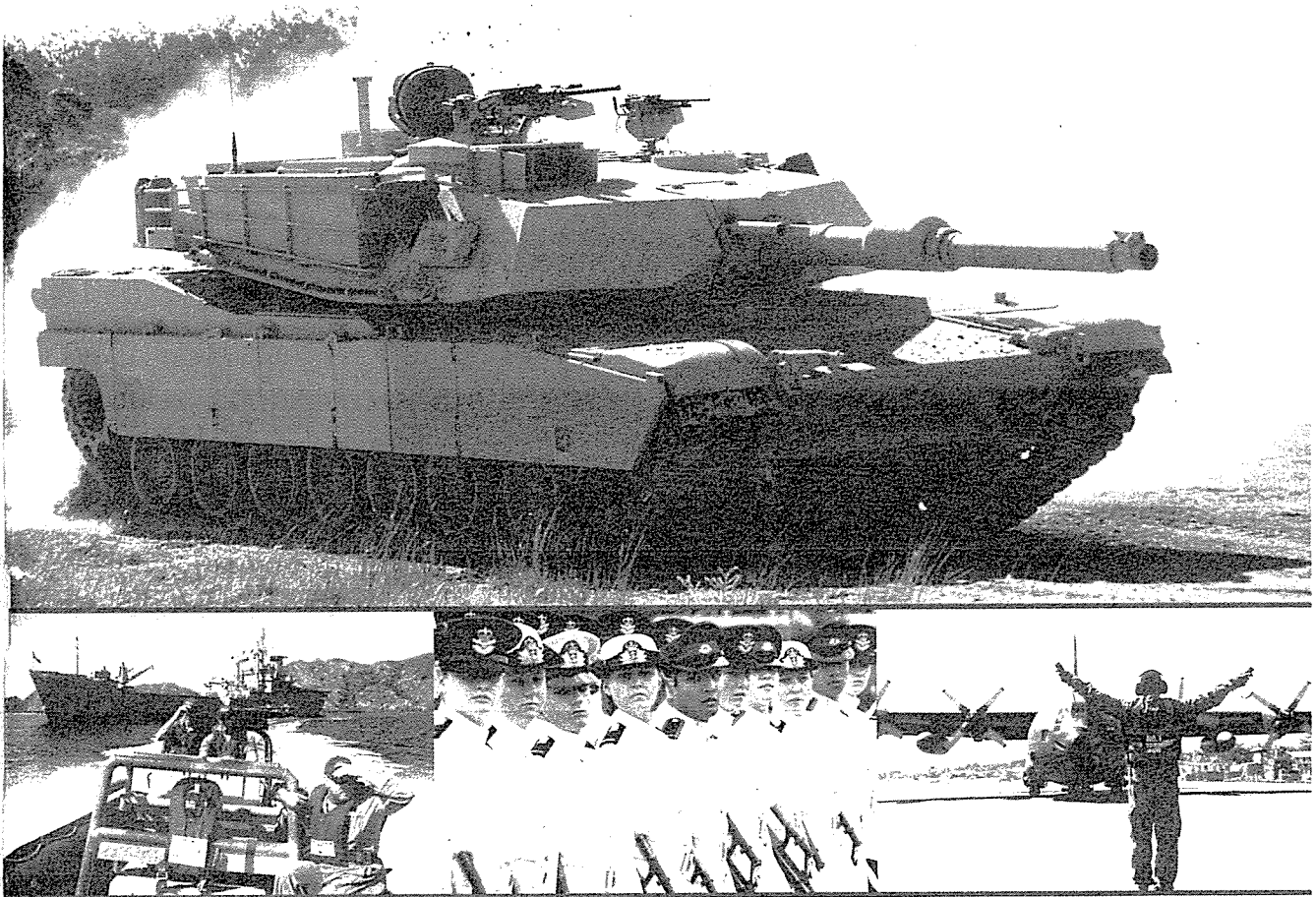**Australian Government**
Department of Defence

'KEY QUESTIONS FOR DEFENCE IN THE 21ST CENTURY'

A DEFENCE POLICY DISCUSSION PAPER

community changes, so too must Defence, particularly in its workforce diversity, its management of sensitive community issues and its attitude to social values. As a nation with a relatively small population, we should do all we can to attract the right people from every part of the Australian community.

Significant personnel policy changes may need to be made in the ways in which Defence recruits, develops, sustains, retains and transitions its military and civilian workforce. To sustain tomorrow's workforce, strategies that address individual lifestyles, community and social responsibilities might need to be developed. Initiatives such as the gap year program and a series of recruitment and retention measures have already commenced.   What else might be required? The new White Paper will need to address these challenges if we are to ensure the continued strong support of the Australian community for Defence service and activities.

How Might We Better Integrate Industry?

Australia's defence industry is a fundamental element of our national security – often referred to as the 'fourth arm of Defence'. Over many years, governments of all persuasions have developed defence industry policies that acknowledge this fundamental relationship.

The challenge for the future is equally fundamental. In recent years we have seen a substantial rationalisation of the defence industry sector. We may need to consider the capacity of Australia's defence industry sector (less than 1 percent of total Australian industry), and its reliance upon overseas sources of innovation and technology. We also need to recognise industry's need for greater clarity and certainty in planning timely delivery of equipment and support.

New challenges are emerging for both bureaucracies and companies in building a defence industry base capable of supporting and sustaining Defence's activities in both peace and conflict. These challenges have included the decline in Australia's manufacturing capability, the deskilling of Australia's workforce – including within Defence itself – and industry's capacity to surge beyond peacetime limits to support and sustain ADF on operations.

As a consequence, choices may need to be made about the ways in which we develop and maintain a sustainable and skilled workforce that can adapt international best practice to Australian needs. The new White Paper will need to address these issues.
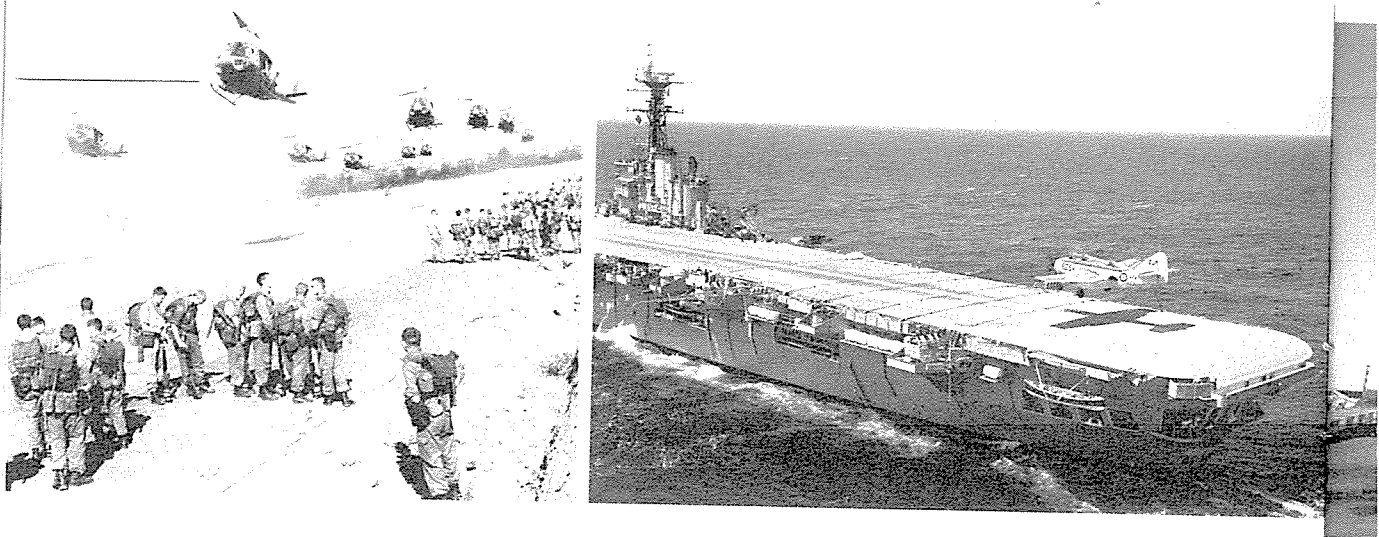
1939 - 1945

Australia was not prepared, or structured, for the Second World War. While all three Services were unprepared when the war began, arguably the Royal Australian Air Force was in the least capable state. Air defences in Australia were poor and, as a consequence of the Empire Air Training Scheme, thousands of Australians served as part of the Royal Air Force in the strategic air offensive in Europe rather than as part of Australian forces. It was not until the start of the war in the Pacific that Australia's air capabilities improved.

The war itself transformed the Australian nation and society. While Australia suffered fewer casualties than in the Great War (some 34,000 killed in action), the flow of the war and the events that marked it shaped Australia's political leaders and their subsequent views of defence policy for the post-war period. The threat of invasion by Japan, the shocks of early defeats, and the victories at places like Kokoda and Milne Bay, changed the way in which Australia's armed forces were developed and managed. The turning over of the Australian economy to war industries, the participation of women in that economy, and a greater maturity in Australia's dealings with the rest of the world – not least the forceful demands of Prime Minister Curtin for Australian soldiers to serve Australian interests rather than British strategy – all contributed to Australia's increasingly independent voice in world affairs. The role played by the United States, both in the defence of Australia and the South West Pacific Area, and in the introduction of US servicemen into the Australian community, fundamentally changed the nature of the relationship between Australia and the great powers.

However, despite all this, by the end of the Second World War, Australia remained a relatively minor world player, with a small population and distant friends with global and regional concerns of their own. Learning the lessons of the two world wars, Australian governments recognised that our security interests would be best served by a collective approach to security in the Pacific, backed by alliance relationships with major powers with whom we shared common values and interests.