

Lowy Institute Paper 16

# **beyond the defence of australia**

FINDING A NEW BALANCE IN AUSTRALIAN  
STRATEGIC POLICY

**Hugh White**

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# Executive summary

Most Australians agree that our country needs strong defence forces, but we are much less sure about what exactly we need them *for*. As a result we find it hard to decide what kind of military capabilities Australia should have. Today these decisions seem harder than ever, with little light being shed by acrimonious debates between supporters of ‘continental’ and ‘expeditionary’ strategies. Both sides of this debate have merit, but striking the balance between defending the continent and defending wider interests is no longer the hardest or most important question for Australian defence policy. Our challenge today is not to decide whether or not to put more emphasis on defending wider interests, it is to work out how to do it.

That has been hard to do, because Australia today faces two contradictory long-term strategic trends which pull Australian defence policy in two divergent directions. The first reality is the growing importance to Australia’s security of non-state, sub-state and transnational threats, which seem to make the traditional defence forces built for conventional wars obsolete. This trend suggests that rogue states, failed states, terrorism and transnational crime pose the most serious threats to Australia’s national security, and constitute the most important and demanding tasks for the ADF. The second reality is that we live in an era of profound change in the global distribution of power among states, especially in Asia, with uncertain strategic consequences. It is quite unclear how the international system will

accommodate the growing power of China, India and perhaps others. There is a real risk that the stable Asian international order of recent decades, on which Australia's security and prosperity depends, will be undermined. This raises questions about how to protect Australia's security in a more unsettled Asia of powerful and potentially hostile states. These questions take Australian policy back to traditional concepts of geostrategy and interstate war, and imply that the ADF should be built for major interstate conflict.

Australian defence policy has been trying to understand and adapt to these divergent strategic trends since the end of the Cold War. Both trends push Australia towards a more expansive strategic policy, but how to reconcile their conflicting demands? The government has moved in both directions, building up the land force for stabilisation operations in the immediate neighbourhood, and planning to buy Joint Strike Fighters and air warfare destroyers for conventional conflict against major powers. But these decisions have been *ad hoc*, because the government has not reconciled the conflicting force structure implications of the trends that drive us. The defence budget is already overstretched, and tough choices lie ahead, especially if the economy slows. Providing a robust and responsible basis for making these choices is the most important issue on Australia's defence-policy agenda today.

An ADF prioritised for peacekeeping and stabilisation operations will put an overriding priority on land forces. Beyond our region Australia will need to deploy only relatively small forces, as we have done in recent years. But the challenges in Australia's immediate neighbourhood place huge potential demands on the ADF, which will push the army towards lighter capabilities, and towards larger forces — even more than the eight battalions now planned. The challenge will be to do that without turning the army into a constabulary that lacks conventional combat power, and to recognise the inherent limits to the role that armed forces can play in fixing the problems of places such as East Timor and Iraq.

Preparing the ADF for the more uncertain, but potentially much more serious, possibility of deteriorating security in Asia is an even

more daunting task, requiring us to think about the circumstances in which Australia might want to use force to support regional order, and the kinds of forces that could best do that. The traditional 'concentric' conception of Australia's strategic interests and objectives set out in the 2000 White Paper provides a framework for doing this. When we look at the kinds of military operations that Australia might want to undertake to support its enduring strategic interests in Asia, and for the defence of Australia itself, it becomes clear that maritime operations predominate. So to shape the ADF to meet the risk of a more turbulent Asia, we need to concentrate on high-level air and naval forces. Moreover the scale of the strategic demands that Australia might face if the international order in Asia breaks down over coming decades poses very deep questions about our national strategic posture and capacities — much deeper than those posed by the proliferation of non-state security challenges, serious though they are.

First, it suggests that Australia does indeed need to move beyond the 'Defence of Australia' as the central organising principle of defence policy, and focus instead on maximising its military capacity to protect its interests in the stability of its region in the face of conventional strategic threats. Our ability to defend the continent will still be important — perhaps increasingly important in the future — but the primary focus should be maximising capabilities to protect interests offshore. If we choose well, forces designed primarily to defend Australia's wider strategic interests will provide Australia with a robust capacity to defend the continent, but that will require great clarity and discipline in force planning.

Second, Australia will need to think more clearly about the future of the US alliance. It has been easy to assume in recent years that the alliance will become even closer and stronger in future, but that is not necessarily the case. In some ways Australia will become more dependent on the US for support in building high-technology air and naval forces, and the US may become more demanding of Australia if it is drawn into confrontation or conflict in Asia. But it is also possible that the US will not remain the dominant power in Asia, and even that Australian and US interests might diverge on core strategic questions. It

therefore makes sense to maximise Australia's capacity for independent operations as far as possible.

Third, this implies that we need to give careful attention to identifying those capabilities that will maximise Australia's strategic capacity both in independent operations and as a coalition partner. Current proposals for big investments in amphibious land forces and major warships are likely to be less effective than submarines and aircraft.

Finally, we need to think coolly and clearly about what Australia aspires to achieve with armed force. Do we intend that the ADF should be primarily a diplomatic instrument, designed to demonstrate support for allies, or do we want forces with real strategic weight — forces that can achieve significant strategic results in their own right? If Australia wants to exercise strategic weight in Asia over coming decades, we will need to work much harder to maximise the capability we get from every dollar we spend.

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# Chapter 1

## What is the ADF for?

Most Australians agree that our country needs strong defence forces, but we are much less sure about what exactly we need them *for*. As a result we find it hard to decide what kind of military capabilities Australia should have. Today these decisions seem harder than ever. The ‘Defence of Australia’ policy that evolved in the 1970s has lost credibility over the past fifteen years, but no clear alternative has taken its place, and without a clear and widely-accepted strategic concept there has been no coherent basis for deciding what the defence budget should be spent on. Instead there has been a confused debate between those who still believe that the prime purpose of the Australian Defence Force (ADF) is the defence of Australia and the security of its immediate neighbourhood, and those who would give priority to ‘expeditionary’ operations further away, especially to support the US-led coalitions in the war on terror.

In fact the differences between the two sides in this debate have been exaggerated. No serious contributor to Australian defence policy debates believes that Australia should limit its strategy to the narrow defence of the continent. Equally, everyone believes that Australia should have forces that can defend the continent and help protect the immediate neighbourhood. All shades of opinion agree that Australia should have options to contribute to the stability of Asia and support

allies in places like the Middle East, as well as some ability to defend Australia from direct attack. Everyone agrees that non-state security challenges like terrorism pose major questions for Australian security which our defence forces will have to help answer. And everyone agrees that the risk of old-fashioned war between states, though not high, cannot be dismissed.

The debate has been wrongly framed as a contest between ‘continental’ and ‘expeditionary’ strategies out of habit. It perpetuates a reassuringly familiar conception of Australia’s strategic choices. Though the labels have changed, Australian defence debates since federation have been a series of rematches in a long contest between local and global strategic policies. The contest is so durable because it reflects a real and profound dilemma at the heart of our national strategic situation. On the one hand, Australians have always thought themselves too weak to defend the continent unaided, and so have sought powerful allies. That has led to a global strategy, building armed forces that could support the allies wherever they might be threatened, so they could and would support us when we needed them. On the other hand we have always worried that our allies might not have the ability or inclination to help when they were most wanted. Australia’s location, remote from the homelands and direct interests of our allies, means that our interests and theirs will never be identical, and could sometimes differ quite sharply, despite the bonds of shared history, culture and values. That has led us to build forces with which we could defend ourselves as best we could.

The tension between these conflicting imperatives has been resolved in different ways at different times, and the history of Australian strategic policy can be traced through the process. Neither side has ever been completely right or wrong. Both schools of thought have endured in the defence debate because both are built around ideas of real and lasting merit, and while the emphasis has shifted, Australian defence policy has always acknowledged the importance of each of them. Throughout the era of ‘Forward Defence’ in the 1950s and 1960s, Australia’s strategic policy still spoke of the importance of Australia being able to operate independently in the defence of the continent and our nearer region. In the heyday of ‘DoA’ in the 1970s and 1980s, governments still affirmed

that Australia should have military options to support interests and allies in Australia’s neighbourhood and beyond.<sup>1</sup>

These things are still true today. Australia has unique strategic interests in its region, and unique responsibilities for its defence. Our defence policy should maximise our ability to protect those interests and fulfil those responsibilities. But equally it is true today, as it always has been, that Australia’s strategic interests extend far beyond our shores and our immediate neighbourhood, and it makes good strategic sense to cooperate with others to protect these wider interests whenever necessary. Australian defence policy today still ought to strike a balance between these imperatives, and build forces that can do both as much as possible. However the balance between them has shifted again since the end of the Cold War. In the 1970s and 1980s Australia’s strategic circumstances favoured, and indeed required, a sharp swing of the pendulum towards priority for the defence of the continent. Over the past fifteen years, for several reasons, the pendulum has swung back, and Australia now needs to give higher priority than we did in the 1980s to building forces that can protect our wider strategic interests beyond the defence of Australia.

However that is not the end of the issue. Today, striking the balance between defending the continent and defending wider interests is no longer the hardest or most important question for Australian defence policy. Our challenge today is not to decide whether or not to put more emphasis on defending wider interests, it is to work out how to do that. The forces that have swung the pendulum back towards a more forward defence posture are not simply taking Australia back to the world of the 1950s and 1960s. They are taking us into a new world that poses strategic challenges that Australia has not faced before. That alone is demanding enough; what makes it harder still is that the different forces at work pull Australia’s strategic policy in quite different directions.

Since the end of the Cold War, Australia faces two contradictory long-term strategic trends, almost two conflicting strategic realities. These trends don’t affect Australia alone — each has global scope and implications — but they affect Australia directly, and they both drive change in our defence policy. The first reality is the growing importance

to Australia's security of non-state, sub-state and transnational threats — often called collectively the ‘new’ security agenda. These new security threats seem to make the traditional geostrategy of national security and interstate war obsolete. They point instead towards a future in which the major nations live in peace, but rogue states, failed states, terrorism and transnational crime pose the most serious threats to international order and to our national security, and the most important and demanding tasks for the ADF.

The second reality is that we live in an era of profound change in the global distribution of power among states, especially in Asia, with uncertain strategic consequences. It is quite unclear how the international system will accommodate the growing power of China, India and perhaps others. There is a real chance that it will not accommodate them peacefully, and if not the Asian international order on which Australia’s security depends would be profoundly affected. This raises questions about how to protect Australia’s security in a more unsettled Asia of powerful and potentially hostile states. These questions take Australian policy back to traditional concepts of geostrategy and interstate war, and imply that the ADF should be built for major interstate conflict.

Australian defence policy has been trying to understand and adapt to these divergent strategic trends since the end of the Cold War, and it has yet to succeed, which explains the confusion I described at the start of this chapter. Shoehorning the issues into a debate between ‘expeditionary’ and ‘continental’ strategies has not helped. Today the big choices for Australia are not between the defence of the continent and the defence of wider interests. Both of the trends that are shaping our strategic future push us towards a more expansive strategic policy. The real policy questions we face today are about how to do that. How to reconcile the conflicting strategic demands made by conflicting ‘new’ and ‘old’ security trends? How to adapt our forces to address new security challenges effectively? What kinds of forces could best protect Australia against old security threats? And how can we afford to meet either of these sets of demands effectively, let alone both?

These are big issues, and this paper addresses them only in a

preliminary way. Chapter Two briefly describes the two major trends I have mentioned and their implications for Australian defence. Chapters Three and Four explore in more detail the consequences of each of them for the ADF. Chapter Five offers some conclusions about what they mean for the Australia’s defence policy and the capability choices we face today.

# **Chapter 2**

## **Competing realities**

Since the Soviet Union disappeared, two trends have dominated global strategic affairs. One, in the foreground, has captured the headlines and driven a new generation of military operations. The other has stayed in the background, the shadowy strategic obverse of an unprecedented era of global economic growth. Both have critical implications for Australia's future defence. In this chapter we will briefly sketch these trends and begin to explore their implications.

### **The new security agenda**

Since the end of the Cold War, the most obvious trend in global security has been the increased prominence of non-state, intra-state and transnational security issues, and the accompanying proliferation of military operations other than conventional interstate war. Since September 11 2001 the trend has become even more marked, and the implications for the future of Australia's defence forces even more significant. The basic elements are well-known: civil wars and insurrections, identity politics and ethnic cleansing, state weakness and state failure, rogue states, terrorism and, most worrying, the risk that weapons of mass destruction (WMD) will fall into terrorists' hands. None of these issues is really new, but they constitute a new security

agenda because, since the end of the Cold War, they have acquired new prominence. Globalisation has amplified the effects of local problems on global order, and the end of superpower confrontation has made these problems stand out more starkly. The demands on western military forces to respond to these kinds of problems increased sharply over the 1990s, and especially after September 11 2001. Most deployments have been for ‘military operations other than war’ — peacekeeping, stabilisation and nation-building operations. Others — notably against Iraq in 1991 and 2003 — have been closer to traditional conflicts between national armed forces. None have resembled in scale, intensity or cost the major conflicts of the last century. As a result military operations seem to have moved into a new era with demands quite different from those of the Cold War era and before.

Australia has followed this global trend. From the early 1990s the ADF was deployed on many of these new categories of operations. Often they have been to places far from Australia, including Namibia in 1989, Western Sahara in 1991, Cambodia and Somalia in 1992, and Rwanda in 1994, as well as repeated deployments to the Gulf, and many smaller operations and commitments near and far.<sup>2</sup> Since 9/11 Australia has committed substantial forces to Iraq and Afghanistan. But for Australia the global trend has a clear local focus as well. Since the tentative despatch of troops at the time of the first Fiji coup in 1987, Australia has repeatedly deployed forces in its backyard — in Vanuatu, Bougainville, West Papua and other parts of Indonesia, PNG, Solomon Islands of course East Timor — for operations as diverse as famine and disaster relief, peace monitoring, evacuation of Australian citizens, restoring law and order, and nation building.

Some of these new-style operations, such as to Kuwait in 1991, East Timor in 1999, and Iraq in 2003, have seized public attention and mobilised opinion, sometimes inviting comparison with Australia’s major military commitments of the last century. In fact they have been much smaller, much less demanding militarily, and much less costly in lives than either Vietnam and Korea, let alone the two World Wars. These frequent, small-scale, low cost deployments in fact constitute a whole new class of military operations which represent something

rather new in Australian military and strategic history. So although they have not — so far — been either demanding or costly, they raise important issues for our defence policy.

There does not seem to be much question that the new security agenda is here to stay. Deep-seated problems in the Middle East and elsewhere seem likely to persist indefinitely, with serious security implications for the rest of the world. Since 9/11 they have gained new urgency as we have become more conscious of new forms of terrorism and long-standing patterns of WMD proliferation. In a globalised world, problems in the Middle East are important to Australia, both because of the direct implications for our security through terrorism, and indirectly because of the implications of developments there for the key organs of global order, especially the US. We can expect the new pattern of regular, relatively small-scale deployments to the Middle East and elsewhere beyond the Asia-Pacific to be sustained for many years to come.

The trends in Australia’s immediate neighbourhood are even more important. Since the early 1990s it has been clear that many of our small neighbours suffer profound weaknesses of governance. Each country is different, of course, and we should be careful not to over-generalise, but we can recognise some common factors: poor delivery of essential services, weak economic growth, fragile and ineffective institutions, and underlying them all a problematic relationship between state and society. These problems undermine the stability and even threaten the viability of our small neighbours. Over recent years Australia has increasingly acknowledged its important interests and responsibilities in this situation. Australian vulnerability to non-state and transnational threats is increased by the failure of neighbouring governments to properly manage and control their territories and populations. Australia’s position as the largest regional power seems to carry a responsibility to ensure that our near neighbours are protected from the worst consequences of dysfunctional government. How best to protect our interests and fulfil our responsibilities remains unclear, but the ADF will have an important part to play. This seems likely to be one of the ADF’s most important tasks for many years to come.

The result has been broad agreement that Australia's defence policy should pay more attention to the demands of the new security agenda both close to home and in places like the Middle East.

### **The new Asia**

The second big trend in Australia's strategic situation results from the rise of major new centres of economic and strategic power in Asia. If China and India keep growing over the next few decades, their power will transform the international system as they become strategic powers of the first rank. The implications will be profound, especially in Asia. Niall Ferguson has suggested in a recent book<sup>3</sup> that the rise of Asia is the most important historical trend of the past and present centuries, and it is hard to disagree. The biggest strategic question in the world today is how all this power will be accommodated into the international system, and especially whether it can be done peacefully. It is tempting and reassuring to think that, in the era of globalisation, all will be well. Globalisation seems to guarantee a stable and peaceful international order between major states, because without that globalisation itself would be impossible. However we cannot take that outcome for granted, because the logic is flawed. Globalisation may cause growth without guaranteeing the peace that underpins it. Quite possibly, having catalysed economic growth in places like China and India, globalisation may have sown the seeds of its own eclipse. Globalisation has not reduced the importance of states, nor has it dispensed with the problem of managing the propensity to violence among them. Indeed it may have made the problem harder. In recent decades, globalisation, economic growth and international cooperation have mutually reinforced one another in a virtuous circle. But the more that big emerging economies grow, the more the distribution of power in the system changes, and the greater the stress on the political and strategic underpinnings of the stable order that makes that growth possible.

Some people, such as John Mearsheimer, think that in such circumstances major conflict is inevitable.<sup>4</sup> I think that is wrong. In the past major changes in the distribution of power have often caused major wars, but today everyone has a big stake in trying to sustain a

peaceful and stable international system. Rational statesmen and well-informed publics should find it easy to see that the costs of adjustment and compromise are far lower than the costs of discord and conflict, and act accordingly. However we cannot assume that rationality will prevail. It is not inevitable that the rise of China and India will lead to major conflict, but it is far from impossible. The adjustments required to avoid conflict over the decades ahead are fundamental, and they cut deep into the national aspirations of big and proud nations. One option — probably the best for Australia — would be for the US to maintain the strategic primacy that it has enjoyed in Asia since the end of the Cold War. That is certainly what many in the US expect. The key question is whether China would accept it, which depends on American tact and Chinese forbearance. Though they both have strong incentives, I do not think we can bet on them succeeding. If they fail, the other options are even more problematic. If America cannot remain the undisputed leader in Asia, it may have to settle for a lesser role as an equal partner with China and other major regional powers. Otherwise competition and conflict do indeed seem inevitable, as Mearsheimer says. How intense might that strategic competition be? And if America's influence wanes, what would constrain intense strategic competition between China and Japan, China and India, or both?

Everyone might hope that the US, China, India and Japan will find a sensible and sustainable way to work together harmoniously, and it is clearly in their national self-interest to do so. However the tetchy nationalism and frequent bloody-mindedness that characterises China–Japan relations, and the wary suspicion and inherent competitiveness of US–China relations, raises at least a serious risk that, as so often before in history, human folly will triumph over rational self-interest. If so, things could play out in any one of three ways: hostility between the US (and Japan) and China, a US ‘withdrawal’ leaving Asia dominated by intense strategic competition between Japan and China, or an Asia dominated by a single power, most probably China. Any of these would be a disaster for Australia, politically, economically and strategically.

The best we can hope for in Asia may be the emergence of the kind of concert-of-power system that kept the peace in Europe in the nineteenth

century. Dr Coral Bell has explored this possibility, and is cautiously optimistic that it might be made to work.<sup>5</sup> I hope she is right. Even if she is, a glance at Europe's history from 1815 to 1914 suggests that Australia is likely to find itself living in a more complex and uncertain world than we have seen for many years. Asia has been at peace for almost thirty years. Since China 'taught Vietnam a lesson' in 1979, there has been no substantial conflict between states. This period of peace — probably unprecedented in Asian history — has been instrumental in underwriting Asia's economic dynamism and political development. It has profoundly shaped Australia's enmeshment with Asia. Having grown accustomed to living in and with a peaceful Asia, it can be hard to imagine that the next thirty years might be much less peaceful, and how that would affect Australia's prosperity and security.

All this raises a demanding set of questions for Australian policy. The future balance of power is a global question, but it will be decided in Asia, and the key contestants are large countries that are not only Australia's regional neighbours but also its biggest trading partners. Australia will be on the front line of any crisis, whether we like it or not. Australian foreign policy ought to consider what Australia can do to improve the chances that Asia's strategic balance evolves peacefully. Simply hoping that the US stays on top may not be enough: we should try helping Washington discover what form of US engagement in Asia has the best chance of keeping the peace over coming decades. For Australian defence policy, the questions are what the rise of Asia means for Australian security, and what might it demand of the ADF? These questions have not been ignored: from the early 1990s official policy documents explored their significance.<sup>6</sup> Since 2001, however, much more attention has been given to the more immediate challenges posed by the new security threats discussed above. The significance of Asia's strategic future for Australia's defence has been put to one side.

One reason has been the comforting reassertion of American power under President Bush. It has been easy to assume that whatever happens in Asia, America will take care of it. Of course one would hope that proves true in future, as it has in the past. The most important contribution America makes to Australia's security is to underwrite the

current stable regional order in Asia, and the most important way our alliance with the US serves Australia's strategic interests is to support America in that role. But as Asia changes, our ally's role in Asia will change, and so will our alliance. In a more complex and fluid Asian strategic system, the demands on Australia as a US ally could be much bigger than they have been in recent decades. If America is drawn into active strategic competition with China, for example, Australia would be expected to support America in substantial and practical ways. Leaving aside the implications for our economic and political relationship with China, this would raise major questions about the nature and scale of the military capabilities we could bring to the allied cause. In a more uncertain Asia, pressing priorities elsewhere might make our allies less able to help defend Australia and its immediate neighbourhood, and the nature and scale of threats that we might credibly face could grow significantly. In the longer term, we should consider the future of the alliance itself. American strategic engagement in Asia, and its alliance with Australia, are deeply rooted in American interests and strongly supported by its immense power. Nonetheless there are scenarios — not highly probable but not wildly fanciful either — in which US strategic influence in Asia would decline significantly. The chances of this happening within ten or even fifteen years is low, but over longer timeframes it must become less improbable.

These timeframes matter, of course, because the defence decisions we make today determine the capabilities of the ADF in twenty, thirty and even forty year's time. As the rather different problem of climate change shows, it can be hard to decide how much current attention to pay to these long-term problems. Robust commonsense suggests that it is best to worry about today's problems now, and worry about tomorrow's when the time comes, but those who deal in national strategic policy perhaps ought to take a more sophisticated approach, and consider carefully what steps Australia can take now to improve its options if Asia becomes more dangerous over coming years. Nor can we assume that these are only matters for the distant future. A crisis between the US and China over Taiwan, or a China–Japan clash, could change the strategic dynamics of Asia fundamentally at quite short notice. It is not

too early for Australian defence policymakers to seriously ask what Australia can do by way of prudent, cost-effective risk management to address the strategic challenges of the new Asia.

### **Incompatible perspectives?**

The two major strategic trends that I have sketched in the foregoing paragraphs seem hard to reconcile with one another. They seem mutually incompatible, because they presuppose different and contradictory understandings of how the international system works in the world today. The new security agenda presupposes a world in which the risk of conflict between major states is an improbable anachronism. Looking at the world since 1989, it can seem that the end of the Cold War marked not just the conclusion of one strategic contest, but the end of traditional strategic competition and a transformation to a different kind of international system. People thought the same after 1815, 1918 and fleetingly, 1945, but this time wider global trends seemed to support the optimists. They can point to the spread of liberal democracy and globalisation to bolster their case. The upsurge in sub-state and transnational crises in the years after 1989 seems somehow to confirm that we had moved from the era of major-power conflict to a new era characterised by different kinds of threats. Even before 9/11, all this was hailed as a ‘Revolution in Strategic Affairs’.<sup>7</sup>

By contrast, the security challenges of the new Asia seem to exist on a different planet — a planet in which it is still entirely possible that this century, like the last one, will be shaped more than anything else by strategic competition and conflict between states.<sup>8</sup> In this world view, globalisation has not reduced the power of states, or changed fundamentally the way they behave. In this world it seems that globally-driven growth and nationally-driven politics are no more incompatible in China or India today than they were in Germany or France a century ago. They may be subject to new constraints and pressures, but they are not fundamentally transformed. Their relations will become more complex as their power grows, and we can already see plenty of old-fashioned strategic competition developing. Globalisation

notwithstanding, there is little evidence that nationalism, fear and mutual suspicion — the traditional engines of conflict — are weaker today, and less capable of pushing countries into war against their best interests, than they were one hundred years ago.

In fact both these visions of the international system are right, but they are describing different things. The world of new security threats is the world of today, in which the international system works remarkably well to manage relations between major powers and minimise the risks of conflict between them. In this world, today’s new security issues are the major security problems we face, because major state to state relations are so stable. The ‘old’ security challenges of the new Asia are the challenges posed by the risk that the benign international system might fail under the strain of emerging new powers, and throw the world back to an earlier and darker strategic era. The two visions are perfectly compatible: one addresses the threats that can arise from within the current system, the other the risks that today’s system might fail. The first reflects the current reality, the other a future possibility. The first poses modest but immediate challenges, the second poses uncertain and contingent risks which, however, would be far graver if they eventuate. Australia’s defence policy should encompass both.

### **Policy pulled two ways**

Therein lies a big challenge, because these two trends have contradictory implications. Both take us beyond the simple, powerful and appealing concept of a defence force developed specifically for the defence of Australia. But they do it in different, and indeed in diametrically opposed directions. The new security agenda draws us away from the traditional roles of armed forces. In developing the ADF for the kinds of roles they are now busy performing in Iraq, Afghanistan, East Timor and Solomon Islands, we are moving away from a force designed for symmetrical warfare — conventional conflict against the armed forces of other advanced states — towards a force designed for asymmetrical operations, most often against non-state adversaries or the relatively weak armies of dysfunctional states like Iraq. These are not necessarily easy conflicts, as

we can see in Iraq and Afghanistan, but they pose different challenges to conventional warfare. The operational tempo is relatively low, and the impact on the wider community is remote. The most important capabilities for these operations are land forces, with air and naval units usually operating in secondary and support roles. Often, as in East Timor, the roles of the military will shade into those of police forces, and the primary functions of military forces will not be the application of lethal force and the destruction of readily-identifiable adversary forces, but the slow task of helping to build civil order. All this pulls us away from the concepts of conflict and the models of armed force developed in the era of industrial-age warfare in the twentieth century, and it pulls us away from a traditional geostrategic way of thinking about our security in terms of national power and territorial threats.

The security challenges of the new Asia, on the other hand, take us in a quite different direction. They take us back to the ‘old’ security agenda of an earlier era. This is the world of traditional geostrategy, in which the key factors are the resources and relationships of powerful, well-armed states, and the main risk is major war between them. Preparing our defence forces for this future means preparing them for conventional conflict between states, against adversaries that are well-armed with sophisticated capabilities embodying the latest technology. It means investment in high-technology capabilities of our own, and raises major questions about our national ability to sustain such capabilities and operate them. And, whereas we can plan forces to meet the new security challenges with a high degree of confidence in terms of what we are planning for, preparations to meet the security challenges of the new Asia take us into much less certain and more speculative waters.

### Tough choices

Australia’s defence policy today — the policy of the 2000 White Paper as modified by the tumultuous events of the past five years — pulls in both of these directions. The 2000 White Paper itself proposed a force structure for Australia with two key elements that reflected in some ways the two major trends we have examined.<sup>9</sup> Since then the government has moved

in both of these directions at different times and in different ways. It has announced that it will fund more battalions of light infantry (and also expand our deployable police forces) for stabilisation operations, especially in Australia’s immediate neighbourhood. At the same time it plans to buy up to one hundred Joint Strike Fighters, so as to be able to operate against the forces of Asian major powers. Both decisions respond to the imperatives of one of the key strategic trends we have been discussing, but the sense of being pulled two ways is palpable. We are not alone in this predicament. The US, for one, is in the same boat. The Pentagon’s 2006 Quadrennial Defence Review talks a lot about the ‘Long War’ against the new security threats, but it also commits America to long-term investments in the air and naval forces to win a war with China. Even for America, these tensions are perhaps in the long term unsustainable. It is far from clear that the US can build up the much larger land forces which seem necessary for success in Iraq, Afghanistan and elsewhere, and at the same time maintain the huge investments to ensure that America can easily prevail over China in coming decades. Australia’s dilemma, of course, is much starker. The tension in our defence policy between building forces to stabilise our neighbourhood and fight terrorism on the one hand, and building forces to protect our strategic interests in the new Asia on the other, is obvious. As always it comes down to money.

Not that the government is being tight-fisted. The Howard Government has funded Defence generously, and over the past few years they have committed billions of dollars on air warfare destroyers, amphibious ships, Joint Strike Fighters, Abrams tanks, C-17 transport aircraft and what has been called the ‘Hardened and Networked Army’. These decisions all involve momentous strategic choices and big costs — including opportunity costs. No matter how much we spend, each dollar can only be spent once. A decision to spend as much as \$8 billion on air warfare destroyers, for example, means we cannot spend that money to cover the rising costs of the Joint Strike Fighter. We will live for a long time with the consequences of these choices. They will profoundly shape our ability to defend Australia and its interests in the decades to come. Many in the ‘Defence community’ I think would agree

that some of these major capability decisions over the past five years have been taken in a rather *ad hoc* way. Choices entailing big funding commitments have been made without carefully considering how they fit with Australia's overall long-term capability priorities. There have been a number of reasons for this, but perhaps the most important has been the lack of a clear consensus about what our long-term priorities are, and that has in turn been caused by our failure either to examine systematically the force structure implications of the two big strategic trends of our time, or to reconcile the conflicting imperatives they impose on us.

We should not wait too long before resolving today's defence-policy conundrums so that we can restore a clear and widely-supported consensus on what our defence forces are for. Tough choices lie ahead. The government has agreed to keep increasing the defence budget by 3% per year in real terms until 2016. Even so, costs seem to be running ahead of funding over coming years, so even if Defence gets all the money promised, some things will have to be cut.<sup>10</sup> If a slowing economy forces defence-budget cuts — clearly a possibility — then there will be more and tougher choices still. And even if Defence gets more money still, indeed no matter how much money we have to spend, the scale of the challenges we face mean that we have a big responsibility to spend each dollar as carefully as possible to get the maximum strategic payoff. Providing a robust and responsible basis for making these choices is the most important issue on Australia's defence-policy agenda today. Other challenges, such as the many problems in the way Defence is managed, are important in themselves because they affect how well capabilities are delivered, but the best delivery in the world will not do much good if we are delivering the wrong kinds of capability — those that do not meet our highest strategic priorities.

In the next two chapters we look in more detail at how best to shape our forces to meet the divergent challenges we face.

## Chapter 3

### Armed force and the new security agenda

What should the ADF be able to do, if it is to help promote stability and order against the new non-state, sub-state and trans-state threats of the early twenty-first century? Here at least there is a lot of recent and current experience to draw on, because over the past decade and a half the ADF has been deployed on such tasks almost continuously, both in Australia's region and beyond. Those operations have much to teach us. Nonetheless there remain many questions about what these missions are for, what Australia is trying to achieve by contributing to them, and how those objectives can best be attained, before deciding what kinds of forces would work best in them.

The first, perhaps obvious but important point to make is that armed forces have at most a secondary role in addressing many new security threats. Global warming, infectious disease and much transnational crime are problems that military force can do little to fix. Five years after 9/11 it has become clear that armed force has only a tangential role to play in the war on terror, with police, intelligence and other non-military agencies carrying most of the burden. The experience of the past fifteen years suggests that the prime military role is the conduct of stabilisation operations of different kinds, from peacekeeping to full-scale interventions. These will be the focus of Australia's defence planning for the new security agenda.

In looking at these stabilisation operations, it helps to separate the ‘global’ operations — those undertaken beyond Australia’s immediate neighbourhood — from the local ones. Location makes a difference to the reasons we deploy forces, the roles they play and the demands they have to meet. In the immediate neighbourhood, a stabilisation operation will probably only occur if Australia is willing to take the initiative, accept the responsibility of leadership, and contribute most of the forces. Beyond the immediate neighbourhood, Australia is a follower: we would not initiate or lead stabilisation operations beyond our backyard, or send more than small ‘niche’ contingents to them. The reason is not just geography, though that plays a part. It goes to the different purposes that Australia has in undertaking stabilisation operations in our immediate neighbourhood, and on the other side of the world.

### **Global operations**

For several decades now Australia has been sending contingents to stabilisation operations beyond the Asia Pacific. Almost all of them — and all the substantial ones — have been in the Middle East and Africa. The larger African deployments, to Namibia, Western Sahara, Somalia and Rwanda, have been intended to promote what might broadly be called Australia’s good international citizenship. In the Middle East<sup>11</sup>, however, though there have generally been other Australian interests engaged, our prime purposes have been to support the US. Since America’s position there started to erode with the fall of the Shah in 1979, and especially since the end of the Cold War, the Middle East has been the region of the world in which the US has seen the most direct and urgent challenges to its strategic interests, and the area in which those interests have most commonly needed to be defended by force. As a result, since the 1980s, willingness to support the US militarily in the Middle East has become Washington’s key measure of alliance commitment.

Australia has responded. Since the mid-1980s Australian governments have evolved a doctrine of alliance management that aims to retain Australia’s place among America’s closest allies by

our willingness to commit forces to US-led operations in the Middle East. This has proved to be an effective and relatively low-cost policy, and has served Australia’s interests well. The rhetorical rationales for such commitments usually dwell on more abstract motives, but in reality the desire to burnish our credentials as an ally of good standing in Washington is the essential and enduring reason for Australia’s repeated deployments to the Middle East over the past 25 years. Careful leaders such as Hawke and Howard have usually acknowledged this, at least tacitly, when explaining their decisions to deploy forces, and successive defence policy documents have spelt it out quite explicitly.<sup>12</sup> Australia’s deployments to Afghanistan and Iraq since 9/11 maintain this pattern of policy. Notwithstanding the rhetoric of the global war on terror, they are best understood as simply the latest in a long series of deployments which have been designed to serve Australian interests by supporting our ally when and where they want it, at low cost to ourselves.

Some will disagree. Those who see terrorism as an existential threat to Western societies and the international system, and who see the wider Middle East as the epicentre of that threat, argue that Australia itself has direct and immediate interests in confronting that threat in the Middle East, requiring us to make a major and sustained strategic effort there involving substantial deployments of our armed forces. That is the way the government itself talks at times. But it is not reflected in the way it has acted. Australia has made only modest contributions to US operations in the Middle East since 9/11, and it has tried to keep them brief as well, initially announcing that the forces sent to Iraq and Afghanistan would be brought home quickly. That has not proved possible because the US has found itself stuck with major long-term stabilisation operations, and has pressed its allies to stay and help. Australia has nonetheless kept its deployments small and (so far) relatively safe. It has not acted like a country that sees vital interests at stake in a life and death struggle.

Will this pattern change in future? Is there a significant likelihood that Australia will want to make much larger military commitments to the global war on terror than it has made so far? There are two reasons

why that is not likely. First, the scale of US military commitments to the war on terror has probably plateaued, both because critical US forces are already fully committed, and because the value of large-scale military operations in fighting terrorism now looks less clear than it did to some before the invasion of Iraq in 2003. There seems little chance that the US will undertake further major operations on the scale of Operation Iraqi Freedom in the foreseeable future. Second, the Howard Government has made it clear that it does not think Australia's interests require it to make significantly bigger military commitments to such operations than it has made so far. As the government said in the *Defence Update 2003*:

The changed global strategic environment, and the likelihood that Australian national interests could be affected by events outside of Australia's immediate neighbourhood mean that ADF involvement in coalition operations further afield is somewhat more likely than in the recent past. But involvement in coalition operations is likely to be of the type witnessed in Afghanistan, and which the Government has considered in Iraq if necessary — that is limited to the provision of important niche capabilities.<sup>13</sup>

All this has important implications for the kinds of capabilities Australia might want for stabilisation operations beyond the neighbourhood. Since the Second World War, Australia's military deployments beyond the Asia-Pacific have achieved the government's strategic objectives with small contingents whose impact has been primarily symbolic. This 'niche' approach has worked because Australian forces have always performed their roles well, and sometimes they have helped fill minor shortfalls in US capabilities, but they have not been intended to make a significant impact on the overall outcomes of the campaigns. There is nothing wrong with this: they have met our allies' expectations, and hence achieved Australia's strategic objectives, at low cost and risk. That is the mark of successful strategic policy, and we should expect to continue

this approach. For that Australia needs the capacity to contribute small, high quality contingents to US-led coalitions in the Middle East. The demand for such contributions will remain significantly higher than usual as long as the US remains militarily engaged in Afghanistan and Iraq, but they can still be relatively small. As the Defence White Paper said in 2000: 'Beyond the Asia-Pacific region, we would normally consider only a relatively modest contribution to any wider UN or US-led coalition ...'<sup>14</sup>

The fact that Australia can achieve its global strategic objectives by providing small, primarily symbolic contributions to operations in the Middle East gives our defence planners a lot of flexibility. Hitherto Australia has always been able to despatch forces adequate to achieve these objectives from the forces readily available, because it has not mattered what kind of forces were sent, nor even, up to a point, how many were sent. In 1991 Australia sent three warships and navy clearance divers to Operation Desert Storm; in 2003 we sent special forces, F-18s, warships and other elements to Operation Iraqi Freedom. Both achieved Australia's strategic objectives equally well: what mattered was being there, and performing well.

What kinds of forces might be most suitable for Australian contributions to global coalitions in future? Most commitments beyond the Asia-Pacific region are likely to be lower-level stabilisation operations against sub-state adversaries — the insurgents in Iraq, the Taliban militia in Afghanistan, the tribal groups in Rwanda and warlords of Somalia. The main requirement in such operations is relatively light land forces. Often Australia's best contribution will be one of the more technical elements of a coalition force — engineers, medical services, C-130 transport aircraft or helicopters, for example — rather than the infantry forces themselves that are readily sourced from elsewhere. This is how Australia contributed in Namibia, Western Sahara and Rwanda, for example. At other times maritime force will be needed. Australia's warships have often been sent to the Middle East to enforce sanctions or secure waterways against insurgents. Such tasks are likely to recur. For these roles, smaller helicopter-capable warships like Australia's FFGs and ANZACs are ideal.

Sometimes however, as in Iraq and Afghanistan, Australian interests are served by sending ‘front-line’ combat capabilities, because these are a more potent demonstration of political support for the coalition leader. In these situations the forces deployed need the weight and combat power to overmatch their adversaries, and should be large enough to look after themselves. Infantry will need robust armoured vehicles and firepower. Special forces will often be a good option in future, as they have been in the past. However some operations in the Middle East might be more demanding still, involving combat with substantial adversary forces. Before Iraq, in the heyday of the Bush doctrine, the US administration seemed to contemplate a series of major campaigns against rogue states. That now seems unlikely. Still, it is possible that Australia might want again to send forces to operations on that scale again sometime. Australia’s contribution to Operation Iraqi Freedom in 2003 provides a useful template for what that might require. It included special forces, F/A-18 aircraft, naval ships, P3C Orion maritime surveillance aircraft, C-130 transports and a number of other small elements, many of them directly in combat. This kind of contribution met Australia’s strategic objectives by providing a demonstration of Australian support for the US, and would probably do so again if the need arose in the future. It therefore seems unnecessary to develop further capabilities specifically for such tasks, such as heavier land-force capabilities specifically to allow Australia to join US armoured operations. After Iraq, America seems unlikely to invade any more Middle East countries. If they do, Iraq has shown that America would not be short of tanks. America might welcome an Australian armoured brigade, but it would not provide a markedly better strategic return for Australia than the kinds of forces that the ADF can send already.

What America probably wants most today is help with the drawn-out and costly stabilisation operations, and so Australia will most likely face pressure from Washington to maintain or increase the present level of support in Iraq and Afghanistan. For that the ADF requires exactly the kinds of forces that are now in the field, able to operate in a dispersed way against a dispersed enemy, but well-enough armed and protected to prevail against adversaries that are well-trained and well-

equipped for asymmetrical insurgency operations. For the foreseeable future Australia will want the capacity to maintain the equivalent of about a battalion of such forces, with support, on operations in and around the Middle East, in addition to whatever might be needed in the immediate neighbourhood.

### **Local demands**

Australia is surrounded by weak states with weak governments, and over the past decade it has become increasingly clear that their weakness poses risks both to their national viability and to wider regional stability. Some of our weak neighbours are large, and about them we can do little: No credible defence policy would give Australia the military capacity to make any difference at all to the stability of the Philippines or Indonesia. In the event of turmoil in Indonesia, for example, Australia’s armed forces could not even evacuate Australians from Jakarta without a lot of help from the Indonesian authorities. Our smaller neighbours, however, are a different matter. There we may have more options. In the past few years, Australia seems to have decided that its national interests and its sense of regional responsibility require it to take a leading role in helping to address stability problems among our smaller neighbours, and the government expects that the ADF will play a central part in that. The past few years have provided many examples of this — in PNG, East Timor, the Solomon Islands and elsewhere. What does that mean for the ADF’s capability? The answers are not simple.

First, as we have mentioned, Australia’s interests and responsibilities in the neighbourhood are stronger than anyone else’s except our close neighbours themselves, and among them only NZ, and to a lesser extent Fiji, have significant military forces to offer. Sometimes, such as in East Timor in 1999, a spectacular crisis might capture the world’s imagination and elicit outside interest, but Australia cannot expect that anyone outside the region would do much to support stabilisation operations in our backyard. Australian planning should expect that the ADF would lead any local coalition, and contribute most of the forces, and that sometimes Australia might want to be able to act alone.

Second, there are important limits to the contribution that conventional forces can make in addressing state weakness among Australia's neighbours. Military forces have a place among the policy instruments, but they are far from being the main one. For a start, security is not the main problem among our neighbours. The frequent security crises that draw Australian attention are symptoms of much deeper political, institutional, social and economic problems which all have to be addressed if the state is to be strengthened and stability achieved.<sup>15</sup> The ADF can do little to address these deeper problems. All it can do is promote an environment in which they can be addressed, by helping to establish or reinforce civil order. But even here there are limits to the contribution that armed forces can make to civil order. The old adage that police protect the Queen's peace while the army kills the Queen's enemies holds an important truth about the wide gulf between forces trained and equipped to apply lethal force as a matter of course, and those trained and equipped for civil order where the use of minimum force is always the rule. That gulf has widened in modern times, as war has become more deadly and more specialised: the modern army is a highly-tuned instrument designed to survive and prevail on the lethal modern conventional battlefield. Well-trained and well-motivated soldiers can do remarkable things in difficult circumstances, and often do, but we should not allow respect for their adaptability to promote an illusion that an army like Australia's is trained, equipped or organised to undertake stabilisation and civil policing tasks. If this is an important future task for the ADF, it should adapt to it. However well it adapts, the main weight of protecting and promoting Australia's interest in the stability of our neighbours will fall elsewhere — on aid, trade, diplomacy and the kind of broad-based interventions for which RAMSI in the Solomon Islands may provide a prototype.

Fortunately the kinds of roles our forces can play in neighbourhood stabilisation are not, in the purely military sense, demanding. Experience over the past few years suggests they might involve, for example, helping to quell civil disturbances, suppress separatist insurgencies, resist military coups and undertake military operations against non-state intruders such as mercenaries, as well as more benign operations such

as disaster relief. Typically the adversaries the ADF might face on these missions would not be particularly well-armed — rather less formidable opponents than the insurgents in Iraq or the Taliban of Afghanistan, for example. The biggest problem is the sheer scale of some potential tasks. Building and maintaining civil order can be labour intensive. A rough rule of thumb suggests that stabilisation operations typically require a deployed force equivalent to 1% of the population being stabilised.<sup>16</sup> It is well to remember how small the ADF is, and how few soldiers we can deploy at any one time, compared to demands on this scale. For example, a coup supported by a battalion of the PNGDF in Port Moresby would take at least a full brigade of the ADF to suppress at acceptable levels of risk. That is more than could readily have been deployed at short notice any time over the past few years when substantial forces have been committed elsewhere. The government's recent decision to expand the army by two battalions<sup>17</sup> is a welcome recognition that Australia should have more infantry if it is to fulfil the role we have given ourselves in the immediate neighbourhood, but we should not imagine that this expansion solves the problem. Even with an army many times the present size, Australia would not have the military capacity to pacify a country like East Timor, let alone PNG, in the face of a widespread breakdown of civil order. And the problems of scale are multiplied by the likelihood, so vividly demonstrated in recent months, that Australia may often want to mount neighbourhood stabilisation operations in several places at the same time.

### **Building forces for new security tasks**

Clearly stabilisation operations to address new security threats will continue to make significant demands on the ADF over coming decades. This chapter has I hope helped to clarify what that means for the ADF. Commitments in the Middle East and elsewhere beyond the Asia-Pacific can be met fairly easily from the range of capabilities in the ADF today, but Australia's new role in the neighbourhood will quite probably raise demands that the current ADF cannot meet. The ADF should be properly equipped and trained for these operations, if

they are going to be asked to undertake them. But today's armed forces, designed as they still are largely for conventional interstate conflicts, are not well-suited to these new security tasks. Most of Australia's defence budget is still spent on capabilities for conventional war. So to the extent that defence policy is redirected to expand the ADF's capability for stabilisation operations, it will take the ADF in some significant new directions.

Most obviously, an ADF prioritised for stabilisation operations will put an overriding priority on land forces. Such operations are by nature personnel-intensive, conducted on the ground among the people. Air and naval capabilities are needed mainly to transport and support land forces, rather than to deliver combat power in their own right. Naval forces may play a role in suppressing piracy and smuggling, and enforcing sanctions, as they do for example in the Gulf at present, but this is not a demanding role and can be easily filled by the warships in today's fleet. So to the extent that Australia's defence policy is refocussed on stabilisation operations — and it is bound to be to some extent — that will put more priority on army, and the air and naval forces to deploy and support it on operations overseas. This has already happened to some degree. Doctrinally, the 2000 White Paper made clear that the army was again, as it had been before 1976, a force intended clearly for expeditionary operations beyond Australia's continent, especially in the immediate neighbourhood.<sup>18</sup> Successive decisions to expand the army from four to six battalions in 2000, and from six to eight in 2006, have reflected this priority. Notwithstanding the decision to buy Abrams tanks, today's army has a higher proportion of light infantry than it had in the 1980s. Many of the land-force investment decisions made in the 2000 White Paper were specifically designed to enhance the army's ability to deploy and sustain light forces in the immediate neighbourhood, drawing on the lessons learned in East Timor the previous year. And even before then, the decision to expand amphibious lift capabilities in the late 1990s by buying HMA Ships Manoora and Kanimbla was explicitly intended to enhance the ADF's ability to deploy and sustain land forces independently in Australia's backyard.

However if neighbourhood stabilisation is a major future role for the ADF, more change is required. First, a focus on stabilisation operations will pull our land forces away from equipment and training for conventional conflict towards lighter capabilities. It seems inevitable that an army which is continually engaged in low-level stabilisation operations will adapt to their demands. The focus will tend to move from capabilities to confront highly trained conventional forces on a defined battlefield towards forces to control territories and populations — essentially constabulary tasks. The army itself will strongly oppose too much movement away from a conventional focus towards a constabulary force. They will argue that a force equipped for conventional combat can down-scale to stabilisation operations, and still be prepared to move back up the combat scale again when necessary. That is true, but it overlooks the factor of cost. Forces for higher-level conventional conflict cost a lot more, soldier for soldier, than lighter constabulary forces. As lighter operations become a more central part of the army's mission, and the demand grows for larger numbers of boots on the ground, the tendency will be to move resources away from more expensive, and hence smaller, conventional forces towards cheaper and larger light forces. The more the ADF focusses on the immediate neighbourhood, where adversaries will tend to be less formidable, the stronger this tendency will be.

This trend will be driven most strongly by the pressure to provide forces big enough to do all that Australian governments seem likely to demand of them over coming years. The 2000 White Paper set as a benchmark that the ADF should be able to deploy and sustain a brigade on operations in our immediate neighbourhood, and at the same time hold a battalion ready for operations elsewhere at short notice. From the experience of the past few years that looks too little. To support the US, Australia may well have the equivalent of a battalion (plus supporting elements) committed to stabilisation operations in places like Iraq and Afghanistan for many years to come. At the same time we seem likely to find ourselves maintaining the equivalent of at least a battalion deployed in the immediate neighbourhood, as we have today in the Solomon Islands and East Timor, for some years to come. To

provide, in addition, the capacity to respond effectively to a major and sustained crisis in PNG, for example, would require much more than the eight battalions the government has now provided. Australia should have a bigger army still if it is to undertake the kind of role in our region that the government seems to envisage.

But it would be a mistake to simply convert a small but quite potent army into a bigger but less formidable one. We should be careful not to underestimate potential adversaries, or underestimate the advantages of an obvious and overwhelming superiority in firepower and protection in defusing tensions in many situations. Moreover operations against ill-armed insurgents can sometimes unexpectedly turn into operations against a relatively capable and numerous national army — for example in the event of international complications near the Timorese or Papuan borders of Indonesia. Also, of course, Australian planners will want to make sure that the army remains capable of conventional combat operations. All this means that if the ADF is to adapt to neighbourhood stabilisation operations, there ought to be a combination of measures. First, the army will get lighter, but still remain clearly a military force. That means less emphasis on tanks, tracked APCs and artillery, and more investment in wheeled vehicles such as the ASLAV and the Bushmaster, and fire-support helicopters such as the Tiger. Second, to succeed in stabilisation operations the army ought to spend more time and money on the arts of peace. For example, a major long-term investment in language, cultural and legal training for soldiers at all levels would be essential if stabilisation missions are to be successful.<sup>19</sup> This is difficult, and may in the end prove impracticable, but those who see stabilisation operations as a key military role in future have no choice but to try.

Third, the army will have to grow bigger still — perhaps twelve battalions or even more. That raises important questions about recruitment which I will not pursue here, except to say that I think Australia could maintain forces of this size based on full-time, professional personnel serving for an average of five to seven years, as opposed to the current average of ten years or more. A force like this would be more likely to meet the daunting demands of stabilisation operations than either a

reserve-based or a conscripted force. A bigger army should anyway be supplemented by the further development of police forces specifically raised, trained and organised for such operations. Again, this process is already underway with the establishment and recent expansion of the AFP's International Deployment Group. But if Australia is serious about stabilising the region, a lot more will be required.

Finally, the work of both the army and police in Australia's efforts to stabilise its region will be only one part of a coherent and comprehensive national policy. To help address the underlying weaknesses in service delivery, the economy, administration, political and legal institutions and the fundamental relationship between state and society, Australia should do much more than send soldiers. Although aid policies have recently been reviewed to better address these problems<sup>20</sup>, Australia remains a long way from having a clear idea how to help our small weak neighbours build stable effective governments. Until we do that, sending in the ADF will do nothing to fix the deeper problems of stability in the neighbourhood.

# Chapter 4

## **Preparing for the Asian century**

Thinking through the implications for Australia's defence forces of the changing strategic balance in Asia poses challenges of a rather different order to those we have considered in the previous chapter. It requires a significant change in conceptual framework, and a more expansive time-frame. It takes little imagination to grasp the nature and scale of the demands of stabilisation operations on Australia's forces, because they have been the major work of the ADF for the past fifteen years. The strategic issues raised for Australian policy by the transformation of Asia, on the other hand, are quite unfamiliar. Australia has enjoyed a long era of strategic stability in Asia, during which the international system has worked so effectively that major interstate conflict has seemed almost impossible. The challenge now is to consider what kind of forces Australia might want if the international system fails to adapt effectively to the new distribution of power in Asia, and the peace of the past thirty years gives way to turbulence. That requires us to look at some possibilities that seem, on the basis of our recent experience, rather improbable.

Australian defence policy has not addressed such issues explicitly since the 1960s, when the post Second World War turbulence in Asia started to settle down into the peaceful pattern of recent decades. Asia's growing stability meant that we could dismiss a major attack on Australia as unthinkable, and a serious regional conflict affecting our

vital interests as most unlikely. That allowed defence policy to focus on the only slightly less improbable scenario of minor attacks on the continent. Throughout the 1970s and 1980s Australian defence policy hardly acknowledged that the stable Asian order that underwrote our security might one day break down except in the context of a global superpower war<sup>21</sup>, but the possibility was implicitly acknowledged in the force structure that developed over these decades. The army was quite substantially reconfigured to defend Australia from low-level contingencies, but beneath the policy surface, older strategic instincts and institutional inertia ensured that capabilities like the F-18s and Collins submarines, which had little to do with low level contingencies, still attracted major investment. In the 1990s, as the end of the Cold War and the rise of China started to reshape Asia, Australian policy began to acknowledge more explicitly the possibility that these tectonic shifts might disrupt Asia's strategic balance.<sup>22</sup> In 2000 the Defence White Paper explored more specifically the implications of that possibility for defence policy.

### **Strategic interests**

The 2000 White Paper's primary conclusion was that in a more strategically-uncertain Asia, Australia could no longer be as confident as it had previously been that the risk of major conflict between the great powers of Asia would remain low. To get a better handle on what that risk might mean for Australia, the White Paper developed a statement of Australia's *strategic* interests. The aim was to identify the kinds of long-term changes in Asia that might most affect the likelihood and seriousness of a strategic threat to Australia. It asks what would have to change in Asia for the present low risk of attack on Australia to rise significantly? One way to answer is to observe that Australia today is relatively secure from attack for three fundamental reasons. First, none of our closest neighbours has the military capability to project forces across Australia's air and sea approaches in the face of our current armed forces. Second, no major power that would have that ability has access to bases in our immediate neighbourhood.

Third, no major power in our wider region, or beyond, has the capacity to project forces into our region without meeting effective resistance from other major powers. These factors seem fundamental to our international situation, and we tend to take them for granted. But they are not immutable, especially over the longer term. After another thirty years of rapid economic and strategic change in Asia, any of them could easily be transformed. Indonesia, if it can stabilise and grow, could in future build air and naval forces more capable than Australia's, especially if our investment in capability slows. In time, a major Asian power such as China could establish military bases in PNG. And in time Asia could become dominated by a single hegemonic power — not the US, but China, India or Japan — with the capacity to project power towards Australia without meeting major opposition. None of these outcomes is by any means a certainty, or even particularly likely. Today they are precluded by the way Asia's international system works, and they will remain highly unlikely if that system keeps working in future as it has for the last few decades. But not much would need to change for any of the scenarios sketched above to become much less improbable, and it is relatively easy to see how such a future could emerge from some of the trends we see around us today.

This thinking underlay the development of the short account of Australia's wider strategic interests in the 1997 Strategic Policy Review<sup>23</sup>, and the revised, extended and more detailed description of strategic interests and objectives in Chapter Four of the 2000 White Paper.<sup>24</sup> That chapter described five enduring Australian interests: the defence of the direct approaches to the continent, the stability of the immediate neighbourhood, security in Southeast Asia, the strategic balance in the wider Asia-Pacific, and support for global security. These interests are presented as a concentric geographic hierarchy reflecting their relative priority. *Defence 2000* explained:

We have given highest priority to those interests closest to Australia. In some circumstances a major crisis far from Australia may be more important to our future security

than a minor problem close at hand. But in general, the closer a crisis is to Australia, the more important it would probably be to our security, and the more likely we would be to be able to do something about it.<sup>25</sup>

It might have added that the closer a problem is to Australia the less likely anyone else would be prepared to take the lead in responding to it, and the more directly it might affect the security of the continent itself. Of course this ‘concentric principle’ can never be more than a rough rule of thumb, but as a broad guide to setting priorities it is simple, effective, enduring and intuitively compelling. It provides a framework to explore the implications for Australia’s defence policy of Asia’s less certain strategic future. The following paragraphs take a preliminary look at them.

The White Paper says that Australia’s first strategic interest is the defence of the continent from direct attack by maintaining the ability to deny our air and sea approaches to hostile forces. The most effective way to defend Australia from direct attack will always be to destroy hostile forces in the long and exposed air and sea approaches to the continent. That means the foundation of Australia’s immediate defence is the ability to deny our approaches to hostile ships and aircraft.<sup>26</sup> It does not mean that we defend the continent from its beaches. Denial of Australia’s approaches should be as proactive as possible, beginning as far from our shores as we can reach, including strike operations against hostile forces at their home bases.<sup>27</sup> This fundamentally maritime strategy, based on fighting at sea and in the air, exploits both Australia’s strategic geography and our comparative advantages in technology. Australia has traditionally enjoyed an unchallenged margin of technological superiority in air and naval capabilities in our nearer region, but this is not to be taken for granted. Preserving that superiority as circumstances in Asia change is a core national strategic objective.

Australia’s second strategic interest is described by the White Paper as ‘the security of our immediate neighbourhood’. As we have seen, Australia has a big stake in the stability of our nearer neighbours because of the way their weakness can pose a number of new security problems for Australia,

but our most basic strategic interest is more specific. It is ‘to prevent the positioning in neighbouring states of foreign forces that might be used to attack Australia’.<sup>28</sup> This concern goes back to the late nineteenth century when Australians worried that French and German colonies in the Pacific Islands might provide bases for an attack on Australia. In 1942 it became clear that denying bases to hostile forces in these islands was the key to the defence of the continent. That would again become true, and might become important, if the international order in Asia crumbles. Despite advances in military technology, sheer distance still makes a big difference to the capacity to project many kinds of military power. Long-range ballistic missiles can defy distance, at enormous cost, but the projection of other kinds of military power — especially air and land forces, continues to be strongly shaped and limited by the range of ships and aircraft, the length and vulnerability of supply lines, and access to bases. Australia is too far from the home bases of any major power (except, potentially, Indonesia) for them to be able to sustain large-scale conventional operations in our approaches without access to bases in the ‘inner arc’ of islands close to our north. With such bases, our maritime defences could be more easily overcome, and our ability to deny the continents approaches to an adversary eroded. Denying an adversary such bases is therefore integral to the defence of Australia itself.

How far does that extend? The ‘inner arc’ is a geostrategic concept, reflecting the practicalities of military basing. It covers those islands within the range of un-refuelled aircraft from Australia and our direct maritime approaches. It therefore includes the islands from Fiji northeast to PNG via Vanuatu, New Caledonia, and Solomon Islands, and East Timor — all small, vulnerable states. It also includes the eastern parts of Indonesia, as far west even as Java — but Indonesia, because of its size, raises a host of different questions, which we will look at in the next section. Of course today there is little risk that any major power would try to base forces in these islands, but it would not be too hard for them to gain access if they wanted it. A major power like China has persuasive means of influence over the fragile policy processes of a country like PNG. At present there is no reason why they would want to, and many reasons why they should not. But under

what circumstances might that change? For example, if the US and China become active strategic competitors, might they each seek bases in obscure places such as PNG for political and military advantage? It seems hard to imagine, but this is the kind of question we ought to ask when we consider what the Asian century might mean for Australian security. If it seems credible, then Australian defence policy perhaps should consider whether in future we could want military forces able to help prevent or limit the intrusion of potentially hostile powers into the immediate neighbourhood.

The third Australian strategic interest identified by the White Paper is the stability of Southeast Asia. This is the region ‘from or through’ which any major conventional threat to Australia would most likely come. A key question for Australian strategic policy is therefore what kinds of developments in this region would significantly increase the risk of that happening? The White Paper said:

We would be concerned about any major external threat to the territorial integrity of the nations in our nearer region, especially in maritime Southeast Asia, whether that threat came from outside or inside the region.<sup>29</sup>

The focus here is ‘major external threats’ from either inside or outside the region. Within the region, Australia’s security would be threatened by an attempt by any of the larger countries of maritime Southeast Asia — most obviously Indonesia — to absorb or establish armed hegemony over any of its neighbours. We would be much less secure living next door to a militarily expansionist Indonesia, especially if it grew stronger by absorbing its neighbours. Nothing in Indonesia’s political trajectory gives grounds for predicting that it will evolve this way, but we have faced an Indonesia with some of these tendencies before, in Sukarno’s later years. As a prudent basis for policy, we cannot rule out that such tendencies might recur in future decades. That means Australia has a strong and enduring interest in ensuring that no major act of military aggression by Indonesia — or any country in maritime Southeast Asia — against any of its neighbours would be allowed to succeed.

Our other core long-term interest in maritime Southeast Asia is to prevent the strategic intrusion of any of Asia’s great powers into the region in ways that might make it easier for them to project military power to Australia. For example, access to bases in maritime Southeast Asia would clearly improve any major Asian power’s capacity to project and sustain forces into Australia’s immediate neighbourhood, and make the risk of attack on Australia less remote. For this reason strategic intrusion into maritime Southeast Asia by Asia’s great powers has been an Australian strategic priority for decades. This was the core of the ‘Forward Defence’ policy of the 1950s and 1960s, and it still underpins Australia’s continued commitment to the Five Power Defence Arrangements, under which we are committed to help defend Malaysia and Singapore against external attack. It also provides the strategic rationale for a formal security agreement with Indonesia, problematic though that concept has proved.

What military steps could Australia take to protect this interest? If they came under threat, Australia would want options to help Southeast Asian neighbours defend themselves from an attack whether from a close neighbour or from a major power. There would be no question of acting alone, but we would want to be able to make a substantial contribution to a regional coalition — enough to make a real operational difference to the outcome by undertaking major independent operations within the coalition campaign.

Australia’s fourth strategic interest, as described in the White Paper, is the maintenance of a stable strategic balance between Asia’s major powers. Since 1945 US strategic primacy in the Western Pacific has been the foundation of Asian security, and supporting it has been a core Australian strategic objective. Whether, and how, that American primacy can be preserved is the most important question about Asia’s strategic future in the decades ahead. There are two ways that our interest in a stable strategic balance in Asia might be upset. One is the replacement of the US by a new hegemonic power in Asia which might be free from constraints on the use or threat of force against smaller countries like Australia. The second, more likely, possibility is the emergence of intense strategic competition or conflict between the US and China, or between

Asia's major powers, especially China and Japan. This would transform Australia's international environment with devastating consequences for our economy and security. For example, acute strategic competition between China and Japan could easily spark competition for bases and allies in Southeast Asia, including maritime Southeast Asia, thus raising significantly the risk of major power penetration into our nearer region or even our immediate neighbourhood. Again, these scenarios feel remote from the world of today, and they are by no means the most likely trajectory for our region. But they are far from impossible: it all depends on how the region, and especially the US, manages the rise of China.

What could Australia do to protect our interest in preventing any of these bad outcomes? The scale of our interests far outweighs our capacity to do much to protect them. It will be hard for Australia to make much difference to the military balance, let alone actual conflict, among such big powers. Nonetheless it would be wise for Australia to consider its options in thinking about its long-term defence needs. The first and best choice of course is to maintain support for the US in Asia. This provides the core rationale for our commitment to the US under ANZUS. The alliance helps to underpin the US stabilising role in Asia, by obliging Australia to support the US in any conflict in Asia in which its forces are engaged. Notwithstanding our overwhelming interest in avoiding a US–China conflict, our interest in sustaining US engagement in Asia provides the most compelling reason for Australia to support the US militarily if such a conflict breaks out. To have strategic credibility with our allies, and to do justice to the scale of our interests, an Australian commitment should be significant — much larger, for example, than we have sent to the Middle East in successive coalition operations there. In a major Asia strategic crisis, a symbolic contribution might not be enough. That could have big implications for the kinds of capabilities the ADF requires.

### **Operational options**

What kind of capabilities might Australia want if the strategic dynamics of Asia over coming decades threaten these strategic interests? The

outline of those interests sketched above provides a few starting points. The major conflicts in Asia that would matter most to Australia, especially those involving the US, would be primarily maritime. Any significant Australian contribution to a US-led coalition in a major Asian conflict would therefore call for maritime — air or naval — forces. Maritime operations in Northeast Asia in coming decades would be demanding, involving large, high-capability air and naval forces. Australia would want to be able to send forces that could fight and survive in that kind of environment. In a conflict between the US and China over Taiwan, for example, sending two or three frigates or destroyers to join a US carrier task force would not be enough to achieve our objectives. More likely, a combination of P3C Orion maritime patrol aircraft, Collins class submarines, Wedgetail AEW& C aircraft and F/A-18 (or, later, JSF) fighters would be more appropriate. In general these capabilities at present are able to operate effectively against PLA air and naval forces — though the F/A-18s are becoming marginal against China's best aircraft. But to sustain an adequate range of options in this kind of scenario over coming decades, Australia will require maritime forces that remain good enough to operate against PLA counterparts as they improve, in numbers sufficient to allow us to deploy and sustain significant contingents to north-east Asia, and at the same time maintain an adequate reserve at home. This will pose important demands, for example, on the size of our JSF fleet — especially when the potential for losses is taken into account.

The same observations are broadly true in relation to Australia's interests in Southeast Asia, where the struggle for air and naval primacy would most probably be the strategic key to any major conflict. Australia would always be better placed to contribute air and naval forces than land forces to a regional coalition in Southeast Asia. By Southeast Asian standards Australia's air and naval forces are substantial, and could make an important difference to the ability of a coalition force to respond to the kinds of capabilities that China, for example, might commit to a conflict in Southeast Asia. Australia's land forces are, by contrast, much less significant in regional terms. Australia's air and naval forces would be able to deliver more combat effectiveness against a highly capable

adversary than all of the forces of ASEAN put together, excepting Singapore. Our army, though probably the best land force in the region unit for unit, would add relatively little to the combat power of the much larger armies of Southeast Asian coalition partners. Australia's strategic interests in Southeast Asia would therefore probably be best protected by substantial air and naval forces able to conduct comprehensive air combat, maritime interdiction and strike operations as part of a regional coalition. This might mean sending a significant proportion of the ADF's air combat, anti-shipping, strike and anti-submarine warfare capabilities. Again, these forces should be kept at the qualitative forefront of regional capability, and in numbers sufficient not just for the deployment itself but also to retain forces at home, and to sustain protracted operations and absorb operational losses.

Moving closer still to home, how might Australia best protect our closer neighbours from external aggression and prevent the intrusion of hostile forces? Any country projecting force into the neighbouring islands must traverse their air and sea approaches, and so Australia should be able to deny those approaches to hostile forces. For that we require the same kinds of maritime forces as for coalitions further afield — air combat, maritime interdiction, and strike — though so close to home an ever larger proportion of Australian forces might be committed, and they should be able to operate from bases in Australia or in our nearer neighbours' territory.

Finally, what kinds of forces might we want to defend Australia's direct air and sea approaches? First, it will be clear that for the defence of Australia the overriding priority goes to air and naval forces that can deny Australia's air and sea approaches to hostile forces. As Winston Churchill said about plans mooted in 1901 to expand Britain's relatively small army at the expense of the Royal Navy 'As to a stronger Regular Army, either we had command of the sea or we had not. If we had it, we needed fewer soldiers; if we had it not, we needed more ships.'<sup>30</sup> Of course today we project maritime power in more complex ways than Churchill's 'more ships'. The heart of Australia's maritime defence in future is likely to be the control of the air over our sea approaches. With control of the air, our aircraft can attack hostile ships and submarines,

and prevent air attacks on our ships. Without control of the air, we lose the ability to defend ourselves against air attack, to find and sink hostile ships, and to operate proactively against hostile forces. Controlling the air involves more than simply being able to win dogfights over our immediate maritime approaches. In any serious conflict for the defence of the continent, Australia would want to undertake proactive counter-air and strike operations to destroy hostile air forces at or near their home or forward operating bases as early in the campaign as possible. We would therefore want to be able to mount and sustain long-range counter-air and strike operations against hostile air capabilities — not just aircraft but basing, command and support infrastructure — for as long as necessary to neutralise them. This has important implications for the scale and nature of our air capabilities.

Second, we would want the ability to attack hostile shipping as far from our territory as possible. The first choice would be air attack with anti-ship missiles launched from F/A-18 [or JSF] and from P3C Orion long range maritime patrol aircraft. The Collins class submarines, which can range much further than aircraft, and sea mines might also be important maritime interdiction capabilities. Third, we would want long-range strike capabilities able to attack an adversary's bases, support, command and control and national leadership. Strike capabilities include not just aircraft and stand off weapons, but also special forces and perhaps missile-equipped submarines. The value of these strike capabilities is not only that they allow proactive operations against forces that might be deployed against us, but also that they impose on an adversary the costs of defence whether or not strikes are actually mounted.

This brief account gives some preliminary idea of the kinds of forces Australia might want if the international order in Asia breaks down over coming decades. It already raises some demanding questions for Australian defence policy.

# **Chapter 5**

## **Strategic choices**

We have briefly surveyed some of the complex issues raised for Australian defence policy by the two primary strategic trends of our era. I hope this helps to identify and clarify the factors involved in answering the questions posed at the end of Chapter One. This chapter will sketch some of the answers.

### **Continental versus forward**

First, how should the old question of the balance between ‘continental’ and ‘forward’ defence priorities be answered over the coming decades? In retrospect it is clear that the strong emphasis on the defence of the continent that characterised the ‘Defence of Australia’ policies of the 1970s and 1980s was, like all policies, a product of its time. That was a time in which Asia, after decades of turbulence and violence, settled into the peace and order that we have enjoyed over the past thirty years; in which Indonesia, under Suharto, became a more congenial neighbour; and in which Australia’s South Pacific neighbours seemed set for stable futures as small but viable independent states. It was also a time in which both Washington and London said Australia should look after itself, and in which, after Vietnam, voters and leaders alike doubted the value of expeditionary operations. In such a time, it made perfect sense

to swing Australia's defence priorities sharply towards the self-reliant defence of the continent from the kinds of small-scale threats that alone seemed credible. Few at the time disagreed.

Since the end of the 1980s that time has passed. Asia's strategic system is undergoing a risky and uncertain transformation, propelled first by the collapse of the Soviet Union and then, more fundamentally, by the rise of China and India and the slow evolution of Japan. Australia's closer neighbours face deep challenges to their viability as states. The US, emboldened by the collapse of communism but troubled by commitments and liabilities in the Middle East, has become a more demanding ally anxious for military tokens of Australian support. And after several decades in the barracks, Western militaries, including Australia's, have become busy again on operations to build stability in the face of a complex set of 'new' non-traditional security threats in places as different as Iraq and the Solomon Islands. All these developments propel Australia back towards a more 'forward' defence policy, shifting the balance towards a stronger emphasis on building forces for expeditionary operations in the Middle East, in the wider Asia-Pacific, and in the immediate neighbourhood.

They do not, however, take us back to the 'Forward Defence' policy of the 1950s and 1960s. That too was a product of its times, and those times have passed. Nothing in the strategic trends of the past fifteen years suggests that Australia could or should return to a defence policy that relied on others for the direct defence of the continent. The idea that Australia should be able to defend the continent has now, after thirty years, taken firm root in Australian public opinion.<sup>31</sup> The opening sentence of the 1987 White Paper still sounds right today:

Australia must have the military capability to prevent an enemy from attacking us successfully in our sea and air approaches, gaining a foothold on our territory or extracting political concessions from us through the use of military force. These are uniquely Australian interests, and Australia must have the independent military capability to defend them.<sup>32</sup>

The question is not one of probabilities. 'Defence of Australia' policies were never based on pessimistic judgements that an attack on the continent was likely, but on a recognition of the possibility — hard to quantify but nonetheless real — that circumstances could change, and that an ability to defend the continent ourselves if they did was important to Australia's sense of itself as a nation, as well as a prudent strategic precaution.

One of the key tasks for Australian defence policy is to balance the capacity to defend the continent with increased capabilities to protect interests offshore. At first glance it may seem that in coming decades that will get harder, because if Asia becomes more unsettled, Australia might face a serious risk of more major attacks than the low level raids that preoccupied planners in the 1980s. In fact, however, it may become easier, because the kinds of forces that Australia develops in future to meet its major security challenges offshore seem likely to be able to defend the continent as well. This is just a new twist on an old thought: in the 1970s and 1980s it was argued that forces developed for the defence of Australia would provide good options for offshore deployments. In coming decades it seems likely that we can simply reverse that logic. Forces designed primarily to defend Australia's wider interests against the new and old security challenges we have been considering will provide Australia with a robust capacity to defend the continent.

### Alliance and self-reliance

What does this mean for Australia's view of its US alliance? One could argue that Australia's long preoccupation with the self-reliant defence of Australia has become less relevant because US policy has changed since the late 1960s. Before he invaded Iraq, President Bush articulated an ambitious strategic policy that seemed the antithesis of the cautious and limited view of America's commitment to allies set out by President Nixon in the Guam Doctrine, which did much to drive Australia towards the 'Defence of Australia' policy. In his 2002 *National Security Strategy*<sup>33</sup> Bush proclaimed that the US would use its

military capabilities wherever its values and interests — and those of its allies — were threatened. Why then should Australia bother with self-reliance? Why not build forces specifically to support America, if we expect to fight at their side around the world, and are quite sure they will defend us if the need arises?

The answer, of course, is that US policies can change. On decisions whose implications stretch for decades, Australia ought to be careful about placing too much weight on the declaratory policies of any administration in Washington. As things are panning out, the Bush doctrine seems unlikely to last as long as the Nixon doctrine did. The 2000 White Paper made the point clearly, in words that were drafted even before Bush was elected:

The US today has a preponderance of military capability and strategic influence that is unique in modern history ... However, we should be careful not to take US primacy for granted. Over the coming years the US global role may come under pressure, both from within the United States and from other countries. Domestically, the United States will continue to accept the human and material costs of supporting causes that directly touch its vital interests. But the willingness of the US to bear the burden of its global role where its interests are less direct could be eroded, especially if it faces protracted commitments, heavy casualties or international criticism.<sup>34</sup>

It is hard to predict America's future strategic policies and attitudes to Australia as an ally. The problems in Iraq suggest that the US could revert to a less ambitious strategic posture, and expect allies like Australia to look after themselves more. On the other hand, escalating strategic competition with China could drive the US to closer engagement in an increasingly demanding relationship with Australia. This uncertainty does not make the US an unreliable ally, but it does remind us that Australian policymakers should take a long-term and sophisticated view of the enduring elements of US policy.

Whatever happens, Australia's doctrine of self-reliance will have to evolve as strategic and technological circumstances change. For example, because capabilities like combat aircraft are becoming even more dauntingly complex to operate, Australia may have to rely more than before on the US for maintenance and other support of front-line combat forces. However the idea that Australia's security, and the US alliance itself, are enhanced by maximising the ADF's capacity for independent operations, especially in our nearer region, remains a sound basis for defence policy. The US is a good and reliable ally, but we do not strengthen that alliance by increasing our reliance on it. Rather, we strengthen it by building our capacity to bring to it the maximum capacity for independent strategic action.

Moreover, looking further ahead, Australia should consider whether it can take the alliance for granted indefinitely. Clearly the best guarantee of Australia's security in Asia over coming decades is continued active US strategic engagement. As long as that lasts, and provided US policies continue to buttress rather than undermine stability, the best way for Australia to promote its interests in a stable Asian power balance will be to support the US, including through providing forces to US-led coalitions. But perhaps that will not always be an option. If, as suggested in Chapter Two, American influence and engagement in Asia fell sharply over coming decades, that would transform Australian strategy, and perhaps pose a major choice. Would Australia have the strategic weight to stay engaged in Asian strategic affairs as an independent player, perhaps reprising the traditional British balance-of-power strategy by throwing ourselves onto the scales alongside Japan to help balance an overweening China, or vice-versa? Or would we have no option but to withdraw into a Swiss or Swedish-style armed neutrality. What might that mean for Australia's military capabilities? Are there any steps we should be taking now to guard against these possibilities?

### Cost-effective expeditionary forces

These are longer-term questions. The more immediate defence-policy challenge for Australia today is to work out how to optimise the ADF for the range of expeditionary operations they might face. We have argued that in future Australia's forces should be planned primarily for these expeditionary operations, but that only raises new and even more perplexing questions. The last two chapters indicated how sharply the main pressures on Australian defence policy today diverge in their implications for the kinds of expeditionary capabilities we should build. The familiar demands of stabilisation operations to address new security threats require larger and lighter land forces, especially for operations in Australia's immediate neighbourhood. The unfamiliar and uncertain demands posed by the emerging strategic architecture of Asia suggest we require high-level air and naval capabilities able to operate in the wider Asia-Pacific. Both trends are clearly important, and each imposes demands which alone could easily exhaust the resources Australia devotes to defence, so there are some hard choices to make.

Over the past fifteen years, as the evidence has grown that Australia should put more emphasis on its capacity for military operations offshore, there has been a tendency to assume that these expeditionary operations are a job for the army. This has made sense when they have been mostly peacekeeping or stabilisation operations, in which land forces provide the key capabilities. However many have assumed that Australian expeditionary contributions to coalitions in higher-level conflicts would inevitably be land forces too. This is partly a reflection of tradition: Australians are much more aware of the role of the army than of the other services in the global wars of the last century. It has been easy to believe that in the past the army *was* Australia's expeditionary force, and to assume that this would be so in future, too. As the balance swung from 'Defence of Australia' back to expeditionary priorities, the army has as a result expected to regain its traditional status as Australia's prime instrument of strategic power. This helps explain why some recent force development proposals have been aimed at enhancing capabilities for higher-level operations against major

continental forces. Recognising the importance of maritime operations in Australia's strategic environment, these plans have apparently been intended to transform the army into an amphibious power-projection force something like a miniature US Marine Corps, with navy and air force reconfigured primarily to transport, support and protect them.

The issues developed in Chapter Four of this paper run counter these ideas. Beyond the immediate neighbourhood it is hard to see a major role for the army in defending Australia's strategic interests in conventional conflicts. It hardly makes sense for Australia to contemplate anything larger than niche land-force contributions to coalitions beyond the immediate neighbourhood. In Southeast Asia local forces are much bigger than ours, and any Australian land force would be too small to add much additional combat weight. It makes more sense for Australia to play to national strengths in high-technology, capital-intensive air and naval forces and leave the more personnel-intensive land operations to coalition partners that have larger populations better able support large land forces.<sup>35</sup> The same is even truer in Northeast Asian scenarios.

This suggests instead that Australia would do better to develop air and naval forces, because these are the forces that will most often provide Australia with maximum strategic weight in a medium to high intensity conflicts. Geography dictates that military campaigns to protect Australia's highest-priority strategic interests throughout the Asia-Pacific region will be primarily maritime. In conventional high-level conflicts, Australia's broad strategic aim will most often be to dominate the air and sea. The control of land beyond our territory — operationally important though that may sometimes be — will always be strategically subordinate to that prime objective. Carefully chosen air and naval forces, maintained at a level able to operate effectively against the forces maintained by major Asian powers, and in sufficient numbers, will therefore provide the most flexible and potent range of strategic options for Australia to defend its strategic interests in a wider range of conventional conflicts than do expeditionary land forces.<sup>36</sup>

If this is correct, it argues against heavy investments in high-level amphibious capabilities and the expensive naval forces to protect them, and in favour of buying as much as we can afford of the kinds of air and

naval forces that can operate most effectively against the air and naval forces of a potential adversary.<sup>37</sup> But the next big question is what kinds of forces are those? The traditional instrument of maritime power is the warship, but we ought to ask whether investment in more (and bigger and more expensive) warships is the most cost-effective way to maximise Australia's maritime power. In conventional maritime conflict, the primary purpose of air and naval platforms of any kind is to carry sensors and weapons systems to within range of their potential targets. Warships today retain important advantages over other types of platform in doing this: they have the ability to operate far from land, they can remain on station for long periods, and their iconic status means that a ship can serve as a useful diplomatic signal too. But these advantages are offset by disadvantages: ships are highly visible and highly vulnerable to air, mine and submarine attack. They are expensive to build and operate, and carry large crews. They deploy relatively slowly. These disadvantages mean that, as a general proposition, the relative value of warships compared to aircraft and submarines goes down as the intensity of conflict goes up. In a low-level contingency, or in the ambiguous twilight between peace and conflict, warships have a useful role to play. But once serious maritime conflict has begun, surface ships become more of a liability than an asset. Self-protection and the protection of other ships becomes their main tactical function.

This means that in most situations of medium-to-high level maritime conflict, submarines and aircraft (of several different kinds) provide Australia with more cost-effective ways to project maritime power than surface ships. They suffer from some clear disadvantages — aircraft cannot loiter, for example, and submarines are even slower, than surface ships — but they are much less vulnerable, and provide a more cost-effective way to carry weapons and sensors to the battle-space. The arguments in the last two chapters suggest that, in the great majority of situations, investment in aircraft and submarines would provide Australia with more options and more strategic weight than an equivalent investment in surface ships. If that is true, we should put our money into aircraft — combat, maritime patrol, airborne early warning and air to air refuelling — and into more submarines, rather than into

air warfare destroyers, or into the aircraft carrier capability that is now apparently being canvassed as an investment option.

What does this mean for the future of the army? Clearly, as we have seen, land forces will predominate in stabilisation operations, which will tend to pull the army in the direction of a lighter constabulary-style force. In Chapter Three we explored what that might mean for the future size and shape of an army. What countervailing pressures are imposed by the demands of high-level conventional operations? If air and naval forces take priority if the international order in Asia breaks down, what role does an army have other than in stabilisation operations? One answer might be that Australia requires a strong army to defend the continent. However for the reasons Churchill gave in the comment quoted in the previous chapter, it does not make strategic sense to build a large army capable of fighting and winning a continental-scale campaign against heavy land forces on the Australian continent. That would require a major diversion of resources away from the air and naval forces which could more effectively and cheaply ensure that no adversary army gets ashore in the first place. Of course there is a risk in putting all our eggs in the maritime defence basket. But it would be bigger risk to spread our resources between maritime and land forces so that the ADF had decisive weight neither at sea nor on land.

So what role does an army have in the defence of the continent? We would need significant forces to protect bases and respond to lodgements on our territory by forces that evaded the ADF's air and naval defences. More subtly, it could be argued that our land forces contribute to the maritime defence of the continent because their scale determines the scale and weight of forces that any adversary would have to deploy to Australia to attack us, and hence the vulnerability of an attacking force to detection and interdiction by Australian maritime forces. The bigger and heavier the force an adversary had to deploy, the easier it would be for the ADF to find and destroy it in Australia's maritime approaches.<sup>38</sup> An important question is therefore how best to configure Australia's land forces to increase the forces an adversary would need to deploy to attack Australia, and to maximise their vulnerability to air and sea interdiction.

Land forces might also have a significant role in protecting Australia's strategic interests in the immediate neighbourhood. It will always be harder to stop an intruding adversary on land than at sea, when a single torpedo or mine can destroy a force that would take long hard fighting on land to defeat. But there might be circumstances in which we would want to deploy land forces to pre-empt a hostile lodgement, or even to dislodge hostile forces already ashore. In some situations that might require amphibious assault — always a complex, risky and expensive military option. It is an interesting question whether the value of this capability in some scenarios would be worth the cost, especially considering the opportunity cost of diverting resources from capabilities that would be more use in a wider range of situations, such as additional combat aircraft or submarines. I do not think it is. Nonetheless the primary roles for Australia's land forces in conventional conflict are in Australia's immediate neighbourhood. Further away we can assume that Australian forces would fight in coalition with allies better able to provide large and heavy land forces, but in Australia's immediate neighbourhood we are more likely to want to operate independently.

For Australia's small army this is a demanding benchmark, and we ought to put more work and analysis into studying what mix of land force elements would meet it best. They are unlikely to include heavier armoured capabilities, which would not prove cost-effective in our immediate neighbourhood even against a major adversary, let alone in the stabilisation operations that are their most likely task.

### **Strategic weight**

These questions matter, because the strategic trends shaping Australia's defence policy make big demands on the ADF. It seems clear that to respond to these trends Australia will need to build both bigger land forces and more capable air and naval forces. The weakness of our immediate neighbours, and the growing strength of the major powers of the Asia Pacific, raise questions about the long-term adequacy of Australia's defence effort. Does Australia have the economic and technological and managerial capacity to build forces that can help

stabilise our weak neighbours, and protect Australia's strategic interests in the wider stability of Asia, as well as sustain the self-reliant defence of the continent? The answer partly depends on how we really want our military forces to function. Should Australia aim to build forces that can shape our strategic environment and prevent threats to our security through the actual conduct of military operations, or only through the application of diplomatic symbolism? The difference is vital. The possession and deployment of military capabilities can serve important diplomatic and political purposes, and help protect vital interests, without being able to achieve any significant strategic effects at all. Many countries build their armed forces specifically with this in mind: New Zealand is an obvious example. That has not been Australia's approach in recent decades. As we have seen, many of our recent deployments, especially to the Middle East, have been, as military operations, purely symbolic. But the focus on self-reliance in the defence of the continent has meant that Australia has aimed to build forces that could achieve key strategic objectives directly through the conduct of military operations, both independently and in coalitions.

Recently however there has been the hint of a slide to a less ambitious, more 'diplomatic' approach, for example in the 2005 *Defence Update*.<sup>39</sup> Before deciding what forces Australia wants for expeditionary operations over the next few decades, we should decide how far down this track we want to go. Are there some future expeditionary operations in which we would want to exercise substantive strategic weight, or will they all be merely diplomatic gestures? When would we want to be sought as a coalition partner because of the military impact of the forces we bring, and when only because of the political value of our flag? Of course symbols can be important, and many of Australia's symbolic contributions to coalition operations in the past have served important national interests. But there remains a big difference between political symbol and military substance. Only military substance can give Australia real strategic weight in shaping its future security.

Perhaps in future we will find, as other countries have found, that we lack the basic resources of national strength to sustain forces that can deliver enough strategic weight to protect our wider interests, or

even to defend the continent. Certainly Australia will always have some important interests that we lack the resources to defend directly. But Australia should be reluctant to concede that that is true of all its wider interests. In the past — in the World Wars of the last century — Australian forces did deliver real strategic weight, and it would be a big decision to aim lower now. This is the big strategic choice that Australia faces today — not between the ‘Defence of Australia’ and expeditionary postures, but about whether Australia aims to build and sustain military capabilities that will give it strategic weight as a regional power. Or will we be content to slip back into the ranks of those with little capacity to control or even influence their own security?

Australia today probably does have this choice to make. Other countries, like New Zealand, do not; their economy is not big enough to sustain strategically significant forces. But Australia might be just big enough to support forces that would provide real strategic weight in Asia. Today our air and naval forces make us the major maritime power south of China and east of India. Broad projections of the costs of sustaining that position into the future suggest that our economy and population will continue to provide the resources needed to sustain that posture in 2050.<sup>40</sup> But it is marginal. We cannot afford to waste money. The key task of defence policy, then, is to decide what mix of capabilities will maximise Australia’s independent strategic weight in support of our most critical interests. It should identify which forces will give us the widest range of militarily effective options in the widest range of circumstances to protect our highest-priority interests, at an affordable and sustainable cost. It is always tempting to try to dodge this discipline. The array of military tasks that the ADF might be asked to undertake looks vast, so it can seem the best idea is to get a bit of everything. This beguiling idea is often promoted under the reassuring guise of ‘a balanced force’. It finds favour because it avoids hard choices and bruised service ambitions. But a force with a little of everything risks being without enough of anything to achieve decisive strategic results anywhere.

Choosing future capabilities carefully to maximise the strategic weight we get for every dollar is not just a matter of fiscal prudence: it

is a matter of strategic necessity. Australia faces an unusually complex and uncertain strategic future. Notwithstanding strong growth in recent years, and excellent economic prospects, Australia’s relative strategic potential in Asia is in long-term decline. Even with good economic growth, Australia cannot assume that over the next few decades we will be able to sustain forces sufficient to provide us with the kind of security we have enjoyed in the past few decades. We certainly cannot afford to spend our money on capabilities that do not deliver the maximum strategic benefit. We must make sure our limited resources are devoted to capabilities that deliver the biggest strategic benefit for each dollar we spend.

## Notes

- <sup>1</sup> See, for example, Commonwealth of Australia *The Defence of Australia 1987* Department of Defence Canberra 1987 p110-111.
- <sup>2</sup> Australian Strategic Policy Institute, *Australian Defence Almanac 2004–2005*. ASPI Canberra, 2004. pp 80–84.
- <sup>3</sup> Niall Ferguson, *The war of the world; Twentieth century conflict and the descent of the west*. Penguin, 2006.
- <sup>4</sup> John J Mearsheimer, *The Tragedy of great power politics*. Norton, New York, 2001.
- <sup>5</sup> Coral Bell, *Living with giants: Finding Australia's place in a more complex world*. Australian Strategic Policy Institute, Canberra, 2005.
- <sup>6</sup> See for example: Commonwealth of Australia, *Defending Australia 1994*. Department of Defence, Canberra, 1994. Chapter Two; Commonwealth of Australia, *Australia's Strategic Policy*. Department of Defence, Canberra, 1997. Chapter Two.
- <sup>7</sup> Lawrence Freedman, *A Revolution in Strategic Affairs*. Adelphi Paper 318 IISS, London, 1998.
- <sup>8</sup> For a sustained argument for the continued risk of major war see Colin S Gray, *Another Bloody Century*. Weidenfeld and Nicolson, London, 2005.
- <sup>9</sup> Commonwealth of Australia, *Defence 2000: Our future defence force*. Department of Defence, Canberra, 2000. Paras 6.29–6.31, pp 53–4.
- <sup>10</sup> Mark Thomson, *Your defence dollar: The 2006–07 defence budget*. Australian Strategic Policy Institute, Canberra, 2006. pp 41ff.

- <sup>11</sup> For convenience I will use the phrase ‘Middle East’ to include Afghanistan in this essay.
- <sup>12</sup> Commonwealth of Australia, *Defence 2000: Our future defence force*. Department of Defence, Canberra, 2000. Para 4.11, p 32: The Hon John Howard MP, *Address to the National Press Club*. 14 March 2003. <http://www.pm.gov.au/news/speeches/speech74.html> [accessed 3 October 06]. The key line is ‘Of course our alliance with the United States is also a factor, unapologetically so ...’
- <sup>13</sup> Commonwealth of Australia, *Australia's national security: A defence update 2003 Defence Update 2003*. Department of Defence, Canberra, 2003. p 23–4.
- <sup>14</sup> Commonwealth of Australia, *Defence 2000: Our future defence force*. Department of Defence, Canberra, 2000. para 6.20, p 51–2.
- <sup>15</sup> Elsina Wainwright and Hugh White, *Strengthening our neighbour: Australia and the future of Papua New Guinea*. Australian Strategic Policy Institute, Canberra, 2004.
- <sup>16</sup> Seth G Jones *et al*, *Establishing law and order after conflict*. Rand, 2005. p xiii.
- <sup>17</sup> The Hon John Howard MP, *A stronger army: Two more battalions*. Press Release 24 August 2006. [http://www.pm.gov.au/news/media\\_releases/media\\_Release2091.html](http://www.pm.gov.au/news/media_releases/media_Release2091.html) [Accessed 3 October 2006]
- <sup>18</sup> Commonwealth of Australia, *Defence 2000: Our future defence force*. Department of Defence, Canberra, 2000. para 8.11 p 79.
- <sup>19</sup> My thanks to Bob O'Neill for valuable insights into the nature of these training requirements for successful stabilisation operations.
- <sup>20</sup> Commonwealth of Australia, *Australian aid: promoting growth and stability*. AusAID, Canberra, 2006.
- <sup>21</sup> Though it might be argued that the possibility of systemic breakdown was implicitly acknowledged in the doctrine of ‘warning time’, but only to be deferred for ten years.
- <sup>22</sup> See the references at note 6 above.
- <sup>23</sup> Commonwealth of Australia, *Australia's strategic policy*. Department of Defence, Canberra, 1997. ASP 97 p 8.
- <sup>24</sup> Commonwealth of Australia, *Defence 2000: Our future defence force*. Department of Defence, Canberra, 2000. Chapter 4.
- <sup>25</sup> Commonwealth of Australia, *Defence 2000: Our future defence force*. Department of Defence, Canberra, 2000. Para 4.5, p 29.
- <sup>26</sup> Commonwealth of Australia, *Defence 2000: Our future defence force*. Department of Defence, Canberra, 2000. Para 4.7, p 30.
- <sup>27</sup> Commonwealth of Australia, *Defence 2000: Our future defence force*. Department of Defence, Canberra, 2000. Para 6.9, p 48.
- <sup>28</sup> Commonwealth of Australia, *Defence 2000: Our future defence force*. Department of Defence, Canberra, 2000. Para 4.8, p 31.
- <sup>29</sup> Commonwealth of Australia, *Defence 2000: Our future defence force*. Department of Defence, Canberra, 2000. Para 4.9, p 31.
- <sup>30</sup> Quoted in Robert K Massie, *Dreadnought: Britain, Germany and the coming of the great war*. Pimlico, 1991. p 628.
- <sup>31</sup> Ian McAllister, *Attitude matters: Public opinion in Australia towards defence and security*. Australian Strategic Policy Institute, Canberra, 2004. p 24; Commonwealth of Australia, *Australian perspectives on defence: Report of the community consultation team September 2000*. Department of Defence, 2000. p 2.
- <sup>32</sup> Commonwealth of Australia, *The Defence of Australia 1987*. Department of Defence, 1987. p1 para 1.1.
- <sup>33</sup> *The National Security Strategy of the United States*, September 2002: <http://www.whitehouse.gov/nsc/nss.pdf#search=%22national%20security%20strategy%20of%20the%20United%20States%202002%22> [Accessed 3 October 2006].
- <sup>34</sup> Commonwealth of Australia, *Defence 2000: Our future defence force*. Department of Defence, Canberra, 2000. p 16 paras 3.4–3.6.
- <sup>35</sup> T B Millar made a similar point over forty years ago, when he wrote: ‘It is more politically expedient to spend a hundred million pounds on buying new fighter planes which will support the troops of other nations in Southeast Asia, than to spend tens millions in equipping our own troops and sending them to Southeast Asia. Far fewer young men and parents of young men are concerned.’ T B Millar, *Australia's defence and foreign policy* John Wilkes (ed.), AIPS 1964. p 77. (The same ideas also influenced British strategic policy in the 1930s. See John Charmley, *Chamberlain and the lost peace*. Hodder and Stoughton, London, 1989. p 23.)
- <sup>36</sup> It is interesting to see how similar arguments for air and naval rather than land-force contributions to regional security were made in the debates about Australia’s post Vietnam strategic posture in Southeast Asia in the

1970s. See for example J L Richardson, Australia's strategic and defence policies in *Australia in World Affairs 1966–70* Greenway and Harper (eds), Cheshire/AIIA Melbourne, 1974. pp 246, 247, 262.

<sup>37</sup> For more detailed discussion of current questions about acquisition of air warfare destroyers and large amphibious ships, see Hugh White, *Buying air warfare destroyers — A strategic decision*. Lowy Institute Issue Brief 2005.

<sup>38</sup> This illusive but influential idea surfaces in any places. I first heard it propounded by Gen John Baker AC when he was Vice Chief of the Defence Force. It was put forward much earlier in a paper called *The true principles of Australia's defence* by Colonel the Hon. John McCay, reprinted in *Australian Army Journal* Vol II, No.2, Autumn 2005. pp 255–263, see esp p 261. In the British context it appears for example in Sir Fredrick Ponsonby, *Recollections of three reigns*.

<sup>39</sup> Commonwealth of Australia, *Australia's national security: A defence update 2005*. Department of Defence, Canberra, 2005. p 12: [http://www.defence.gov.au/update2005/defence\\_update\\_2005.pdf](http://www.defence.gov.au/update2005/defence_update_2005.pdf) [Accessed 12 October 2006].

<sup>40</sup> Australian Strategic Policy Institute, *A Trillion dollars and counting: Australian defence to 2050*. ASPI, Canberra, 2004.

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