

NO LONGER A MIDDLE POWER

Australia's Strategy in the 21st Century

Andrew CARR

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Focus stratégique

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Abstract

Confronted with a strained strategic environment and a relative decline of its resource base, Australia is currently going through a historical shift of its global status. The country is heading towards a normalization of its approach to the world, realigning its military capabilities with its strategic priorities on two different scales. While, for much of the 20th and 21st century, Australia aimed at being a global middle power, it is now clearly willing to turn into a regional power. It is thus relocating its core national interests towards the “inner ring”, i.e. the South Pacific and maritime Southeast Asia, and to a lesser extent, its “outer ring”, i.e. the Indo-Pacific and the wider world. This will translate into capability choices for the three Australian services, as each of them undergoes a deep shift in its operational horizon. The normalization of Australia will also impact its political strategy, as it seeks to balance the Chinese and American influences through trade and strategic partnerships across the Indo-Pacific area.

Résumé

Confrontée à un environnement stratégique dégradé et au déclin relatif de ses ressources, l'Australie connaît actuellement un changement historique de son statut international. Le pays s'oriente vers une normalisation de son rapport au monde, en adaptant ses capacités militaires à ses nouvelles priorités stratégiques. Après avoir joui aux XX^e et XXI^e siècles d'un statut de puissance moyenne mondiale, l'Australie vise désormais clairement à devenir une puissance régionale. Elle se rapproche ainsi de ses intérêts nationaux situés dans son « premier cercle » — le Pacifique Sud et l'Asie du Sud-Est maritime — et dans une moindre mesure, à sa périphérie — l'Indo-Pacifique et le reste du monde. Cela se manifeste par de nouveaux choix capacitaires pour les forces armées australiennes, destinées à connaître un profond changement de leur horizon opérationnel. Ce phénomène de normalisation a également un impact sur la stratégie politique du pays : Canberra cherche désormais à équilibrer les influences chinoises et américaines par le biais de partenariats commerciaux et stratégiques à travers l'Indo-Pacifique.

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Introduction

Following the release of Australia's 2016 Defense White Paper, then Prime Minister Malcolm Turnbull explained the government's new approach:

The White Paper states that our strategic defense objectives are not only to defend Australia from attack but also include supporting the security of maritime Southeast Asia and the South Pacific. It enables us to make substantial contributions to global efforts to maintain a stable Indo-Pacific region and the broader rules-based system.¹

Australian defense policy is now defined by this distinction. There has always been an *inner ring* which reflects the nation's strategic interests – that is, areas where Australia will, alone if necessary, use military force to achieve its core interests. This ring has recently expanded from a focus on the Australian continent to include the South Pacific region and maritime Southeast Asia. There is also an *outer ring*, which speaks to the nation's broader economic and security interests. This zone has shrunk from a nearly global worldview, to a defined 'Indo-Pacific' scope. In this region, political, diplomatic and economic policy levers are the main instruments for influence, and cooperation with other states is a must.

This is a historic shift. For much of the 20th century Australia was a global middle power largely untethered from its resources or geography. In the words of the longest-serving Prime Minister Sir Robert Menzies, it believed that "peace is indivisible".² In time this became the pursuit of "good international citizenship".³ Both concepts reflected Australia's moral and pragmatic focus on the global balance of power, global trade, and global values. Canberra was able to sustain this worldly approach because its major power allies were willing to pay most of the costs of its security and prominence.

In the 21st century, Australia faces the loss of this enabling (and ennobling) support, a much more difficult security environment and the relative decline of its resource base. The nation's leaders are therefore

1. M. Turnbull, "The 2016 Lowy Lecture", Sydney: The Lowy Institute, March 23, 2016.

2. R. Menzies, "Question: Foreign Affairs and Defense Speech" House of Representatives. 20 April 1955, Canberra: Commonwealth of Australia, 1955.

3. G. Evans. "The Style of Australian Foreign Policy" Address to the Fabian Society Remembrance Day Dinner by Senator Gareth Evans, Minister for Foreign Affairs and Trade, Melbourne, 10 November 1989.

increasingly forced to draw distinctions between the global, outer and inner rings, and carefully align interests and resources. These changes, described here as a process of “normalizing”, will see Australia turn away from its role as a global middle power and become a regional power.

As a regional power, Australia is still an important state in its part of the world. It has a capable military, professional bureaucracy, and an important geographic position for the emerging great power strategic contest. In the short to medium term, the focus of policymakers is to help stabilize the outer ring covering the Indo-Pacific. This is an easier area for the nation’s leaders to discuss and speaks to their optimism that the present challenges such as rising powers and weakening allies can be overcome without significant disruption. Steadily however, the pessimistic concerns of defending the inner ring are shaping major resource choices and directing national strategies.

Australia is not walking quietly towards its fate. It is determinedly increasing defense spending from 1.5% of Gross Domestic Product (GDP) in 2013 to 2% of GDP by 2020. This amounts to \$38.7 billion AUD (around \$23.9 billion EUR). The Australian Defence Force (ADF) is investing in a vast array of new capabilities from fifth-generation fighter planes to advanced submarines and frigates. The diplomatic budget has also modestly improved. Significant questions however remain about whether this is remotely enough, or if the nation is capable of the intellectual and moral leadership necessary to navigate a turbulent century.

Describing the shift from global middle power to regional power as one of “normalization” implies that the country’s past is abnormal. And indeed, it has been when compared to similar sized states. From the very beginning after European colonization, being a part of global issues was integral to the nation’s self-identity and policy concerns.⁴ Australians forcefully inserted themselves into both World Wars and the Cold War. Its diplomats pushed for a seat at the big table in the League of Nations, and the United Nations while helping to lead the way on global treaties addressing trade, war and the environment. As recently as 2009, the government could hew back to this old tradition by declaring that, ‘Australia cannot be secure in an insecure world’.⁵ But the honest truth, as Canberra now squarely confronts a decade later, is that it must find ways to do so.

4. The First Nation people of Australia, who settled the continent 65'000 years ago were deliberately excluded from both the identity and governance of the new nation by the white settlers. This is only barely beginning to change.

5. *Defending Australia in the 21st Century. Force 2030*, Canberra : Department of Defence, 2009, 43.

The process of normalization is changing how Australia approaches the world in three crucial ways. First, the gravity of *power* is exerting greater pull. This is significantly reducing Canberra's tendency for strategic wandering, and issues of global power balances and global status are of decreasing significance. This reduces the incentive or benefits from global middle power activism and remote coalition contributions. Second, Australia is confronting its *geography*, elevating proximate issues and acquiring military capabilities to operate in the immediate region and close to national borders. Regional rather than global trends will be the measure of security. Finally, Australia's *diplomacy* is changing. It is becoming more transactional in its approach to alliances and international institutions while seeking to better listen to and cooperate with its neighbors.

The path of normalization is reluctantly followed. The long history of looking globally has provided a deep emotional resonance to the view the nation is more important than its geography or economy may indicate. While scholars and many officials have for a long time used the term middle power to describe Australia, for some of the nation's elite even that description was too narrow.⁶ The long serving Foreign Minister Alexander Downer (in office 1996-2007) worried it 'implies we are merely similar to a multitude of other countries, a mediocre power defined only by the size of our population... [it] ignores our uniqueness'.⁷ The current Shadow Minister for Foreign Affairs, Senator Penny Wong from the Labor Party, has similarly bridled at the idea of resources constraining national ambition saying of the 'middle power' label, 'I think it's a descriptor but do we want to be middling? We are better than middling'.⁸ In the new Asia it is not even certain that Canberra will be a genuine regional power let alone the global middle power it has been.

While long been one of the richest states in Asia, Australia is in relative economic decline. In the mid-1970s, China's GDP was 1.4 times larger than Australia's, today it is 7 times the size. South Korea's economy has moved from being 0.2 the size to nearly identical (0.96) with Australia's today, while ASEAN's combined GDP has moved from 0.6 the

6. See Fox, A.B. *The Politics of Attraction: Four Middle Powers and the United States*, New York: Columbia University Press, 1977; Cooper, A., Higgott, R., and Nossal, K. R. *Relocating Middle Powers: Australia and Canada in a Changing World Order*. Melbourne: Melbourne University Press, 1993; A. Carr, 'Is Australia a Middle Power? A Systemic Impact Approach' *Australian Journal of International Affairs* Vol. 68, No. 1, 2014, 70-84; R. Emmers, and S. Teo. *Security Strategies of Middle Powers in the Asia Pacific*, Melbourne: Melbourne University Press, 2018.

7. A. Downer, "Australia: Much More Than a Middle Power," *Young Liberals National Convention*, Sydney: Liberal Party of Australia, January 8, 1996.

8. A. Tillet, "Why Penny Wong Believes Australia Should Look Beyond Being a "Middle Power"", *The Australian Financial Review*, February 11, 2019.

size to almost double.⁹ Given these economic shifts are driven by the reconnection of the link between GDP and population size, they are likely to be permanent. It is plausible that within a few decades Indonesia will be the 4th largest economy in the world, while Australia slips to 28th position.¹⁰ Commensurate with the economic growth, the militaries of Asia are modernizing, rapidly eroding the ADF's "technological edge". As Dennis Richardson, the former long-running Secretary of the Department of Defense has said, such changes 'will require a psychological adjustment by Australia'.¹¹

To detail the normalization of Australia's approach to the world, this paper outlines the emergence of the inner and outer rings in national policy. The paper then describes Australia's military strategy and the roles of the ADF's three services, the Navy, Air Force and Army. Finally, the report assesses Australia's political strategy, including its alliances and strategic partnerships. In the conclusion, the paper argues the 'normalization' of Australia is an enduring shift, bringing the nation's global middle power role to an end.

9. A. Milner and R. Huisken, "Smaller, but Enmeshed: Why Australia Needs to Make Asean an Even Stronger Priority", *Centre of Gravity*, Canberra: Strategic and Defense Studies Centre, Australian National University, 2017, 5.

10. Pricewaterhouse Coopers. *The Long View: How Will the Global Economic Order Change by 2050?*, 2017, p.7.

11. D. Richardson, "Blamey Oration: The Strategic Outlook for the Indo-Pacific Region" *Royal United Services Institute*, May 27, 2015, available at www.smh.com.au.

The Inner Ring: Australia, the South Pacific and Maritime Southeast Asia

Australia's northern pole

China is an unacknowledged magnetic pole for Australia's place in the world. Though the links wax and wane over time and are often indirect, navigating a path to security and prosperity for Canberra has rarely been possible without taking this pole into account. In the 18th century China's wealth helped inspire European traders to first look for and then claim the Australian continent as a trading way station and regional base. In the first half of the 20th century China's absence as a counter-balance to Japan helped unleash Tokyo's attempt at regional domination – a wave which violently crashed against Australia's northern shores in 1942. In the second half of the century, Communist China was the primary engine of Australia's Cold War fears and drove Canberra's pursuit of the Australia-New Zealand-United States (ANZUS) Treaty, signed in 1951.¹² The PRC was an adversary fought against directly in Korea and indirectly in most of the Cold War conflicts in Southeast Asia from the 1950s to 1970s.

Today again, China looms in Australia's view of the world. Beijing's remarkable economic rise has been interpreted with a mixture of 'fear and greed' as a recent Prime Minister quipped.¹³ This has helped keep Australia rich and sustained almost three decades of uninterrupted growth. It is also driving a rethinking of Australia's position in the world, and bone-deep worries about the way the rest of the twenty-first century will play out.

What defines the Australian defense and security debate is not so much concern at what has thus occurred, but fear at what might come next. Beijing's claims in the South China Sea, repression at home, the demand for peer status alongside the United States and the low-level challenge to international institutions are changes Australia can, thus far, live with. Indeed, Australia has long welcomed China's rise, and encouraged the

12. New Zealand's membership was suspended in 1985 over disputes about US nuclear-capable ship visits. ANZUS remains the formal name of the alliance between Australia and the United States.

13. J. Garnaut, "Fear and Greed' Drive Australia's China Policy, Tony Abbott Tells Angela Merkel," *The Sydney Morning Herald*, April 16, 2015.

United States and others to grant China a place commensurate with its size and historic centrality. What really unnerves policymakers in Canberra is a worry that accommodation within the broad context of the current order is no longer possible. That Beijing wants to create a new and very different international order. One in which Australia will be sidelined and restricted.

While threats loom larger, Australia is at risk of shrinking before our eyes. It is in relative economic decline compared to its region – from among the richest to decidedly second tier. Population and national economic size are re-connecting in a way they have not since before the Industrial Revolution, which leaves Australia – the 55th most populous state in the world, and one increasingly anxious about population growth – at a disadvantage. Being a global middle power is partly a question of resources and partly willpower. Both elements are coming into question. Australia seems to have lost the desire to actively engage international change and contribute to international challenges. Its politics are insular and fractious, and many big policy issues such as housing, welfare spending, tax reform and climate change have been put aside as too hard. While not badly run compared to its western compatriots such as the United States or United Kingdom, Australia has shrunk in the spotlight of the moment. As its population ages, as its neighbors grow and its voice becomes less audible and influential, the capacity of Canberra to remain a global middle power must be seriously doubted. These are radical words, one this author would have decried even five years ago. But time has not been kind. Lee Kuan Yew's haunting quip that Australia could become the 'poor white trash' of Asia once again beckons. Canberra overcame a fear of relative decline in remarkable fashion once before in the early 1980s. Whether it can do so again, in much more difficult circumstances today, both strategically, economically and intellectually is hard to know.

In 2019, as the magnetic pull from China increases in power, offering opportunity and threat, Australia is once again debating the degree to which flexible and resilient navigation is still possible in this distorted environment. It is a debate about how Australia can tack against the winds, or must change itself in order to find a way through. Yet it is too easy to speak in such generalities, as the exact nature of the challenge Australia faces is evolving and distinct across the several different parts of the world it engages with. The kind of regional power Australia needs to be, varies in each region it faces. This story begins, as it must, in the South Pacific.

The Pacific 'Step-up'

One of the great paradoxes of Australia's defense and security policy is that while in the South Pacific it possesses '94.5 per cent of the region's GDP' and '98% of defense and security spending', it has been an ineffective and often absent superpower.¹⁴ On 8 November 2018, the new Prime Minister Scott Morrison announced this had to change.¹⁵ Australia was 'returning the Pacific to where it should be – front and centre of Australia's strategic outlook'.¹⁶ The 'Pacific Step-Up' program includes an extra \$3 billion in extra infrastructure funding, efforts to support regional development and the explicit intention of maintaining Australia as the partner of choice for economic and security cooperation. Under the new program, the Australian Defense Force (ADF) will establish a 'Pacific Mobile Training Team' and expand its regional visits and training. In terms of capability, the ADF will deliver 21 Pacific Patrol Boats for use by regional partners and a new joint aerial surveillance program. Policing is another priority area with the establishment of training and coordination centers and joint cooperation for tackling cyber security, transnational crime, and crucially in the 'Blue Continent' of the South Pacific, illegal fishing.¹⁷

On the diplomatic front, Australia intends to open five new diplomatic posts, in Palau, the Marshall Islands, French Polynesia, Niue and the Cook Islands. It has also abandoned efforts to punish Fiji for the 2006 military coup. A January 2019 agreement ended any pretense at Australian opposition to the regime of Frank Bainimarama. Regional security has trumped values, and on this as with several other issues, Australia has been forced to follow the position of the other Pacific states and Pacific Islands Forum.¹⁸ The importance of the refocus on the Pacific is widely recognized by the political elite. Reports indicated that in just the first six weeks of 2019, Australia's 'Prime Minister, the Foreign Minister, the Assistant Minister for the Pacific, the Chief of Defense Force and the Commissioner of the Australian Federal Police have visited the region'.¹⁹

14. J. Wallis, *Pacific Power: Australia's Strategy in the Pacific Islands*, Melbourne: Melbourne University Press, 2017, 3.

15. On August 24 2018, Scott Morrison replaced Malcolm Turnbull as Prime Minister after an internal party ballot for the leadership.

16. S. Morrison, "Address – Australia and the Pacific: A new Chapter", Townsville: Department of Prime Minister & Cabinet, Commonwealth of Australia, November 08, 2018.

17. Department of Foreign Affairs and Trade, "Stepping-up Australia's Pacific Engagement", Media Release, November 2018, available at dfat.gov.au.

18. For a sage analysis of Australia's changing position in the Pacific, including relations with Fiji, see J. Wallis, *Pacific Power: Australia's Strategy in the Pacific Islands*.

19. N. Whiting & S. Dziedzic, "Australia ramps up rivalry with China for influence in the Pacific", ABC.net.au, February 10 2019.

Along with efforts to support, reconcile and entice, there is a military element to Australia's Pacific step-up. In November 2018 Australia, Papua New Guinea and the United States of America announced they would jointly develop and use the Lombrum naval base on Manus Island. Although 'Australia and New Zealand have tried to avoid explicitly linking their stepped-up engagement with China's increased presence', the return to Manus demonstrates otherwise.²⁰ For much of the 20th century, Papua New Guinea was the 'Northern Shield' for Australia.²¹ It was claimed as a colonial possession in the post-World War One settlement, and it played a vital role protecting Australia during the Second World War. Over time, changes in military technology along with domestic and regional politics reduced the value of these islands for Australia's security. In the face of the most threatening security environment since the 1960s, old traditions are being rediscovered. As is also the case for Australia's renewed interest in maritime Southeast Asia.

Priority to Maritime Southeast Asia

Australia has spent large parts of the last four decades trying to 'relocate itself' toward Asia. This was primarily an elite and economic-led project.²² In some ways, the change is remarkable. Canberra has overturned a century of racism and ignorance and replaced it with substantial diplomatic relationships with virtually all states in the region while earning membership or valued partner status in the region's key institutions.

Of Australia's top 15 two-way trading partners for goods and services, only four are outside East Asia: the United States, India, the United Kingdom and Germany. Of the rest, five are in Northeast Asia (China, Japan, Republic of Korea, Taiwan and Hong Kong), another five in Southeast Asia (Singapore, Thailand, Malaysia, Indonesia and Vietnam) and the last, New Zealand, is in the South Pacific.²³ If the Association of Southeast Asian Nations (ASEAN) states are treated as a combined bloc, they eclipse the United States as Australia's second largest bilateral trading partner.²⁴

20. J. Wallis, "Competing Pacific Narratives", *East Asia Forum*, January 20, 2019.

21. B. Hunt, *Australia's Northern Shield? Papua New Guinea and the Defense of Australia since 1880*, Melbourne: Monash University Publishing, 2017.

22. A. Capling, "Twenty Years of Australia's Engagement with Asia" *The Pacific Review*, Vol. 21, No. 5, 2008, pp. 601-622.

23. Department of Foreign Affairs and Trade, *Composition of Trade 2017*, Canberra: Commonwealth of Australia, 2017, 31.

24. Department of Foreign Affairs and Trade, *2017 Foreign Policy White Paper*, Canberra: Commonwealth of Australia, 2017, 43.

Today defense has joined economics as the motivation for Australia's deepening relations with the region. Among the varying schools of thought about how best to position Australia, there is a growing convergence of opinion that Southeast Asia and the South Pacific should be the primary areas of strategic focus.²⁵ Where earlier Defense White Papers in 2000, 2009 and 2013 placed the South Pacific and Southeast Asia in separate circles, the 2016 paper combines them in the vital inner ring.²⁶

The language officials use to describe the region has also changed. The 2000, 2009 and 2013 papers defined Australia's strategic interest in Southeast Asia as achieving 'strategic stability'.²⁷ In 2016 the goal for the region was far stronger: 'A secure near region, encompassing maritime South East Asia and the South Pacific'.²⁸ The gap between a 'stable' and a 'secure' goal is vast yet knowingly crossed by policymakers. According to Peter Jennings, head of the official expert panel who advised Defense on the document, this new goal represents 'the White Paper's most important strategic defense interest' and the 'new design of the Australian Defense Force is about taking the fight into maritime Southeast Asia'.²⁹

The capability choices of the White Paper, which are the hard, expensive and enduring choices of these documents, clearly demonstrate Australia's intention to operate in Southeast Asia and the South Pacific. These include the purchase of 12 French-designed Shortfin Barracuda diesel submarines (\$79 billion total) and 72 American-made F-35 Joint Strike Fighters (\$16.5 Billion). Another \$50 billion or so is to be spent improving operational capacity for the seas and skies across Australia's northern arc.

There has also been an – admittedly uneven – effort to better listen to and strengthen relations with Southeast Asian countries. During the 2013 election campaign the victorious Liberal-National Coalition argued Australia needed a foreign policy which stressed 'More Jakarta, Less

25. P.J. Dean. 'The Alliance, Australia's Strategic Culture and Way of War' in *Australia's American Alliance*, edited by Peter J. Dean, Stephan Fruehling and Brendan Taylor. Melbourne: Melbourne University Press, 2016.

26. The 2016 Defense White Paper includes the qualifier of 'maritime Southeast Asia' in its definition. Of note the 2000 Defense White Paper explicitly includes Indonesia in the second circle, however the circle itself is largely Pacific oriented.

27. Department of Defense, *Defense 2000: Our Future Defense Force*, Canberra: Commonwealth of Australia, 2000, 30.; Department of Defense, *Defending Australia in the 21st Century. Force 2030*, Canberra: Commonwealth of Australia, 2009, 42; Department of Defense, *Defense White Paper 2013: Defending Australia and Its National Interests*, Canberra: Commonwealth of Australia, 2013, 25.

28. Department of Defense, *2016 Defense White Paper*, Canberra: Commonwealth of Australia, 2016, 68.

29. P. Jennings, 'Defense White Paper: battlefield pitched beyond 'sea-air gap'', *The Australian*, February 26 2016.

Geneva'. This was part political posturing, as well as reflecting a genuine regional emphasis for a party which had historically been uncomfortable with the logic of geography. The three Prime Ministers since, Tony Abbott (2013-2015), Malcolm Turnbull (2015-2018) and Scott Morrison (2018-) all began their first official trip overseas in Indonesia.

At the 2014 '40th Anniversary Commemorative Summit', the ASEAN-Australia relationship was formally upgraded to a Strategic Partnership. Biennial leaders' summits were agreed to, beginning with Laos in 2016. In 2018 Australia hosted the ASEAN-Australia Special Summit in Sydney. This forum was a special, intensively managed project of Prime Minister Turnbull, who described it as a 'coming of age of Australia's relationship with South East Asia' with expanded security, economic, investment and social links.³⁰ That same year, Australia signed Comprehensive Strategic Partnerships with both Indonesia and Vietnam.

Bilateral trade deals have been a key policy lever to strengthen relations. Agreements were signed with ASEAN-Australia-New Zealand (2010), Malaysia (2013), Korea (2014), Japan (2015), China (2015), Hong Kong (2019) and Indonesia (2019). Australia helped drive the completion of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP, 2018) after US withdrawal, strongly supports the Regional Comprehensive Economic Partnership (RCEP) and helped bring the Pacific Agreement on Closer Economic Relations (PACER) Plus agreement with Pacific Islands Forum member states to conclusion, awaiting ratification.

The main opposition party, the Australian Labor Party (ALP), has also embraced the expansion of the inner ring to include the South Pacific and Southeast Asia. Indeed, the ALP pushed some of these changes from the opposition benches, although it has been careful not to get too far ahead of the 'bipartisan' consensus that dominates — and often inhibits — Australian foreign and defense policy.³¹ In 2017, the ALP released a series of policies called 'FutureAsia' designed to increase regional awareness, improve engagement and refine Australia's economic, diplomatic and strategic policies to be more Asia-centric.³² This built on Labor's 2012

30. M. Turnbull, "Media Release: ASEAN-Australia Special Summit to enhance regional security and prosperity", March 14, 2018, available at www.malcolmturnbull.com.au.

31. For an analysis and critique of bipartisanship in Australian defense policy see A. Carr, 'I'm Here for an Argument: Why Bipartisanship on Security Makes Australia Less Safe', *Discussion Paper*, Canberra: The Australia Institute, 2017.

32. C. Bowen, *FutureAsia: Labor's deeper Asian engagement policy*, September 29, 2017, Media Release, available at www.chrisbowen.net; P. Wong, *FutureAsia: Engaging with China*, Speech, Canberra: Australian Institute of International Affairs 2017, available at www.pennywong.com.au.

Prime Ministerial White Paper, *Australia in the Asian Century*, which sought to lay a new foundation for strengthening regional ties.

Australia's Strategic Interests in Southeast Asia and the South Pacific

The arc from Indonesia's western coast of Sumatra through to Fiji in the east is the region 'from' or 'through' which a threat to Australia's security could emerge. The threat 'through' is clear. The People's Republic of China (PRC) is the now the second largest economy of the world, has the second highest military spending worldwide and operates an authoritarian system with very different political and social values from Australia. China's development of a blue water navy, aggressive island reclamation, challenge to US authority in the region and expanding long-range precision missile capacity are all troubling for Australia. In the past decade, China has begun to establish military facilities in the South China Sea, just 3,000 km from Australia. This is roughly the same distance, flown directly, from Darwin in Australia's far north to the capital Canberra in the south east.

Territorial invasion is highly unlikely, although it has returned as a subject of discussion. Of more pressing and plausible concern is Beijing's emerging capacity to apply military coercion throughout Southeast Asia and against the north of Australia. If China sought to establish a military support base in the South Pacific — mirroring its Djibouti facility in the Indian Ocean — Australia could find its northern shores hemmed in by a regular Chinese military presence. Already Beijing has the capacity to undertake naval and overflight operations near Australian shores, as it does towards Japan and South Korea. This shrinking of space between China and Australia will complicate Canberra's calculations as it tries to preserve a sphere of autonomy, and navigate issues of trade, law and regional security. Beyond the actions of the PRC are concerns about errant missiles from North Korea, while Russia attracted a brief flurry of attention after sailing military vessels through the South Pacific in 2014.³³

Threats 'from' Southeast Asia and the South Pacific are also growing. The 2017 Islamic State takeover in Marawi in the Philippines was considered as a 'game changer' for Australian officials.³⁴ The region has a long history of terrorism, and countering it has consumed vast amounts of time and resources. If Marawi's city-wide insurgency is a model of the

33. D. Meers and I. McPhedran, "Russian warships 'heading to Australia'", *News.com.au*, November 13, 2014; A. Greene, "Australia should prepare for North Korean attack former Pentagon missile boss warns", *ABC.net.au*, September 29, 2017.

34. J. Blaxland et al., "Marawi and After: How Australia Can Help", *Policy Options Paper*, Canberra: National Security College: Australian National University, 2017.

future, the burden on Australia's resources will increase by orders of magnitude. Distracted by their great power competition, Washington and Beijing now expect local states to resolve local problems. While both may offer resources as part of their bid for support, this is likely to come with more strings than in the past.

Two other hypothetical concerns stand out for Australian officials. The first is a collapse of order in Pacific states. Australia, by virtue of history and geography, would have to lead any response. Though there were successful ADF operations in Timor Leste in 1999 and the Solomon Islands in 2003, future operations could overwhelm Australian capacity. In particular, civil conflict in Papua New Guinea (population 8.2 million and on track to double by mid-century) is a 'nightmare' scenario.

At the other end of the spectrum is Indonesia, which will always hold a special place in Australia's strategic imagination. Jakarta's policy of *konfrontasi* (confrontation of Malaysia, Singapore, the UK and indirectly Australia from 1963 to 1966) was the most difficult challenge of the Cold War for Australia. In the 1970s and 1980s, Indonesia was the hypothetical adversary against which the defense of Australia plans were designed.³⁵ Since Indonesia's turn to democracy in 1998, tensions have significantly reduced. The 2013 Defence White Paper was the first 'post-Indonesia guidance document since the early 1950s' as it did not consider Jakarta a possible threat.³⁶ Yet as realpolitik inclined analysts like to remind, though capability takes long periods to change, intent can switch quickly. Quiet fears remain of an Islamist takeover in a country with 264 million people living less than 500 km from the Australian coast.³⁷

Indonesia is the only state with the capability to present a short-term threat to Australia from Southeast Asia. Jakarta remains largely pre-occupied with internal concerns and the needs of its army tend to dominate at the expense of the naval and air forces which would be needed for significant military power projection.³⁸ Indonesia's defense budget is about 1/3rd of Australia's (in constant 2018 US dollars: \$7.32bn vs \$26.6bn), though the military balance will likely shift towards Jakarta in coming decades. Indonesian alignment in the emerging Sino-US competition is of

35. P. Dibb and R. Brabin-Smith, "Indonesia in Australian Defense Planning", *Security Challenges*, Vol. 3 No. 4, 2007, pp. 67-93.

36. S. Frühling, "The 2013 Defense White Paper: Strategic Guidance without Strategy" *Security Challenges* 9, no. 2 (2013): 43-50.

37. P. Dibb, "Implications for Australia of the Crisis in the West and the Threat from China and Russia", *Centre of Gravity*, Canberra: Strategic and Defense Studies Centre, Australian National University, 2017, 6.

38. G. V. Raymond, "Naval Modernization in Southeast Asia: Under the Shadow of Army Dominance?", *Contemporary Southeast Asia*, Vol. 39, No. 1, 2017, pp. 149-77.

exquisite interest to Australia and PRC leadership visits and economic deals with Jakarta are watched extremely carefully.

Beyond the issue of direct threats from and through, Southeast Asia and the South Pacific are becoming the interpreters and conduits of international affairs for Australia. How Southeast Asia is affected by a conflict in Northeast Asia will be fundamental to Australia's perception of the conflict. Canberra and Jakarta could easily find themselves on opposing sides in identifying aggressors and aggrieved parties, and the region may re-orient in response to a clear military outcome, even if most try to keep out of the way. Likewise, the occasional global issues which will gain Australia's attention in the future, such as terrorism, trade, refugee flows, and climate change adaptations will do so because of their impact on Southeast Asia, the South Pacific and in turn Australia. The closer an issue, the more it will matter. Beijing's attempt to peacefully expand its influence in the South Pacific has caused far more alarm in Canberra than China's much more war-like threats against Japan and Taiwan.

Not only will Southeast Asia and the South Pacific define how regional and global trends affect Australia, they are also the only parts of the world where Australia possesses the military, economic and political muscle to meaningfully address trends it does not like. This is not to say it possesses authority over either region. Far from it. However, in a world of growing risks, Canberra can attempt to seriously and if necessary, violently address unwanted security dynamics in these two areas in a way that is unthinkable in the rest of the world. Maritime Southeast Asia and the South Pacific are now Australia's primary area of strategic concern.

These regions are the membrane through which security threats may come to Australian shores. Whether that membrane is resilient, whether it is porous with small holes, or whether it stretches to breaking point in the face of large threats will fundamentally determine Australia's safety and comfort in coming decades. While walls are the traditional border metaphor they imply an outdated notion of fixed and absolute barriers which are rarely crossed. Instead there is a need for a more organic conception. States today must accept not just regular but consistent traffic while being flexible in the placement and form of the barriers they impose – based on the nature of their wider society. In Australia's case, the most important check points will be ones beyond its shores and often beyond its control. As such, in late night offices in Canberra the question of what might happen if the region's thin barriers were to be catastrophically breached has again become a topic of discussion.

The direct defense of Australia

Three decades after the so-called 'Revolution in Military Affairs', the logistics of invading the 6th largest country (by landmass) remain imposing and beyond all but the most determined great power state. Privately, Australian military officials judge that the only country in the world to have such capacity is their formal ally, the United States of America. However, it is very plausible the PRC will soon join it in that respect.

Invading a continent of this size would require substantial and nearby military bases to sustain and re-supply forces. Indonesia as a future great power is the only country free of this requirement, which goes some way to explaining the enduring concern Jakarta presents to Canberra. Even with the resources of a great power and the locations from which to begin an attack, the geography of Australia imposes significant constraints on a would-be invader, beginning with the vast distances. Just sailing from Darwin to Sydney, two cities you would unquestionably need to control, is around 4,500km or as far as sailing around France and Spain from Calais to Nice by sea. There are also problems of weather (the 'top end' of Australia during the wet season of November to April is often impenetrable), difficult terrain, little infrastructure, confusing tides and the absence of good harbors or places to land.

Australian concerns about continental security have focused on three scenarios. The first is preventing a major power adversary from obtaining a regional base from which invasion could be launched. This explains why a wave of panic rippled through Australia in early 2018 following rumors Vanuatu would host a Chinese military base. Though quickly hosed down, by the end of 2018 both major political parties in Australia had publicly committed to re-engage with the South Pacific to remain the region's 'principal security partner'.³⁹

Second, even if invasion is largely off the table, modern military equipment allows for substantive threats or coercive force. China has the capacity to apply threats and harassment of Australian territory and commerce in the case of a bilateral or regional tussle. Already Chinese vessels shadow and harass some Australian ships which transit through Southeast Asian waters.⁴⁰ In mid-2019 there was public angst when a Chinese military ship made an unannounced port call in Sydney on the 30th anniversary of the Tiananmen Square massacre. A month later, a Chinese

39. *2016 Defense White Paper*, Department of Defence. Canberra: Commonwealth of Australia, 2016, p.17.

40. L. Martin, 'Australian navy pilots hit with lasers during South China Sea military exercise', *The Guardian*, May 29 2019.

Auxiliary General Intelligence vessel was reportedly surveilling Australia's Talisman Sabre military exercises with the United States.⁴¹ Chinese long-range bombers now have the ability to reach the Australian continent, and may in time decide to undertake show of presence and conduct fly-bys as they do in Northeast Asia. The sight of sleek PLAAF aircraft over rich mineral resources in the north-west of the country could trigger an emotional shock. Just as troubling are China's ballistic missiles such as the Dongfeng-26 which, if placed on facilities in the South China Sea could Australia's north.

North Korea could also develop similar missile capacity in coming years, although there is little reason why it would use its limited resources against Australia. Indirect and low-level attacks are also plausible in this age of grey zone operations. One concern speculated about since the 1960s, is the use of Special Forces to attack major infrastructure, disrupt communication and cause chaos. While not an existential threat, merely countering such a campaign could easily tie up much of the ADF's manpower and resources.

Directly defending Australian territory is likely to become a much larger priority for the Australian military in coming decades. The same geography which is prohibitive to an aggressor also inhibits the defender. The costs of a continental wide missile defense system are forbidding and even attempting to cover major cities would likely overwhelm limited military and financial resources.⁴² Other direct defense ideas, including the acquisition of nuclear weapons for deterrence purposes are beginning to be discussed. However, given concerns about the impact on Australia's alliance, the possible spur to regional proliferation, and the many domestic and technical difficulties of acquiring such weapons, the nuclear path remains unlikely.⁴³

Instead, there is a desire to better leverage, connect and organize the ADF while improving surveillance and awareness across the continent. Plans include the acquisition of manned and unmanned aircraft, an expanded space presence — the Australian Space Agency was founded on 1 July 2018 — and upgrading existing systems such as the state-of-the-art Jindalee Operation Radar Network (JORN) to support the increased mobility and maneuver needs of the ADF. Lacking substantial mass, the

41. J. Hall, 'Chinese warships heading to Australia to 'collect information' on US-Australian military exercises', *News.com.au*, 07 July 2019.

42. S. Frühling, "Missile Defense for Australia? Expensive and probably not wise", *The Interpreter*, July 11, 2017.

43. R. Lyon, "Australia: In search of its own Sun Tze", *CSCAP Regional Security Outlook 2019*, pp. 33-36.

ADF needs awareness and targeted deterrence if it is to give the government viable options for defending the continent and the inner ring. Most hope it will not come to that. Indeed, there is an optimistic wish that, with the right encouragement the US, Japan and India will take care of most of the China challenge for Australia, as part of an 'Indo-Pacific' alignment to support the 'Global Rules-Based Order'.

The Outer Ring: Contributions toward a stable Indo-Pacific

The Rise and Fall of the Indo-Pacific

Australia may be pursuing a path of linking core interests to limited resources, but it is doing so reluctantly. Indeed, at a surface level its main defence innovation this century has been what appears a significant expansion of interests: identifying the Indo-Pacific rather than the Asia-Pacific as the country's regional identity. In the words of Rory Medcalf, whose 2012 *Centre of Gravity* policy paper helped promote the idea, before its official adoption in 2013:

'Here at last is a definition of Asia that automatically includes Australia and could help resolve our long debate about national identity [...] In both an economic and a strategic sense, the Indo-Pacific is a valid and objective description of the greater regional system in which Australia now finds itself.'⁴⁴

Unfortunately, seven years later the expectations and hopes behind this statement remain unfulfilled. Australia has embraced the Indo-Pacific, but the Indo-Pacific has not embraced Australia. There has been at best a very modest uptick in Australian participation or significance in the region. A Quadrilateral Dialogue between India, Japan, Australia and the United States has been revived, though there are significant differences between these states over why, where, when and to what aim they are cooperating. The Quad's impact thus far has been limited to endless public speculation but only a handful of private sideline meetings.⁴⁵

It is not clear yet whether the Indo-Pacific operates as a strategic or economic system. Sub-regional dynamics (such as those within Northeast Asia, Southeast Asia, or the Indian Ocean rim) remain far more determining than the cross-regional dynamics. The leading states such as China, Japan, India and the US all think about the use of force in very

44. R. Medcalf, "Pivoting the Map: Australia's Indo-Pacific system", *Centre of Gravity*, Canberra, Strategic & Defense Studies Centre, Australian National University, 2012.

45. For an overview of perspectives on the Quad see, E. Graham, et. al. 'Debating the Quad', *Centre of Gravity*, Canberra, Strategic & Defense Studies Centre, Australian National University, 2017.

distinct ways in the different sub-regions. There is little genuinely pan-regional action or common identity across this vast area. Though the flows of trade and communication are deep, these are economic and social interactions that have existed for centuries and such interactions rarely explain the strategic choices of states in either theory or practice.⁴⁶

For Australia there are substantial barriers to an Indo-Pacific identity. First, emblematic of the country's historically untethered approach to strategy, Canberra does not have the resources to meet this proclaimed interest. Australia's continent and ocean claims already account for 10% of the world's surface. Adding the entire Indian Ocean and South Asian rim states, along with Northeast Asia and all the way across the Pacific is simply too big an area to coherently address. When applied to areas of scarcity such as military resources it inevitably leads to one-size-fits-all choices. Australia is building some of the largest diesel submarines in the world in order to cover vast distances and provide the government with options for a variety of very different environments and strategic problems. This contributed to a very expensive multi-purpose, multi-region submarine acquisition, negotiated with the French defense firm Naval Group that won't deliver in full until the 2050s.

In an acknowledgement of the impossibility of acting in a genuinely Indo-Pacific fashion, Australian officials quietly sideline many parts of the region. For instance, the East coast of Africa, most of Central and South Asia, the waters north of Japan and all of South America. Australia also approaches each sub-region in quite distinct ways. How Australia acts in the Indian Ocean along its own coastline is quite distinct from its behavior in the Bay of Bengal, and distinct again from its presence in the South Pacific, Southeast Asia and again in Northeast Asia. Such diversity of approaches is also true for the other players, suggesting the Indo-Pacific, however important its various parts may be, is not a strategic system. A point now accepted publicly by some advocates of the term.⁴⁷

Nor does it seem to be an economic system either. Australia may look longingly at India's growing markets, but it has treated the rest of the Indian Ocean rim as of peripheral economic interest. Australia's trade focus is dominated by Southeast Asia, along with three large states in Northeast Asia (China, Japan and South Korea) and a handful of Western states astride the Atlantic (the US, United Kingdom and Germany).

46. H. Strachan, "Strategy in Theory; Strategy in Practice", *Journal of Strategic Studies*, Vol 42, No. 2, 2019, pp. 171-190, 184-185.

47. P. Varghese, "Australia, The United States, and the Indo-Pacific", Keynote address delivered, *Indo-Pacific Strategic Futures: Dialogue and Simulation*, 12 August, 2019, United States Studies Centre, University of Sydney.

Australia can thus afford significant economic disruption in several parts of the Indo-Pacific (Central and South Asia, South Pacific) without major economic cost. By contrast, a financial downturn in one of the key Northeast Asian states would be painful. Put all this together and it seems clear the Indo-Pacific is not a coherent system and Australian policy does not attempt to treat it as such. Accordingly, despite Australia officially adopting the term 'Indo-Pacific' in its 2013 Defense White Paper, the years since have brought more, rather than less confusion about what areas matter for Australia and where its focus ought to be.

Despite these well-known concerns, the Indo-Pacific concept is likely to stay in official rhetoric. Foremost, it encompasses the US in a way that more plausible regional identities do not. Both Australia and America can easily claim membership of an Indo-Pacific regional order. Washington has recently adopted the term, as have other US allies such as Japan. By publicly stating that the Indo-Pacific and the outer ring remain important, Canberra's policymakers can show Washington, Tokyo and onlookers, friendly or otherwise, that Australia will do more than pursue its own narrow interests and supports a strong US role in the broader region.

Just as importantly — though this part can rarely be stated aloud — the Indo-Pacific is a useful way for Canberra to limit the demands the US and others can make on Australia. Instead of seeing peace as indivisible across the world, there is now a distinct outer-ring which officials will be reluctant to breach if any significant resource costs are involved. This is likely in coming years to bring to an end the unbroken series of Australian military deployments in the Middle East since 1948.⁴⁸ What at first glance appears an expansion of scope — from Asia-Pacific to Indo-Pacific — is thus better understood as a contraction from Global to Indo-Pacific. As Prime Minister Turnbull pointedly phrased it, Australia will 'make substantial contributions to global efforts to maintain a stable Indo-Pacific region'.⁴⁹ Global security is no longer an end in itself, but now a means to support interests closer to home. This is the normalization of Australia.

The Indo-Pacific concept has its limits, but it does embody a foundation of common sense — recognizing the need to see Australia in its broadest economic, diplomatic and security context. It is a way of seeing the world that looks to the positives and potential of the region coming together to nudge a rising power towards a more peaceful co-existence. It speaks to a desire for India to rise and 'organically' counter-balance

48. D. Richardson, "Blamey Oration: The Strategic Outlook for the Indo-Pacific Region" *Royal United Services Institute*, May 27, 2015, available at www.smh.com.au.

49. M. Turnbull, "The 2016 Lowy Lecture", Sydney: The Lowy Institute, March 23, 2016.

China.⁵⁰ The concept speaks to the hope, as expressed in the 2016 Defense White Paper, that China will make a cost-benefits calculation and back down from its push for regional primacy.⁵¹ In this hypothetical scenario, China could still seek and receive changes to the order commensurate with its larger interests — an evolution Australia has repeatedly and publicly welcomed. But it would desist any suggestion of an overhaul that might reject the rule of law, shutter existing institutions and push the United States from the region. The Indo-Pacific is thus better seen as a vision of what should happen, rather than as an effort to describe what currently does. For this reason, the concept will likely stay, but the telling detail will be the shifting balance of resources and attention between an optimistic outer ring focus and a more pessimistic concentration on Australia's strategic inner ring.

The more fundamental problem with the Indo-Pacific is one which also applied its predecessor of the 'Asia-Pacific' and other academic concepts in recent years. This is the desire to identify one neat, all-encompassing region for Australia. While this may be aesthetically pleasing for intellectuals, it is too blunt a model for policy and strategy formulation. Australia is part of at least three regions, all quite different. In the South Pacific it is a hegemon called to lead without dominating. In Southeast Asia, Australia must work with and through equals. Finally, it is a coast and constabulary state of the Indian Ocean, where participation will be occasional and the dynamics, structures and significance of the region are only just beginning to be worked out. Australia is described in this report as a 'regional power'. But that is a multi-faceted role. Australia must present different faces to each of these regions and think about its interests and policy levers in each region in quite distinct ways. As the world becomes a more difficult place, the distinctions between the regions Australia cares about will become more important.

The End of the Rules-Based Global Order?

If the 2013 DWP's main intellectual contribution of the Indo-Pacific lumbers on like a zombie, the 2016 DWP's central proposal to strengthen the 'Rules Based Global Order' (RBGO) has been quietly euthanized. Mentioned 56 times in the paper, it was part of the paper's optimistic faith in the resilience of the status quo. By 2019 only a few in Canberra are still

50. P. Varghese, "The Indo-Pacific and Its Strategic Challenges: An Australian Perspective", *Trends in Southeast Asia*, Singapore: ISEAS Publishing, 2019.

51. I. Henry, "The 2016 Defense White Paper's Assessment of Australia's Strategic Environment", *Security Challenges* Vol. 12, No. 1, 2016, pp. 31-39, 31-33.

talking about a RBGO. As one doyen of Australia's strategic community said recently 'the order we have known for the past seventy years has ended. It's not being challenged. It's not changing. It's over'.⁵² There remains confusion about what 'Order' meant. Was it code for American primacy and the comfortable old ways — in which case pessimism is certainly warranted. Or was it about the capacity of rules, institutions and norms to ameliorate the worst of power politics? In which case the idea is still in moderate health today. Albeit with the US in the 21st century and particularly under Trump, as much a danger to as a defender of this order.

After Australia's alliance with the United States, international institutions were the second key pillar of Australian historic approach to foreign and defense policy. Australia has always sought collective security answers to its core problems. In the 20th century it embraced the League of Nations, United Nations, Southeast Asian Treaty Organization, Asian and Pacific Council, the Five Powers Defense Arrangement and the ASEAN Regional Forum. In the 21st century Australia chased membership of the Quad and the middle power grouping MIKTA (Mexico, Indonesia, South Korea, Turkey, Australia), secured a temporary seat on the United Nation's Security Council, proposed an ill-fated Asia-Pacific Community and continues to hope that regional institutions such as the East Asia Summit and ASEAN can provide order and stability. All too often however multilateralism has been the 'band-aid of Australian diplomacy'.⁵³ Applied because it was familiar rather than as an act of genuine faith. It is notable that, save the frenetic reign of Prime Minister Kevin Rudd from 2007-2010, Australian foreign policy has not had a champion of international institutions near the levers of power for over two decades. And the Rudd experience served to demonstrate the limitations of a return to the internationalist model. Hopeful realism is about the best sentiment that can be mustered these days in Canberra.

In such an environment, Australia has begun to stand outside of and challenge the legitimacy of global multilateralism when it clashes with national interests. Examples include irregular migration and climate change. To be sure, Australia still signed up to the US-led international coalition fighting Islamic State in Iraq and Syria in 2014, but this kind of contribution will be rare in the future. For decades Australia was an unusual middle power, global in orientation and proudly a 'Good International Citizen'. No longer. It is still in a significant secondary tier of

52. A. Gyngell, "Gallipoli Memorial Lecture: Fear of Abandonment – Australia's Response to Changing Global Orders", *Royal United Services Institute*, June 29, 2018, available at rusi.org.

53. M. Wesley, *There Goes the Neighbourhood: Australia and the Rise of Asia*, Sydney: University of New South Wales, 2011, 169.

states in terms of economic or military ranking, but it now acts much more like the similar sized states of its own region – focused on nearby concerns, cautious about global institutions and willing to pay modest costs to sustain the embattled ‘Rules-Based Global Order’. Canberra certainly hopes for global security, but it now thinks and acts with regional security at the forefront of its mind. Australia is becoming a normal power, not a middle power.

The allure of strategic wandering

Which issues will tempt Australians to act beyond the outer ring of the Indo-Pacific? Alliance commitments may require occasional contributions, but these will be very cautiously weighted. Likewise, the aid budget may be directed to remote hotspots and Special Operations Forces could be dispatched as a perceivably low-cost option. Even if the trend to focus by and be bound to resource constraints is clear, the desire to break these shackles and return to strategic wandering will remain.

Emblematic of this was the Prime Ministership of Tony Abbott (2013-2015). Abbott helped drive a focus on Asia across many areas of government in a hard-headed and realist fashion. Yet he also proposed effectively unilateral Australian missions to rescue hostages from Boko Haram in Nigeria and attack Islamic State in Iraq. In 2014 a commercial airliner, MH17, was downed as part of the Russia-Ukraine conflict, killing 298 people, 38 of them Australian. In response, as several sources have now confirmed, Abbott proposed inserting up to 3000 Australian troops into the region and contributing logistics support to the Ukrainians. He was quickly persuaded otherwise by horrified ADF military advisors.⁵⁴ While the Middle East regularly drew Australian military attention throughout the 20th century, it will likely join Africa, Eastern Europe, Central Asia and South America as areas where Australia will occasionally support the efforts of others, but largely remains distant from.

The Morrison Government is also showing some signs of wandering on strategic policy. Though the Prime Minister has a keen sense of the importance of the Pacific – and speaks genuinely of a family commitment to the region – his government also announced a military contribution in August 2019 to US patrols in the Straits of Hormuz. This may reflect a contribution toward the outer-edges of the Indo-Pacific and Australian energy security concerns, but is more likely based on a pragmatic assessment that the best way to deal with an intemperate Washington ally is to accede whenever the request can be fulfilled in a low-cost manner.

54. J. Brown, “Firing Line: Australia’s Path to War”, *Quarterly Essay*, 2016, 52.

Though there will be the temptation to continue offering small contributions to remote issues to keep the relationship with the US smooth, the opportunity costs of this approach are growing.

Turning to Western Europe and contributing to security there is a particularly thorny question. With monuments to Australian sacrifice in war sitting atop the fields of France, the pull of history and culture is difficult to resist. Yet quite how Australia could usefully contribute is difficult to answer and would depend largely on the US. For many of the scenarios currently discussed by European strategists, from grey zone style border aggression, maritime conflicts over contested waters in the arctic or nuclear brinkmanship, it is hard to see what Australia could offer beyond statements of political support.

For the time being, many Australians want to continue thinking of their country as one of global importance. But this is translating less and less into policy decisions. The gravity of power is becoming hard to resist and the opportunity cost of focusing on the far abroad versus nearby shores is growing. Connecting interests and resources will mean learning to embrace limits – or face having limits imposed on Australia. Where Canberra's military strategy is designed to directly achieve a 'secure' near region, a 'stable' globe is as much as Australia can or will hope for. Peace has been divided.

Military Strategy and Force Structure

The purpose of Australian military force is fourfold: to prevent a hostile major power operating in Southeast Asia or the South Pacific in order to threaten the Australian continent; to sustain the alliance with the US; to meaningfully contribute to important regional conflicts; and finally to offer the government options for dealing with secondary security problems such as Humanitarian Assistance and Disaster Relief (HADR), and terrorism. There is a litany of additional tasks the ADF carries out. Some of these (such as intelligence and surveillance gathering) are necessary to achieve the primary tasks, while others are incidental and ad hoc depending on the time and circumstances: shows of presence, defense diplomacy, constabulary support, contributions to peacekeeping and so on.

The 2016 Defense White Paper promises ‘a regionally superior ADF’, to be achieved through three performance-based ambitions.⁵⁵ First, ‘Decision making superiority’ reflecting the search for superior intelligence, surveillance and reconnaissance (ISR), electronic warfare and space and cyber capacities. Second, an ‘Enabled, mobile and sustainable force’, with strengthened Air and Sea lift. Finally, a ‘Potent and Agile Offensive response’ that can conduct maritime and anti-submarine warfare, strike and air combat, as well as land and amphibious warfare.⁵⁶

Confusingly, when it comes to force structure decisions, the White Paper states that the three Strategic Defense Interests it identifies, (‘A secure resilient Australia... A secure near region encompassing maritime Southeast Asia and the South Pacific... A stable Indo-Pacific and rules-based global order’) are to be ‘equally weighted’.⁵⁷ This is not however born out in the decisions of the paper. Reflecting the shift towards the inner ring, Maritime and Anti-Submarine warfare accounts for 25% of future investment, followed by Key Enablers (25%), Land and Amphibious (18%), Strike and Air (17%) and ISR, EW, Space and Cyber (9%) Air and Sea lift (6%).

55. Department of Defense, *2016 Defense White Paper*, 2016, 18.

56. Department of Defense, *2016 Integrated Investment Plan*, Canberra: Commonwealth of Australia, 2016, 13.

57. Department of Defense, *2016 Defense White Paper*, 2016, 71.

A priority for the new investment is to develop the local defense industry. Announcing the building of new Offshore Patrol Vessels, former Prime Minister Turnbull said that ‘Given the scale of our defense expenditure, our nation *deserves* and must have a national sovereign defense industry’ (italics added).⁵⁸ Beyond the political benefits of creating jobs — a message strongly pushed by both sides of politics in this area — there is an unstated strategic rationale that improving the economic, technological and industry base of the nation is a necessary preparation for a long term future of strategic competition. This approach also supports a long-standing desire for capabilities which fit Australia’s unique geographic needs. These important advantages must be offset against the risks of domestic production, including higher costs (estimated as up to a 30% premium by one influential study), barriers to rapid expansion given the small size of local industry, boutique production lines and slower delivery.⁵⁹ While most of Australia’s acquisition spending is overseas — and the numbers have barely changed over the last few years — two-thirds of sustainment costs are local.⁶⁰ This partly explains the choice to acquire French submarines while seeking much of the build and sustainment to be undertaken in Australia and in cooperation with local industry. The ADF service at the forefront of these choices is the Royal Australian Navy.

Navy

The 2016 Defense White Paper implemented ‘the largest revitalization, the largest modernization, the largest investment in Australia’s Navy since the Second World War’.⁶¹ According to the paper ‘these forces will help to protect our maritime borders, secure our immediate northern approaches and proximate sea lines of communication and enable us to project force in the maritime environment’.⁶² The largest of the new maritime acquisitions is the future submarine project. This will expand Australia’s fleet from six to twelve conventional submarines at a cost of over \$50 billion (likely \$79 billion with inflation and other costs).⁶³ Strangely, little public strategic

58. M. Turnbull, “Press Conference with Minister for Defense and the Minister for Defense Industry”, Canberra: Department of Prime Minister and Cabinet, Commonwealth of Australia, 2017.

59. J. Birkler et al., *Australia’s Naval Shipbuilding Enterprise Preparing for the 21st Century*, Santa Monica, California: RAND Corporation, 2015.

60. M. Hellyer, *The Cost of Defense: ASPI Defense Budget Brief 2019-20*, Canberra: Australian Strategic Policy Institute, 2019, 50-51.

61. M. Turnbull, “Press Conference with Minister for Defense and the Minister for Defense Industry”, Canberra: Department of Prime Minister and Cabinet, Commonwealth of Australia, 2017.

62. Department of Defense, *2016 Defense White Paper*, 2016, 89-90.

63. M. Hellyer, *The Cost of Defense: ASPI Defense Budget Brief 2019-20*, Canberra: Australian Strategic Policy Institute, 2019, 77.

justification has been provided for this decision since it was first announced in 2009. Submarines are of course very important for an island nation. But why 12? Why diesel? Where does Australia want them to go? And most importantly what does Australia actually want them to be able to do? There are answers to all these questions, persuasive ones even, but they have not been shared with the public. Instead the only offered topic of discussion has been the degree of local industry involvement.

The project is largely supported among defense analysts, though concerns are growing. Australia's choice of long-range diesel submarines is not a natural fit for the contested waters of Southeast Asia and the South Pacific. A small number of highly capable systems risks being too few, too big or too late in delivery. That said, the existing six diesel Collins-class submarines have proven an outstanding asset for deterrence, anti-submarine, and intelligence operations. Indeed, it has been suggested Australia's Collins-class are de facto America's conventional submarine fleet for this part of the world given the high levels of interoperability, coordination and role sharing. In 2016, after a difficult selection process, Australia selected the French firm Naval Group to develop a variation of their Shortfin Barracuda-class.

A vast range of surface vessels are also being acquired. Purchases planned and underway include 21 Guardian-Class Pacific Patrol Boats (to be donated to regional partners in the South Pacific), 12 Arafura-Class Offshore Patrol Vessels, 3 Hobart-Class Air-Warfare Destroyers for mobile missile and air-defense and 9 Hunter-Class Frigates 'optimized for anti-submarine warfare', 12 P-8A Poseidon maritime patrol aircraft and Reaper and Triton unmanned systems.⁶⁴ Some of these acquisition choices reflect concerns about the strategic environment, though many are responses to the constabulary and border protection demands which have imposed a heavy toll over the past two decades. All told, this is a historic investment in capacity to operate within the inner ring of maritime Southeast Asia and the South Pacific.

It's not clear if it will be enough. In 2016 when Australia was announcing 12 new submarines and over fifty surface vessels, China already had 64 submarines in operation, and nearly 200 surface combatant ships. In the last five years 'China has launched more submarines, warships, principal amphibious vessels and auxiliaries than the total number of ships currently serving in the navies of Germany, India, Spain,

64. For a breakdown of costs of each project see M. Hellyer, *The Cost of Defense: ASPI Defense Budget Brief 2019-20*, Canberra: Australian Strategic Policy Institute, 2019, pp. 38-50, 69-84.; Department of Defense, *2016 Defense White Paper*, Canberra: Commonwealth of Australia, 2016, 93.

Taiwan and the United Kingdom'.⁶⁵ Many of these vessels are larger and more capable than those Australia can put to sea (albeit usually not as technically advanced). As one commentator noted, 'a crude metric it may be, but it is chastening to reflect that the Royal Australian Navy would have to mobilize practically the entire fleet simply to match the vertical-launch cell inventory of one Chinese cruiser'.⁶⁶

Many other states in Asia are also rapidly increasing their capacity, particularly in the maritime domain. Military modernization in Asia remains a net positive for Australia's security. It improves the capacity of its neighbors to address regional security concerns and discourages great power predation. However, it creates a very different kind of environment for Australia than the late 20th century where the ADF's technological edge was substantial. In part due to the growing quantitative deficit, and with the expansion of regional capacity, Australia is seeking to work alongside regional partners in important new ways. The question however remains a touchy one. Canberra's policymakers typically push back on worries about relative and quantitative decline, arguing that technology, experience, the alliance and other intangibles will help keep the ADF a 'regionally superior' force even as militaries in the region steadily expand.⁶⁷ Accepting that Australia is coming back to the pack as a more 'normal' country is uncomfortable for the heart, even if largely accepted by the head.

Air Force

The 2016 Defense White Paper outlined plans to make the Royal Australian Air Force (RAAF) 'one of the best equipped mid-sized air forces in the world'.⁶⁸ The heart of this is the acquisition of 72 Joint Strike Fighters (F-35A variety). With 10 already delivered, and the first planes beginning training in Australia, this platform will provide a major increase in Australia's airpower capacity. This is much-needed given the significant decline in strike capability following the retirement of the last F-111's in 2010. Crucially, the JSF will enable Australia to operate in a more integrated fashion, both within the ADF as a command platform and with other countries acquiring the planes as part of a 'Coalition by Design'.⁶⁹ Such a community begins with the United States and Japan, though in time

65. N. Childs and T. Waldwyn, "China's naval shipbuilding: delivering on its ambition in a big way" *IISS Military Balance Blog*, May 1, 2018, available at www.iiss.org.

66. E. Graham, "Australia's navy needs to mind the missile gap", *The Interpreter*, October 20, 2017.

67. Department of Defense, *2016 Defense White Paper*, 2016, p.18.

68. J. Blackburn, "2016 Defense White Paper: The Future of Aerospace Forces", *Security Challenges* Vol. 12, No. 1, 2016, pp. 91-100, 92.

69. Blackburn, "2016 Defense White Paper: The Future of Aerospace Forces", 94.

states such as Singapore may be included given their recent F-35 procurement announcement. Australia presently lacks significant air power projection facilities such as aircraft carriers, limiting the F-35A's (absent allied support) to a range of around 1,000 nautical miles (1,800 km) from Australian shores. That covers a small circle over northern Australia and the Timor, Arfura and Banda Sea.

Like the Navy, the Australian Air Force seeks superiority through a 'technological edge' over adversaries. Australia aims to maintain just under 100 fighter and strike aircrafts with 24 F/A-18F Super Hornets, and the aforementioned 72 JSF. There are also 12 E/A-18G Growlers for electronic air attack and 6 E-7A Wedgetails for warning and control.

The Air Force's big initiative is 'Plan Jerico', which seeks to break down internal walls and link the capabilities, networks, people and intelligence streams of the ADF. Released in 2015, Jerico promised the 'largest technological upgrade in Air Force's history', with a series of reforms and acquisitions in order to become a 'fifth generation force' and 'fully realize the opportunities afforded by the latest technologies' for an integrated Australian Defense Force.⁷⁰ The emphasis on efficiency (in terms of maximum capability for available resources) reflects the ADF's awareness that Australia does not have the political will or easily tapped resources for significant military expansion. In peace time at least. Therefore, greater efficiency is sought as the mechanism to re-connect interests and resources.

In other areas, the peace time pursuit of efficiency is being re-thought. Most notably for fuel reserves. An issue of particular concern for the Air Force. As John Blackburn, a former Deputy Chief of the RAAF who has raised awareness of this issue writes, Australia:

is the only "developed" oil/fuel importing country in the world that has no mandated industry stockholdings, no government owned stockholdings or no government control over any part of the oil/fuel infrastructure. Australia is alone in its total reliance on 'market forces' to ensure secure access to fuel.⁷¹

While this gives Australia some of the cheapest petrol in the OECD it also means current reserves are estimated at 22 days' worth of petrol and 17 for diesel.⁷² With growing agreement about the need for change, Australia is beginning to accept the trend towards a world where global

70. Royal Australian Air Force, *Air Force Plan Jerico: Connected, Integrated*, Canberra: Air Power Centre, Commonwealth of Australia, 2014, 1-2, available at airpower.airforce.gov.au.

71. J. Blackburn, "2016 Defense White Paper: The Future of Aerospace Forces", 98.

72. G. Fernando and A. Carey, "Coalition under fire as Australia's onshore fuel stockpiles reach worrying lows", News.com.au, January 07, 2019.

trade systems are less reliable than in decades past. Policy changes to meaningfully address this however remain slow.

Army

In line with the other services, the Australian Army is also retooling for operating in the Inner Ring, with significant upgrades to its amphibious capability, equipment and training. There are efforts to strongly improve Army's understanding and engagement in the South Pacific and Southeast Asian regions. This is proving a cultural challenge for some parts of Army after two decades of concentration on the Middle East and a century-long tradition of overseas coalition operations with the UK and US. Though the Army has long been the foremost strategic instrument for Australia, its ability to play this role in the future is now being questioned.⁷³

Many in Army applauded the 2016 White Paper's claim that there would be 'equal weighting' of Strategic Defense Interests, feeling that the heavy toll of operations since 2001 in the Middle East had too little influence on force structure decisions. They also hoped that the return of language supporting a 'balanced joint force structure' suggested more executive and financial support for the largest and most heavily worked of the three services.⁷⁴ At the same time, those looking at the paper from Army's perspective were some of the sharpest observers of the 'inconsistency' between the Government's rhetoric and policy choices. Lamenting that, when the White Paper was reviewed carefully, 'one is left in no doubt that Army is not a high investment priority'.⁷⁵

Despite such concerns, the leadership of the Army have embraced the new environment and bought into the changing role. Without the technological focus of their sister services, the Army is pursuing an 'intellectual edge' as their adaptation to the changing regional order.⁷⁶ A number of significant steps have been taken, particularly in the area of Professional Military Education. An 'Australian War College' has been established, bringing together some of the higher-level service education facilities (such as the Australian Command and Staff College course), and a

73. H. White, "The Future of the Australian Army", *Security Challenges* Vol. 7, No. 2, 2011, pp. 27-32.

74. Department of Defense, *2016 Defense White Paper*, 78.

75. M. Clifford, "The 2016 Defense White Paper— the Land Perspective", *Security Challenges* Vol. 12, No. 1, 2016, pp. 77-90.

76. Major General M. Ryan, "An Australian Intellectual Edge for Conflict and Competition in the 21st Century", *Centre of Gravity* #48, Canberra: Strategic and Defense Studies Centre, Australian National University, 2019.

range of online portals for continuous learning have been established including 'The Cove' and 'The Forge'.⁷⁷

Amphibious warfare has also been embraced as a means of operating in the maritime environment of Southeast Asia and the South Pacific. Serious thought is being given to how Army can operate in an environment of precision-guided missiles.⁷⁸ Both developing new offensive capabilities to challenge regional Anti-Access and Area-Denial (A2/AD) strategies and defensive efforts to protect Australia by equipping infantry with mobile land-based anti-ship missiles, and expanding the role of special operations strike capability.⁷⁹ While the term A2/AD is typically not used by officials in Canberra, significant elements of this approach are already in place and Australia's island geography makes it an obvious candidate.⁸⁰

Members of Army are right to be skeptical about the handling of their service. Many believe there has been a 'tyranny of dissonance' in Australian defense policy.⁸¹ A disconnect between the strategic documents which since the 1970s have emphasized defending the continent, and the actual operational practice of the ADF which was global and coalition-based. There was a sense in the 2000s during the War on Terror years that Army was back in vogue, but the shift in recent years to concentrate on the Inner Ring has resurrected Army's fears it will be sidelined as part of an increasingly focused ADF.

A properly joint vision for the ADF has been a hard-won achievement over the last fifty years. It was achieved in the face of often bitter service debates and civil-military disputes. Some key differences still exist as the somewhat divergent plans discussed above reflect. Still, the progress towards an armed force which sees its interests in genuinely national terms has been considerable. Concerns about the new wave of reforms and allocation of resources in part reflects the cultural and emotional challenges which the normalization of Australian foreign and defense policy is producing. These changes are not just a question of adjusting strategic assessments, but impact the roles, identities, and careers of the hundred thousand plus people working across the military and public service, along with the 25 million other Australians. The US political

77. The Cove, available at www.cove.org.au; The Force, available at theforge.defense.gov.au.

78. C. Smith and A. Palazzo, "Coming to Terms with the Modern Way of War: Precision Missiles and the Land Component of Australia's Joint Force", *Australian Land Warfare Concept Series*, 2016.

79. Department of Defense, *2016 Defense White Paper*, 95.

80. T. J. Blizzard, "The PLA, A2/AD and the ADF: Lessons for Future Maritime Strategy", *Security Challenges* Vol. 12, No. 3, 2016, pp. 61-82.

81. M. Evans, "The Tyranny of Dissonance: Australia's Strategic Culture and Way of War 1901-2005", *Land Warfare Studies Centre Study Papers*, Canberra: Australian Defense Force, 2005.

scientist Samuel Huntington went too far in the early 1990s when he called Australia a 'torn' nation for its tension between the West and Asia.⁸² But look beneath these strategic debates, such as the role of Army in the 21st century, and you will see many small rips and tears.

82. S. P. Huntington, *The Clash of Civilizations and the Remaking of World Order*, New York: Simon & Schuster, 1996, 152.

Political Strategy

US Alliance

The US alliance remains the fundamental means for Australia to be secure. The rise of China, like the threat of international terrorism before it, has led to a strengthening of ties with Washington. The nearly seventy-year old alliance relationship is wide, deep, and warm. Officials speak easily of shared values and ideals, notions of 'mateship' and the personal links are many and close. Yet at the same time, ANZUS is far weaker institutionally than other US alliances such as with Japan or NATO.⁸³ Commensurate with normalization, Australia would like to move from a personal to professional basis for the alliance framework, while concerned that any strengthening does not also inhibit self-reliance or cause entrapment. This is due to Canberra's growing skepticism that Washington has the capacity, ability and will to manage and deter China's push for regional authority in Asia.

Canberra's caution about the US role began well before Donald J. Trump was a candidate for office. President Barack Obama launched his 'Pivot' or 'Rebalance' policy in Canberra in 2011, however local officials proved more skeptical than many others in Asia to the initiative.⁸⁴ A joint report by US and Australian scholars in 2015 noted that 'in no other US-allied capital do former leaders engage in such blatant questioning of the alliance with the United States.'⁸⁵ Grounds for doubt include the endurance of US commitment to Asia and the costs, both moral and practical that flow from Australia's support for American policies in the Middle East and Asia. There is also an intrinsic Australian dislike of the bombast style of the current president, although this has only mildly affected elite and public attitudes towards the US. While sections of the hard-left have always disliked the US, it is notable that the doubts and questions about the future US role in Asia can be found across the political spectrum.

83. S. Frühling, 'Is ANZUS Really an Alliance? Aligning the US and Australia,' *Survival*, Vol. 60, No. 5, 2018, pp. 199-218.

84. M. J. Green and N. Szechenyi, "Power and Order in Asia: A Survey of Regional Expectations", *CSIS Asia Program*, Washington D.C: Centre for Strategic & International Studies, 2014, 10.

85. M. J. Green. et al. "The ANZUS Alliance in an Ascending Asia", *Centre of Gravity*, Canberra: Strategic and Defense Studies Centre, Australian National University, 2015, p. 11.

The normalization of Australia has involved several clear snubs of the US in recent years. This includes Australia supporting China's AIIB bank proposal in the face of direct opposition from Washington; rejecting repeated US requests to conduct Freedom of Navigation Operations (FONOPs) in the South China Sea; leasing the port in Darwin to a Chinese company without informing Washington (and standing firm against its criticism); and haggling hard over who would pay for the upgrades needed to host a rotating deployment of US Marines in Darwin.⁸⁶ Canberra is deeply concerned about President Trump's pro-tariff attitude and his negative attitude towards multilateral initiatives such as the Trans-Pacific Partnership.

For all Canberra's talk of 'mateship', the alliance almost seems more transactional, with Australia more willing to distinguish its interests, and re-conceptualizing the alliance as a means to security, rather than an end-in-itself as had sometimes been implied.⁸⁷ These worries, many of which stretch back to the Obama days has been noticed by Washington. 'One senses among US officials beneath the back-slapping boilerplate of alliance solidarity, genuine disappointment and uncertainty about where Australia stands.'⁸⁸

Of course, the US is still 'Plan A' for Australia's security. The underlying logic of the alliance remains unchanged. Australia trades political support to America in return for access to US resources and deterrent power. There is just less of both on offer than before. Australians may no longer know — if they ever did — whether America will use military force to protect their continent. But they can be confident that China, North Korea or any other aggressor state cannot know either. This mutual ignorance about Washington's choices, combined with access to US technology, intelligence networks and prestige all make the ANZUS alliance a vital and valuable tool to retain.

Over halfway through into Donald J. Trump's first term as US President, Australia can count itself lucky. Other than a small spat early on over a refugee exchange deal, President Trump has largely ignored Australia. He has not called for it to pay higher costs or threatened to terminate the alliance as he has for many others. The US Congress also

86. J. Pearlman, "Australia, US in tussle over military base in Darwin", *The Straits Times*, August 6, 2016.

87. For instance, the 2013 National Security Strategy, 'Strong and Secure', lists the US-Australia alliance as a pillar of the nation's security, alongside the direct defense of the continent and countering terrorism.

88. H. White, "Australia's Choice", *Foreign Affairs*, September 4, 2013.

remains firmly supportive of the relationship with Australia.⁸⁹ Australia's geography has increasing military value for Washington. It is positioned on the outer periphery of Chinese missile range, while its land and resources are substantial enough to host major US operations in Asia. As Washington's strategic competition with Beijing increases, Australia's value as an ally will grow.

The ANZUS relationship is thus both strengthening in rhetoric and some policy and institutional links while also weakening in trust and credibility. To help navigate this confusing environment, Canberra is increasingly trying to listen to the states of the outer and inner rings when deciding how to interact with Washington. Australia and the US continue to largely see the issues in similar terms but disagree about the scope, location and form of cooperation. These 'expectation gaps' in ANZUS are unlikely to rend the alliance apart but do speak to difficult conversations ahead between the US and Australia.⁹⁰

Regional Alignments

What might a 'Plan B' look like, were it necessary? There are ideas, but few have strong foundations. The idea of 'self-reliance' has roared back into the Australian defense conversation, headlining speeches and conferences. The concept first emerged in the 1960s as a way to speak of operations Australia might need to undertake outside cooperation with the US. It was central to the 'Defense of Australia' era of the 1970s and 1980s, but slowly lost meaning – if never quite disappearing from official rhetoric – after the end of the Cold War. Quite what it means today is unclear. Australians do not have a clear sense of how or indeed if they could defend their own country. The ADF is widely admired but largely designed to operate as part of a larger coalition rather than carrying the burden alone. One influential scholar and former official, Professor Hugh White of the Australian National University has recently published a volume titled *How to Defend Australia*. However, his prescriptions of vastly higher defense spending and tight continental focus has received little scholarly or official support.⁹¹ In 2010, White published an extended essay on the risk Australia would be forced to choose between the US and China. Though some of the gloomier predictions have not yet come to pass, the nation's politicians have failed to honestly and publicly engage the horns of the dilemma he posed. White's

89. J. Brufke, "House lawmakers look to reassure Australia after Mattis resignation", *The Hill*, December 24, 2018.

90. M. J. Green. et al. "The ANZUS Alliance in an Ascending Asia", *Centre of Gravity*, Canberra: Strategic and Defense Studies Centre, Australian National University, 2015.

91. H. White, *How to Defend Australia*, Melbourne: La Trobe University Press, 2019.

shift to now warn of the risks to Australia's continental security is therefore telling.

While the 1970s embrace of self-reliance was founded upon a growing 'new nationalism' and sense of pride, today Australians are more cynical and disengaged. The nationalism that is emerging in some sectors is of an ugly, insular sort. Traditional avenues of public motivation, such as trotting out old stories of bravery in the First World War cannot compel a thoroughly multicultural and urbane modern Australia to accept the heavy sacrifices that self-reliance in the 21st century would require. A new patriotism and means of binding the community must be found if the material costs are to be worn. That task has eluded Australia's elite for twenty years in peace time. It is a lot to expect them to find a new language in much more difficult circumstances. As such, while Australia might have to muddle through Asia's turbulent century, offered some degree of protection due to its geography, it would prefer not to do so alone.

Hope has thus been invested in a patchwork of relationships which could cooperate to reinforce the US presence and compensate for its potential absence in years to come. Japan has been at the forefront of this imagining. The relationship was strongly promoted under Prime Minister Abbott who described Japan as a 'strong ally', to which Tokyo reciprocated with talk of a 'quasi-alliance'.⁹² In recent years, substantial work has been put into upgrading the Australia-Japan relationship. The sense of opportunity and need are strong and have driven significant cooperation and discussion.

Were Japan and Australia geographic neighbors, an alliance would be a done deal, however the 5,000 miles separating Tokyo to Canberra are proving hard to navigate. Canberra is not sure what Tokyo can or would offer for Australia's security, and Tokyo — rightly — is not confident Australia would risk a fight with China in order to protect Japan. That still leaves plenty of ground for greater engagement, from the joint membership in the Quad and Trilateral Strategic Dialogues to Infrastructure Agreements between the US, Japan and Australia attempting to push back on China's Belt and Road initiative. Australia and Japan will be increasingly common security partners, but the strategic ties are destined to remain loose in the present environment.

In a similar vein, South Korea should be an easy partner for Australia as a fellow democratic mid-sized state. However here again, geographic distance, South Korea's concentration on North Korea, and a lack of

92. A. Carr, "The Politics of the 2016 Defense White Paper", *Security Challenges* Vol. 12, No. 1, 2016, pp. 1-17, 6.

leaders willing to make the relationship a priority have impeded greater cooperation. There are signs of growth, although also a sense of mutual incomprehensibility.

India is the other great hope, though one can point to over fifty years of Australian policy documents anticipating the benefits from greater interaction with India as it rises. The Indo-Pacific concept was an explicit attempt to strengthen India's position and 'embed India in the strategic dynamics of the broader region'.⁹³ This can be praised for its far-sighted nature, but in the short to medium term the returns remain sparse. India has not substantively sought to influence the dynamics of Southeast or Northeast Asia. Australia's outreaches to New Delhi have been largely met with lethargy and sometimes indifference, though some areas such as military exercises are strengthening.

This does not deny the possibility of substantial future strategic cooperation. The United States was largely indifferent to Australia during the early 20th century, changing only when Australian territory became valuable for fighting Japan during the Second World War. A similar strategic shock could change the Australia-India relationship, although geography will be less conducive. Australia and India have mutual interest in securing the Indian Ocean, but India's main pre-occupation with China remains on its northern border, far from where Australian forces ever wish to tread.

Turning to Southeast Asia, there is clear greater overlap of geographically derived interests but the challenges of formalizing cooperation to meet Australia's needs are significant. Singapore is a solid match politically but lacks the material capability to change most strategic equations. Indonesia will eventually have this capacity, but its true weight is some decades off and its development needs and history of non-alignment suggest that, even with its growing concern about China, Jakarta will take its own path, on its own time. Indeed, it is already a struggle for Australia to get Indonesia to look south and trust its neighbor. Whatever does come from Indonesian-Australian security cooperation will be on Indonesian terms, even if Australia has to do most of the work and pay most of the costs to get it started.

ASEAN is also a non-starter. There has been discussion over the last few years about Australian membership of ASEAN, but advocates are few and the difficulties both sides would face are significant.⁹⁴ Nor is it clear

93. P. Varghese, "The Indo-Pacific and Its Strategic Challenges: An Australian Perspective", 2.

94. G. Dobell, *Australia as an ASEAN Community Partner*, Canberra: Australian Strategic Policy Institute, 2018, available at www.aspi.org.au.

what membership would achieve for Australian defense needs. The US alliance would have to be heavily revised and ASEAN is not a security or defense community as its members do not commit to protecting each other. Still, Canberra is making an effort in a way it has often not bothered with in the past. The normalization of Australia involves far greater attention being paid to understanding and responding to Southeast Asia and the South Pacific.

New partners?

In Australia's eyes, global states like France and the United Kingdom have an important role to play in managing the rise of China. Canada's recent willingness to stand up to Chinese diplomatic coercion was an important signal to Beijing that its economic weight will not automatically translate into political preference. At the same time, these states need to help keep the doors of the current international order open for Beijing, particularly on trade and institutional reform.

The United States' recent move to impose tariffs on Chinese goods, and its long-term shunning of a greater international role for China have been harmful to managing and mitigating the challenges of Beijing's rise. Space for China must be found. Its economic and population weight alone demand that. For most states in Asia, including Australia, this is obvious and acceptable. For the United States however, further change is increasingly seen as coming at direct cost to its own presence and prestige. Other power states with global interests and free of this assessment, can therefore help Washington and Beijing see that the international system is genuinely international and worth preserving. There is an important role for western states in particular to show that existing institutions are not simply shadow tools for maintaining US power, but represent a rule-of-law-based attempt to manage the relations of sovereign states on a fairly equitable and slowly evolving basis.

If there is a clear political and economic role, does this also translate into a military role for outside partners to help sustain peace in Asia? The answer is, unfortunately, probably not. Despite lots of talk to about a French and UK 'pivot' to the Pacific — and recognizing that the former never left — it is not obvious that European militaries will play any important role in the strategic contests of Asia. Shows of presence, such as French involvement in military exercises with Australia in July-August 2018 or proposals to sail near disputed island claims in the South China Sea will do little to change regional dynamics. After all, the increased US presence under President Obama's 'Rebalance' policy' has had little

discernible deterrent impact. What is necessary is public clarity about the enduring *purpose* of military forces, American, French, Australian or otherwise, rather than the hope their mere *presence* will communicate sufficiently.

Instead, the resources of states with a genuine interest in the region are better used addressing the myriad of common regional problems which Asia and particularly the South Pacific face in addition to the emerging strategic contest. Had this report been written 20 years ago, these pages would have been filled with discussion of HADR, economic development, combating organized crime (especially drug and people smuggling), and environmental problems, from water and food stocks to climate change. These problems still loom. They still need significant time, attention and resources to address. Climate change is becoming an insecurity multiplier, increasing the frequency and damage of natural disasters, reducing resources for development and it is likely to force significant population movements as some areas become uninhabitable.

As a state with key interests and presence in the Pacific, France in particular has an important role to play.⁹⁵ The terms of such cooperation will need to be carefully thought through. The Pacific region, as signified by the new 'Blue Continent' concept, is increasingly determined to control its own destiny and shape the contributions of outside states.⁹⁶ If countries such as France can work within this new environment to help the Pacific strengthen internally and remain free of major power domination and military bases, that would be a significant contribution to Australian and broader Asian security.

95. F. Parly, *France and Security in the Indo-Pacific*, Ministère des Armées, 2019, available at www.defense.gouv.fr.

96. J. Wallis, "Competing Pacific Narratives", *East Asia Forum*, January 20, 2019, available at www.eastasiaforum.org.

Conclusion

Australia's normalization reflects a country which is being forced by circumstances to think seriously about the link between interests and resources. It is turning away from the historically untethered approach that defined its unique approach to foreign and defense policy, and becoming more like other countries. It is focusing on its own immediate region, and seeking to think alike and cooperate in dealing with common challenges. There will still be a pull towards global concerns, but these have significantly faded in significance compared to even a decade ago.

The process of normalization for Australia is likely to be an enduring shift. The changes underway in the regional order are multi-decade in nature. An economic crisis here, new US President there, or even a small regional war (of the sort the Cold War saw by the dozen) will be unlikely to change the fundamental pillars of the new environment. Strategic competition is the new normal, and Australia is changing in light of it.

There are also important trends underway within the nation further embedding this shift. This is a nation of migrants. Out of the twenty-five million Australians, one in two is either born overseas or has a parent born overseas. Multiculturalism is a word disliked by many, but it defines the highly successful Australian approach. Those of an Asian ancestry now account for over 12% of the population, and their votes are beginning to shape elections. The need to normalize is in large part becoming accepted by the elites. It will of course be strenuously resisted by some, and confusedly, even hypocritically followed by others. But it is underway.

Australia's defense strategy is to build and buy capacity to protect the inner ring, working to prevent Southeast Asia and the South Pacific from becoming environments where great power conflict occurs. That means preventing hostile powers forming bases in the region, defusing tensions and hosing down disputes that may spark an unwanted fire. To pre-empt it getting to that point, hope is currently invested in a wider outer-ring of the Indo-Pacific, though this is the site of far fewer resources or genuine interests. Australia will settle for an Asia that is neither pro-US or pro-China, so long as it is largely independent and free in the most vital aspects of open trade, open regionalism and basic respect for territorial and domestic sovereignty.

Beyond the unlikely case of direct territorial defense, Australia alone cannot hope to use military force to deter China. Its military and political strategy is instead aimed at a variety of ways it can indirectly support this aim. From maintaining its alliance with the US to keeping the region open for trade and with strong institutions. At the same time, the ADF sees itself as a force preparing for war. Not one it wants to start, or willing join, but as an increasingly likely possibility in light of the strategic competition between the US and China and the PRC's aggressive moves to reshape Asia.

The process of normalization is still only partial and incomplete. The country's leaders have yet to fully open up to the public about the scope of changes under way. They soon will, if only because the storm clouds of Asia are dark and frightening enough that the wider public can now see them clearly. Though there will be inevitable desires to return to the diplomatic and defense habits of old, it is likely Australia's normalization will be an enduring process. As such, its global activist middle power role will fade into the history pages, replaced by a regional state more comfortable with its place. Australia will remain an important state in its neighborhood, at times even a powerful one. But there will be many more states with similar reach. The uniqueness of Australia's position on the world stage, and its ability and willingness to contribute to that stage is declining.

Australia's most likely future, one of tending to its local patch, unable to do much about the biggest threats, in relative economic decline compared to its larger neighbors, while pragmatically contributing where it can nearby is not a glamorous one. But it is a much more 'normal' one for countries of its size. And given the possibility of it all going wrong in Asia, a boringly normal life for the country would be a future most Australians will gladly accept.

