

10 October 2025

Submission to the Defence Subcommittee inquiry into the Department of Defence Annual Report 2023-24

<u>Global Shield Australia</u> welcomes this opportunity to contribute to the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade's inquiry into the Department of Defence Annual Report 2023-24.

Our submission focuses on two specific areas central to the Inquiry's Terms of Reference:

- "Sovereign Defence Industrial Priorities. A robust, reliable and effective sovereign defence industry is essential for the defence of Australia and its national interests. 2024 saw the release of the National Defence Strategy and Defence Industry Development Strategy."
- "Australian international defence cooperation and competition. The committee will also review Australia's international defence cooperation, assistance and responses within our region and to global contingencies."

The Department of Defence Annual Report 2023-24 notes the critical strategic direction that guides the Department's efforts: "The Government's adoption of the whole-of-government, whole-of-nation approach to National Defence means the ADF will shift from a balanced force capable of responding to a range of contingencies, to an integrated, focused force designed to address Australia's most significant strategic risks."

Global Shield Australia – an independent, non-profit organisation dedicated to strengthening Australia's preparedness for and response to national emergencies and crises – believes that to meet this strategic direction, the Department of Defence needs to prepare for an increasingly complex and catastrophic risk outlook.

A fundamental challenge facing Australia is that the Department of Defence, and the industrial base that supports Australia's defence, will need to be ready to be called upon to respond to any major global crisis – not just military contingencies. For example, in a major global crisis, Defence might be tasked with simultaneously supporting civilian authorities in maintaining essential national functions, contributing to humanitarian operations in the region, sustaining commitments to Allied forces abroad, securing the supply of energy and critical goods, and, in the worst case, protecting the homeland.

The use of Defence assets in response to domestic emergencies should always be a last resort. And greater civilian resilience capabilities must be built up alongside education of the community on the roles of Defence and other agencies. However, in a catastrophic scenario, the Government will need to draw on all resources to ensure an effective response, including from the Defence portfolio.



The Department and the Australia Defence Force (ADF) needs to ensure that they are prepared to simultaneously support such a response at the domestic, regional and global level. Furthermore, in times of crisis, the Australian government would need to be able to mobilise Australia's entire industrial base, not just defence industry, swiftly and effectively.

We recognise that this inquiry is focused on ensuring the Department of Defence is meeting its objectives as set out by the National Defence Strategy, the Defence Industry Development Strategy (DIDS), and the Sovereign Defence Industrial Priorities. But this inquiry is also a timely and important opportunity for the Defence Subcommittee to recognise and reiterate the requirement for a whole-of-government, whole-of-nation approach to *National Defence*.

Australia faces an increasingly complex and catastrophic risk outlook. Our recommendations provide an initial roadmap towards a Department of Defence and industrial base that is ready for this reality.

Summary of recommendations

The Defence Subcommittee should:

- 1. Request that the Department of Defence provide an assessment on the readiness and ability of the Department, and the defence industrial base, to respond to a future global catastrophe, including to support domestic agencies.
- 2. Request that the next National Defence Strategy statement prioritise national resilience, including a coordinated Defence approach to whole-of-national crisis response.
- Conduct an inquiry into the powers available to the Australian Government to direct
 private industry to prioritise the production and allocation of critical goods and services,
 including those relevant to the Defence Industrial Base, during national crises and
 emergencies.
- 4. Conduct an inquiry into the *Future Made in Australia Act* to assess how it might be enhanced to improve Australia's industrial base and in sectors critical for national crisis and emergency response.
- 5. Request the Department of Defence and the Department of Treasury to jointly provide a report on how *Future Made in Australia* could be used to support the development of Australia's industrial base as it relates to national defense, disaster response, food and energy system security, and public health emergencies.



Safeguarding the nation in an era of catastrophic risk

In a major crisis of globally catastrophic proportions, the Department of Defence and the ADF will almost certainly be called on to support civilian agencies in their domestic responses as well as respond to regional and global contingencies. Plausible worst-case scenarios include global conflict between nuclear powers, extreme or abrupt changes to the climate, threats induced by artificial intelligence (AI), engineering pathogens, and space weather incidents (see <u>Box 1</u>).

Recent experiences during the Black Summer bushfires, the COVID-19 pandemic, and successive major flood events revealed the extent to which Defence's personnel and logistical resources are increasingly being stretched to support civil emergency response. In each case, Defence assistance to the civil community (DACC) operations required the diversion of personnel, equipment and operational planning capacity from other defence functions. There are clear limits on the ability of Defence to support responses to concurrent domestic and international crises.¹

In a truly global catastrophe, Defence would almost certainly be required to provide support to responses simultaneously across the domestic, regional and global levels. For example, Defence might be tasked with supporting civilian authorities in maintaining essential national functions, contributing to humanitarian operations in the region, sustaining commitments to Allied forces abroad, securing the supply of energy and critical goods, and, in the worst case, protecting the homeland. Civil society and critical infrastructure would also need to be positioned to support Defence in such scenarios.

The 2024 National Defence Strategy (NDS) partly recognised this reality. It noted that its integrated approach to *National Defence* works alongside "national resilience", "industry resilience" and "supply chain resilience". However, the transition to this approach remains incomplete, with resilience not sufficiently considered within Defence planning.² Without significant investment in ADF preparedness, Defence risk analysis, and mechanisms for national, industrial and Defence mobilisation, Australia will be unable to effectively manage compounding or catastrophic crises.

¹ The <u>Royal Commission into National Natural Disaster Arrangements</u> Report, the <u>Defence Strategic</u> Review, and the <u>Senate Select Committee on Australia's Disaster Resilience</u> each found that the ADF played an important role in supporting responses to domestic crises, including natural hazards. But they also recognised that the Department of Defence did not have the capacity or capability to respond in many instances and that Australian policymakers and the public had unrealistic expectations about Defence's role. Consistent advice was that the ADF should provide a complimentary function and was better used for unique ancillary support. According to the Senate Select Committee's report, "the ADF should only be called upon as a last resort to respond to natural disasters when all other capabilities have been exhausted."

² National resilience did not feature in the Defence Annual Report, and the NDS did not require any major

² National resilience did not feature in the Defence Annual Report, and the NDS did not require any major commitments to national resilience efforts. In response to the NDS, and upon recommendation by the Defence Strategic Review, a new National Support Division has been established within the Department to coordinate Defence's ability to draw upon whole-of-government and whole-of-nation capabilities in support of the Defence mission.



To ensure the ADF can fulfill its national defence and support roles effectively in a global catastrophic event, the Department's planning frameworks and force posture, as well as the defence industrial base, must include preparation for integrated, whole-of-nation crisis scenarios.

Proposed Recommendation 1: The Defence Subcommittee should request the Department of Defence to provide an assessment on the readiness and ability of the Department, and the defence industrial base, to respond to a future global catastrophe, including to support domestic agencies.³

Proposed Recommendation 2: The Defence Subcommittee should request that the next National Defence Strategy (NDS) statement – expected in early 2026 – prioritise national resilience, including a coordinated Defence approach to whole-of-national crisis response.

Box 1. Catastrophic threats to Australia and the world

In 2024, the RAND Corporation conducted an <u>assessment</u> of "global catastrophic risk". It found "that the world faces risks from natural hazards and human-caused threats that could significantly harm or set back human civilization at the global scale (i.e., catastrophic risk) or even result in human extinction (i.e., existential risk)". RAND assessed that "[o]verall, global catastrophic risk has been increasing in recent years. In the coming decade, catastrophic risk appears to be increasing for pandemics, climate change, nuclear conflict, and artificial intelligence (AI)."

In 2021, the US Intelligence Community <u>assessed</u> that "Technological advances may increase the number of existential threats; threats that could damage life on a global scale challenge our ability to imagine and comprehend their potential scope and scale, and they require the development of resilient strategies to survive. Technology plays a role in both generating these existential risks and in mitigating them. [Human-induced] risks include runaway AI, engineered pandemics, nanotechnology weapons, or nuclear war."

_

³ As an example of Australia's allies taking similar action, accompanying <u>language</u> to the United States' National Defense Authorization Act for Fiscal Year 2023 required "the Secretary of Defense to submit a report to the House Committee on Armed Services not later than February 1, 2024, providing an assessment of the Department's readiness in relation to a future global catastrophe and adoption of best practices learned through the COVID-19 global pandemic into the Department's doctrine and policies."



Mobilizing the industrial base for a global catastrophe

Should a global catastrophe occur, the Government, including the Department of Defence, would need support from private industry to respond. Medical supplies, energy systems, transportation, communications, food production and logistics, among other critical infrastructure and goods, are mostly owned and operated by private firms. Manufacturing, as well as technical and operational expertise, would need to be redirected to contribute to national mobilisation and continuity of essential services.

Defence's <u>Sovereign Defence Industrial Priorities</u> are focused on uplifting Australia's defence industry to support national defense capability requirements. However, in times of crisis, the Australian government needs to be able to mobilise the entire industrial base, including and beyond defence industry, swiftly and effectively.⁴

Australia has some general emergency powers, such as in the *Biosecurity Act* and the *National Emergency Declaration Act*. During emergencies, the Government can also coordinate with industries and encourage production adjustments through contracts and grants. However, a positive response from private industry is not mandatory or enforceable.

Unlike the United States, Australia currently does not have the standing authority to direct companies and industries to produce or allocate critical materials, equipment, and services for the national interest and during periods of national crisis.⁵ The last time such powers were granted were during World War II, through the <u>National Security (Supply of Goods) Regulations</u> issued by the Governor-General, under the authorities granted by the then <u>National Security Act.</u>⁶

Proposed Recommendation 3: The Defence Subcommittee should conduct an inquiry into the powers available to the Australian Government to direct private industry to prioritise the production and allocation of critical goods and services, including those relevant to the Defence Industrial Base, during national crises and emergencies.

_

⁴ This judgment is supported by recent <u>research</u> conducted by the Australian Army Research Centre, which found that "Australian national resilience and mobilisation efforts within this environment will require a more extensive, robust, and better resourced approach than in the past 30 years—especially if Australia seeks to future-proof national resilience and mobilisation against emerging threats."

⁵ The United States' *Defense Production Act of 1950* (DPA, 50 U.S.C. §4501 et seq.) grants the US government a range of authorities to shape how the private sector provides materials, services, and expertise to the US government for national defence. The DPA is most known for its Title I authorities, which require companies to accept contracts for goods and services necessary for national defence. Although mostly used for mobilising the defence industrial base, it has been also used in response to natural disasters and the COVID-19 pandemic. The DPA would almost certainly be a tool the US government uses in a global catastrophe.

⁶ These regulations remained in force until the National Security Act was repealed in 1950.



Beyond Defence-specific industries, Australia as a whole needs to be ready for a challenging and volatile global outlook characterised by complex risk. The <u>Future Made in Australia</u> initiative represents an important investment in the nation's long-term industrial and economic competitiveness. It also presents a timely opportunity to strengthen national resilience and reduce vulnerability to global disruptions.

Future Made in Australia could also be better utilised to prepare Australia for a crisis or emergency. The <u>economic resilience and security stream</u> of Future Made in Australia is a prime opportunity for investment into Australia's industrial base, including in sectors that are critical for our sovereign defence capabilities (even if these do not fall within the Defence Industrial Base). Developing a defined framework for how Future Made in Australia can support national security, defence readiness, and emergency mobilisation requirements is key to maximising its return for Australia's resilience and security.

Proposed Recommendation 4: The Defence Subcommittee should conduct an inquiry into the *Future Made in Australia Act* to assess how it might be enhanced to improve Australia's industrial base and in sectors critical for national crisis and emergency response.

Proposed Recommendation 5: The Defence Subcommittee should request the Department of Defence and the Department of Treasury to jointly provide a report on how *Future Made in Australia* could be used to support the development of Australia's industrial base as it relates to national defence, disaster response, food and energy system security, and public health emergencies.

Contact: australia@globalshieldpolicy.org