debate. If you look at a range of laws that have come down recently in the fields of security, technology and other areas, the parliamentary debate times for those are shortening and narrowing. I think that's something we should absolutely be focused on to make sure that we are getting our laws and policies right, but also bringing people along with that conversation.

KATHERING MANSTED: And then the final thing is business outreach and community engagement. And there are some good news stories there. So, we see on foreign interference, for instance, a more robust conversation between ASIO counter foreign interference and the university community. But I think we can do better and more. And we can also expand the groups that we talk to. It shouldn't just be universities and business leaders. It should also be a more inclusive view of Australian communities at large, because this is not just something for leaders and elites to resolve. It's something, as I said before, where the decision making of ordinary everyday Australians actually matters a lot and we should be able to trust the Australian public to have these really hard conversations with them and bring them along on that journey.

DAVID PEMBROKE: Okay. So, listen, Brendan, in your first answer, you did refer to the biosphere and climate change as it relate to the strategic and defence policy. And you've in fact written extensively around climate change and strategic and defence policy. And in the writing, you've suggested that Australia is perhaps looking too much at the symptoms rather than the causes and missing perhaps opportunities to work cooperatively. What do you mean by that?

BRENDAN SARGEANT: I think climate change is a whole of system challenge which no single country by itself can solve. So, it challenges policy and response cultures

which believe that if you operate independently and respond independently that you can deal with the problem as it affects you. Climate change is a problem that is much bigger than that. And so, I think any approach to climate change needs to recognise our interdependency internationally, which means that we need to work with other countries and we need to work with other countries to take whole of system approaches. And so, in that sense, I think climate change, regardless of everything else that it does is a challenge to the way we think about policy and strategy and how we operate in the world.

DAVID PEMBROKE:

So, Katherine, your paper, the Domestic Security Grey Zone: Navigating the Space Between Foreign Influence and Foreign Interference suggests Australia should address foreign influence. It's not consistent with Australian values. And you mentioned that Australia has been something of a canary in the coal mine in its experiences of the Chinese Communist Party in their foreign influence and interference. It's a great analogy, but can you break this down and tell us where you think Australia and other countries can strengthen their defences against this particular sort of influence?

KATHERING MANSTED:

Absolutely. So, I think the first point to note is that one of the fundamental duties of a federal government is figuring out what the boundaries are between foreign influence and domestic influence that's allowed. And everything that we do in our constitution sets out rules about who is allowed, under what terms, when and with what disclosures to have influence on our political system. And throughout history for centuries, we've drawn a distinct between foreign and domestic influence. The most obvious example of that is that the franchise, if you are a citizen of a country, you have the vote. And in Australia, you need to be, as we discovered a citizen of Australia to hold office and not hold dual citizenship.

KATHERING MANSTED:

So, this is an old issue with some new faces. And one of the newest faces that we're channel that we are dealing with, is something we've been talking about a little bit on this podcast, which is that we now live in this borderless world of coercion and interference and influence where it's much easier for foreign powers to reach into our domestic situation and in a way they couldn't before. So, Australia, it has been a canary in the coal mine in experiencing these kinds of pernicious cyber economic foreign interference categories. But I'd say we've also been a world leader in coming up with a response. We've criminalised the most pernicious forms of foreign influence, foreign interference. So, acts that are clandestine, deceptive, corrupting, coercive. Things that really should be unlawful no matter who does them.

KATHERING MANSTED:

The next frontier though and this is where I think Australia can and is playing a leadership role among liberal democracies is figuring out what we do with influence that is a little bit less than foreign interference. So perhaps not obviously unlawful activity, but things that we don't like, and that we as a democracy have a right to have a view in terms of where we draw that line on foreign influence versus domestic influence and what we say is acceptable and is not acceptable.

DAVID PEMBROKE: And Brendan to you, a final question around your views on foreign influence, foreign interference.

BRENDAN SARGEANT: I think it's a really big challenge for us. And I think at the heart of the challenge is getting the right balance between what I call legitimate political debate on issues and understanding where that oversteps the mark and enters the world of interference coercion and the subversion of democratic processes and activities. And that's a really hard balance to strike, but I think that we have to do it. And because at stake is our capacity to exercise through the operation event at democracy, which is probably our most important national asset when we interact with the world, particularly in a world which is becoming more authoritarian.

DAVID PEMBROKE: Indeed. So, I think in many ways today in our conversation today, really what we've done is really just set the scene for a wider, broader, deeper conversation, because it is complex. It is moving. It is changing all the time, but a very big thanks to Brendan Sargeant and to Katherine Mansted today for your contribution. And you call for conversation and perhaps this might be a small contribution to that national conversation and debate and discussion that needs to take place. And hopefully, in the not-too-distant future, we'll get you back to continue the conversation and to drill down a little bit further into these important issues. So, thank you very much for joining us on Work with Purpose today.

BRENDAN SARGEANT: Thank you.

KATHERING MANSTED: My pleasure.

DAVID PEMBROKE: So, there you go, what a wonderful conversation with Katherine Mansted and Brendan Sargeant. And it is such a pity that we won't get that opportunity to drill down further into these important issues, and to learn from and enjoy and to share the wisdom and the knowledge of Brendan Sargeant. A great Australian public servant. And we mourn his passing here at Work with Purpose. Thanks a lot everyone for joining us today for this very special episode. And I do hope you enjoyed the program today. It's a special program. It's an important program, and one I think gives you insight into a great Australian. Thanks for joining me. We'll see you at the same time in two weeks, but for the moment, it's bye for now.

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