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Energy security as the next national security priority

Until the September 2001 attacks, Australia's national security strategy was becoming more multi-dimensional. With the end of the Cold War, the dominance of military defense as the key concern of national security was waning. Instead Australia's strategy was becoming more expansive. It started to include other security challenges such as transnational crime, fisheries protection, environmental degradation and energy security.

After the terrorist attacks however, the nation's national security strategy was pared back to focus almost exclusively on countering terrorism. All other issues were shunted off to individual agencies for them to advance in their own way, or simply shelved.

The problem with this has been that these other security issues haven't gone away. If anything, they have become more pressing.

While Australia's security focus has narrowed, most other countries' definition of what constitutes national security has broadened.

Even the US has started to re-broaden its national security agenda. Earlier this year, the US released its National Security Strategy which identifies a range of security threats beside terrorism including environment catastrophes, HIV/AIDS and influenza pandemics. The strategy gave particular attention to energy security and identified ways to enhance the reliability of energy supply.

The focus on energy security is not unique to the US. Most nations are dependent on foreign supplies of liquid fuel and any loss in supply or significant disruption will have an immediate and economically catastrophic impact.

Many of Australia's regional neighbours are more reliant than Australia on foreign energy supplies. These nations have seen this vulnerability as a strategic threat rather than just an economic threat. The difference in perspective is significant as this is what drives their response. If unreliable energy supplies are seen as an economic issue, then the traditional response is to improve the functioning of the market. This means encouraging a freer market, funding alternative energy research and removing energy subsidies so that supply and demand reflect energy's true price.

On the other hand, if energy provision is seen as a national security issue, then the entire weight of a country's diplomatic, trade and even military effort is bought to bear to ensure its supply is guaranteed. The national security goal is preferential access and locked-in supply. Ways to do this may include supporting dubious regimes in oil rich countries, stalling energy trade reforms, supporting oil suppliers' international political agendas, signing multi-decade

supply contracts, and buying up foreign oil fields. It could also include buying up oil majors such as Shell.

These non-market responses have earned a rebuke from the US. The US National Security Strategy specifically criticises China for seeking to lock up energy supplies around the world and intervene in energy markets rather than leaving supply to market forces.

Given the international moves around energy supplies, it is surprising that Australia has largely ignored energy security.

Both the Government and the Opposition need to place energy security on the national security agenda. The need to do so increases monthly as the geo-political environment gets reshaped as countries pursue resource-based foreign policy.

They have an opportunity to do so this Wednesday as the Foreign Minister and the Opposition Energy Minister are addressing Australia's first Energy Security Symposium. This conference will provide a long overdue spotlight on the consequences for Australia's strategic interest of the world's pursuit of reliable energy supplies.

What both parties should do is to discard the ideological belief that reliable energy supply can be delivered by more efficient market forces. Many countries around the world are intervening in energy supply because they believe it is too precious a resource to leave to the invisible hand of supply and demand.

Once Australia discards ideology for pragmatism, the second step the country needs to take is to incorporate energy supply into our foreign policy agenda. We need to elevate energy security to the same level as spreading democracy and economic growth. At a practical level, it means working with other countries to stabilise the global energy supply and particularly, stabilise those countries which are large energy exporters. It certainly means being conscious of the energy implications when dealing with Iraq, Iran, Venezuela, Central Asia and other oil producing nations.

This approach will not be easy for the Australian Government. As seen with the negotiations for oil field revenue sharing with East Timor, pushing Australia's energy interests can be a political liability. But as energy supply is a national security issue, governments have to make hard decisions in the national interest.

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