

**The nature of future conflict and its impact on
Australia's defence policy and force structure**

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ABSTRACT

Despite initial post-Cold War optimism, intrastate conflicts are proliferating and, while interstate conflicts are becoming less frequent, they remain a possibility. Conflicts are becoming more complex and difficult to categorise as state actors intervene in intrastate conflicts, terrorists target states, and conventional and unconventional tactics and high technology and low technology forces get mixed up in the same conflicts. The Asia-Pacific region is not immune from these trends. In addition to the primarily intrastate 'arc of instability', the region contains the seeds of significant interstate conflict, particularly on the Korean Peninsula, over Taiwan, in the South China Sea, and between India and Pakistan. Regional governments must develop security policies and forces to cope with these circumstances. Almost all are seeking to modernise their armed forces, particularly with capable maritime and air capabilities. The region also contains states with or seeking to acquire Weapons of Mass Destruction and ballistic missile technology. These developments suggest that few regional states discount the possibility of interstate conflict and a few are actively seeking to change the status quo.

These developments create a demanding strategic environment for Australia. This has reignited the debate on the priority to be given to the self-reliant defence of Australia as opposed to seeking security forward in the region through a more expeditionary strategy. The need to defend Australia against a direct armed attack is unlikely in the short term, but remains a longer term possibility. On the other hand, in the last 20 years, Australia has seen the need to intervene in a wide range of conflicts overseas. This has resulted in steadily increasing demands on the ADF that have not been matched by commensurate increases in the Defence budget.

The thesis of this monograph is that the current strategic debate presents a false dilemma in two respects. Firstly, both strategic rationales must coexist, not compete, within a comprehensive Defence policy. Secondly, while strategic rationale has a significant impact on force structure, this can be overstated. The differences between forces structured for the defence of Australia and expeditionary operations are substantially less than claimed, for two reasons. Firstly, both strategic rationales must take into account the nature of developing regional capabilities. Secondly, the defence of Australia is, by virtue of geography, itself an expeditionary task. As demonstrated by the success of many recent deployments, it is possible for the ADF to do both, providing government with useful military options in a wide range of contingencies, wherever Australia's interests may be at stake. The current debate arises more because of the mismatch between Australia's strategic aspirations and the resources allocated to Defence. Paradoxically, it also tends to obscure this fundamental issue. The key issue is not strategic rationale, but the realignment of Australia's strategic aspirations and the Defence budget.

CHAPTER 1 INTRODUCTION

In Australia, the Defence budget is under intense pressure. The 1987 Defence White Paper, *The Defence of Australia*,¹ established an ambitious plan for the development of the Australian Defence Force (ADF). It estimated that Defence spending would need to increase by three per cent annually to achieve this plan. Soon after, the Cold War ended, and Australia found an increasing requirement to commit the ADF to a wide range of contingencies throughout the Asia–Pacific region, and beyond. Defence expenditure, however, while maintained in real terms, was not increased. By 2000, despite a decade of efforts to increase defence efficiency, it was apparent that increasing operational, logistics and personnel costs and continued long-term investment in the planned force structure could not be accommodated within the existing budget. The 2000 Defence White Paper, *Our Future Defence Force*,² provided a substantial increase in expenditure. Further operational demands quickly followed with the War on Terrorism, border protection and Solomons Islands. Only three years later, a Defence Capability Review (DCR) was being conducted. The initial findings of this review confirm the thrust of the 2000 Defence Capability Plan (DCP), but acknowledge that this cannot be achieved without paying off some major capabilities significantly earlier than planned to free up the necessary funding within the Defence budget.³

These changing strategic and budgetary circumstances have precipitated a debate between those who argue that the defence of Australia strategic rationale should remain the cornerstone of Defence policy, and those arguing for a more expeditionary policy. This debate is important in a number of respects. In particular, it informs where and in which conflicts Australia may decide to involve itself, and it has implications for determining force structure priorities. Indeed, the debate rapidly moves to arguing the priority that particular capabilities should have in meeting the demands of our strategic environment. When it is assumed that getting increased resources is problematic, this is tantamount to arguing about which current capabilities should be payed off, and which proposed new capabilities should be cancelled, postponed or reduced in scope.

The argument to be presented here is that the current strategic debate presents a false dilemma in two respects. Firstly, both strategic rationales must coexist, not compete, within a comprehensive Defence policy. Secondly, while strategic rationale has a significant impact on force structure, this can be overstated. The current debate arises more because of the growing mismatch between Australia's strategic aspirations and the resources allocated to Defence. The key issue is not strategic rationale, but the realignment of Australia's strategic aspirations and the Defence budget.

Fundamental to the current debate are assessments of the changing nature of conflict, particularly the claim that interstate conflict is diminishing to the point where it should be given less prominence in determining force structure. Chapter 2 examines the changing nature of conflict around the world and the impact that this is having on the complexity and scope of tasks facing defence forces. Writers such as Martin Van Creveld and Mary Kaldor note that intrastate conflicts are proliferating, particularly in failed or failing states. Non-representative, corrupt or incompetent government is a key issue. Identity-based politics highlights religious and ethnic differences that are used to incite violence. This in turn creates an environment where transnational crime and terrorism can flourish. Interstate conflicts are becoming less frequent, although they remain a possibility. Conflicts are becoming more complex and difficult to categorise as state actors intervene in intrastate conflicts, terrorists target states, and conventional and unconventional tactics and high technology and low technology forces get mixed up in the same conflicts.

For Australia, the nature of these developments in the Asia–Pacific region is key to our security, and drives our Defence policy and force structure. For the purposes of this study, the Asia–Pacific is taken to include those areas where Australian interests have led or are likely to lead to the deployment of forces for operations, excluding Africa, despite the likelihood of further deployments for humanitarian operations there. The region thus stretches from the Middle East, through South Asia, Southeast Asia and Northeast Asia, and out into the South Pacific. Australia has national interests in every one of these sub-regions. The free flow of oil from the Middle East is important both for Australia’s and the global economy. Australia also has major trading partners in Northeast Asia and significant trade with Southeast Asia, so is dependent on secure sea lines of communication through the region. Peace, stability and continued economic growth in this wide region are very much in Australia’s broad strategic interest.

Chapter 3 examines the nature of possible conflict in the Asia–Pacific, and the policy and force structure responses of the nations of the region. In addition to the primarily intrastate ‘arc of instability’, the region contains the seeds of significant interstate conflict, particularly on the Korean Peninsular, over Taiwan, in the South China Sea, and between India and Pakistan. Regional governments are developing security policies and force structures to cope with these circumstances. Almost all are seeking to modernise their armed forces, particularly with capable maritime and air capabilities. The region also contains states with or seeking to acquire Weapons of Mass Destruction (WMD) and ballistic missile technology. This suggests that few regional states discount the possibility of armed conflict and a few are actively seeking to change the status quo.

These developments, together with the increased threat of transnational terrorism, create a demanding strategic environment for Australia. Chapter 4 traces the development of Australia's strategic policy in response to the changing environment and examines the current strategic debate on the priority to be given to the self-reliant defence of Australia as opposed to seeking security forward in the region through a more expeditionary strategy. It argues that the debate presents a false dilemma in that, to a large extent, Australia does not get to choose between the two. Instead, it has always deployed forces for operations overseas in response to world events, while simultaneously dealing with the possibility of longer-term direct threats to Australia. The two strategic rationales must coexist within a comprehensive Defence policy.

The current debate quickly focuses on force structure implications, which is the subject of Chapter 5. It argues that, while strategic rationale has a significant impact on force structure, this is often overstated, especially in the current, polarised form of the debate. In particular, the monograph argues that the differences between forces structured for the defence of Australia and expeditionary operations are substantially less than claimed, for two reasons. Firstly, both strategic rationales must take into account the nature of developing regional capabilities. Secondly, the defence of Australia is, by virtue of geography, itself an expeditionary task. As demonstrated by the success of many recent deployments, it is possible for the ADF to do both, providing government with useful military options in a wide range of contingencies, wherever Australia's interests may be at stake.

The monograph concludes that the force structure proposed in the 2000 DCP, as amended by the interim findings of the 2003 DCR, is a generally well founded response to the strategic circumstances in the Asia-Pacific, meeting the demands of both the defence of Australia and expeditionary operations, now and for the next ten to 20 years. The current debate arises, at least in part, because of the mismatch between Australia's strategic aspirations and the Defence budget. Paradoxically, however, by overstating the impact of strategic rationale on force structure priorities within a constrained budget, it also tends to obscure this fundamental issue. Either the Defence budget must be realigned with Australia's strategic aspirations or those aspirations must be reduced. The success of the current DCR will be measured by how well it achieves this realignment. Notwithstanding grounds for optimism about the peaceful development of the Asia-Pacific, overall reductions in ADF capability in the face of current strategic circumstance would be premature.

NOTES

¹ Commonwealth of Australia, *The Defence of Australia 1987*, Australian Government Publishing Service, Canberra, March 1987.

² Commonwealth of Australia, *Defence 2000—Our Future Defence Force*, Defence Publishing Service, Canberra, October 2000.

³ Minister for Defence Media Release 142/2003 of 7 November 2003 and transcript of associated press conference, <http://www.minister.defence.gov.au/minreleases.cfm> (7 November 2003).

CHAPTER 2 THE NATURE OF FUTURE CONFLICT

Two World Wars and the Cold War were among the defining events of the 20th century. There have also been hundreds of smaller conflicts, including rebellions and civil wars, wars of national liberation, guerrilla wars and ethnically or religiously based conflicts. Following the events of 11 September 2001, transnational terrorism has been redefined from a predominantly law and order issue to having the status of a 'War on Terrorism'. There is, therefore, a spectrum of conflict ranging from total war between two or more major powers, possibly involving nuclear weapons, through more limited interstate wars fought with conventional weapons, to intrastate conflicts, terrorism and transnational crime. In order to analyse the nature of conflict, it is helpful to try to categorise the different forms that conflict takes.

Categories of Armed Conflict

Total and limited war

Total wars are those 'where the total power or almost total power of a state is committed to the ultimate defeat of an enemy',¹ typified by the First and Second World Wars. These wars left few parts of the globe untouched, involved millions of military and civilian casualties, and involved the full-scale mobilisation of national economies. In the Second World War, the economies and infrastructure of Germany and Japan were largely destroyed, Britain came close to bankruptcy, and the Soviet Union suffered casualties on an unprecedented scale. Only the USA, whose economic and industrial might supported the Allied war effort, emerged from the war in better shape than when it started, having become the economic powerhouse of the world and, at least temporarily, the world's only nuclear armed power. The subsequent Cold War, with its threats of all out nuclear war or a major war in Europe, had even greater destructive potential, as a plain English interpretation of the strategy of Mutually Assured Destruction clearly indicated.

Limited wars are those conflicts short of total war, because they are constrained in some way. They may be fought for limited objectives, within a constrained geographical area, for a short period of time, against a limited set of military targets, using a limited set of weapons.² Most conflicts are, in one sense or another, limited. The 1982 Falklands War and the 1991 Gulf War, for example, both involved all these constraints to a greater or lesser degree. Both wars were short, fought for limited objectives within a small geographic area, did not involve nuclear weapons (although they were available), and involved careful selection of military targets. In fact, since 1945, almost all wars have been limited. Limited war is, therefore, a very broad category, within which several other distinguishing characteristics can be identified.

Interstate and intrastate war

The first of these is the nature of the actors involved. From the time of the Napoleonic Wars to the end of the 20th century, war was assumed to be the preserve of states, fighting each other to advance their interests. This assumption is implied in Clausewitz's most famous dictum 'that war is not merely an act of policy but a true political instrument, a continuation of political intercourse, carried on by other means'.³ More explicitly, he describes a 'paradoxical trinity' of characteristics of war, which concerned the people, the commander and his army, and the government.⁴ Martin Van Creveld calls this trinitarian war, 'based on a clear division of labour between the government that wages and directs it, the armed forces that fight and die, and the people who pay and/or suffer'.⁵

John Keegan argues that this state based assumption limits a good understanding of the nature of war. He notes that, 'war antedates the state, diplomacy and strategy by many millennia. Warfare is almost as old as man himself, and reaches into the most secret places of the human heart, places where self dissolves rationale purpose, where pride reigns, where emotion is paramount, where instinct is king'.⁶ Before the Treaty of Westphalia in 1648, the idea of the sovereign state as we currently conceive it did not exist, so describing wars in terms of conflict between states was of limited value. Three hundred and fifty years later, it seems that interstate warfare is occurring less frequently, as is argued by Van Creveld.⁷ Yet, since 1945, there has been a more than threefold increase in the number of states represented in the United Nations,⁸ largely as a result of the process of decolonisation that occurred in the decades after the Second World War. Paradoxically, despite increased numbers of states, the incidence of interstate warfare seems to be decreasing.

Many of the new states that have appeared since 1945 are of marginal viability. There have been increasing numbers of failing or failed states; Somalia, Yugoslavia, Afghanistan and Solomons Islands are just four examples. Additionally, the Cold War suppressed many conflicts within states, which have since re-emerged. These conditions provide fertile ground for intrastate conflict, which has been increasing dramatically. This leads Van Creveld to suggest that non-trinitarian wars between non-state actors are becoming the dominant form of conflict. He notes:

Whereas, during the last decade, major conventional wars between major states have been few and far between, wars against or between organisations other than states have proliferated and are proliferating. Among those which have proliferated but were brought to an end (sometimes more, sometimes less) are the ones in Algeria, Angola, East Timor, Egypt, Lebanon, Mozambique, Northern Ireland, Rwanda, Somalia, Turkish Kurdistan, and most of the regions comprising the former Yugoslavia. Among those that have proliferated but do not seem to be under control are the ones in Afghanistan, Chechnya, Columbia, the Congo, Kashmir, Liberia, the Land of Israel, Macedonia, the

Philippines, Sierra Leone, Spain, the Spanish Sahara, Sri Lanka, and the Sudan... To all this must be added what are surely the most spectacular acts of terrorism ever carried out by any organisation at any time and place: those of Al-Qaeda against the Twin Towers in New York and on the Pentagon across the Potomac from Washington DC.⁹

As this list indicates, intrastate conflicts are very diverse. The identity politics¹⁰ of ethnicity and religion, and non-representative, corrupt or incompetent government are all key issues, so intrastate conflicts can occur between a wide range of actors. Among others, they could be the participants in a civil war, insurgents or revolutionaries, ethnic and religious groups fighting for autonomy, terrorists or powerful criminal groups using private militias to protect their interests. Such wars also vary greatly in scale and intensity, some involving relatively few casualties, others 'involving hundreds of thousands and even millions of casualties'.¹¹

Van Creveld theorises that the main reason for the reduction in interstate conflicts 'is perfectly clear. It is the fact that any state capable of building even moderately sized, more or less modern, conventional armed forces is also capable of building nuclear weapons and will surely do so if it feels its vital interests, let alone existence, are threatened'.¹² He suggests that recent conflicts in Iraq in 1991, Afghanistan in 2001 and, by extension, Iraq in 2003, would simply not have occurred if Iraq and Afghanistan had nuclear weapons, especially if they had missiles capable of delivering them against a major Western city.¹³

Conventional and unconventional war

The actors involved in conflict may adopt conventional and unconventional approaches to warfare.¹⁴ Conventional warfare is generally assumed to involve states fighting each other using the conventional weapons and tactics of modern navies, armies and air forces. Unconventional warfare tends to be the approach of non-state actors fighting against either a state or other non-state actors. Such actors will generally not have the resources of a state necessary to conduct conventional warfare, although they may be backed by a state to some degree. In the absence of such resources, they are forced to adopt unconventional or asymmetric approaches to conflict. In the 20th century, Mao Zedung of China incorporated guerrilla warfare into a new revolutionary school of strategic thought that was developed and put into effect during the Chinese Civil War, achieving final success for the communists in 1949. In a 1929 memorandum, Mao wrote:

With our tactics, the masses can be aroused for struggle on an ever broadening scale, and no enemy, however powerful, can cope with us. Ours are guerrilla tactics. They consist mainly of the following points: Divide our forces to arouse the masses, concentrate our forces to deal with the enemy ... Arouse the largest number of the masses in the shortest possible time.¹⁵

Mao's theories were adopted in a number of conflicts with varying degrees of success. The Vietnamese used them successfully in the wars in Indo-China against the French in the 1950s and the Americans in the 1960s and 1970s. They were used without success during the communist insurgency in Malaya in the 1950s, and when Cuban revolutionaries attempted to export revolution to South American countries. Since then, however, these tactics have been adapted and applied by many groups involved in 'narcotics trafficking, terrorism, subversion and sabotage'.¹⁶

Terrorism is a particular form of unconventional warfare. The US Government definition of terrorism is, 'premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents, usually intended to influence an audience'.¹⁷ The perpetrators of terrorism may also have religious or criminal motives. It is usually a tactic of relatively small groups of disaffected people attempting to force domestic or international political change. Terrorism aims to create a climate of terror by targeting innocent civilians and, in doing so, operates outside domestic and international law. Whatever the motive, therefore, a terrorist is always a criminal.

Unconventional warfare, and terrorism in particular, raises questions of responsibility for countering it. Until 11 September 2001, countering terrorism was primarily a law and order and intelligence function, with military special forces employed in support of police in situations that required skills only contained in the military. The transnational nature of Al-Qaeda, however, has resulted in a world-wide campaign against terrorism, that President Bush has labelled the 'War on Terrorism'. This has seen the use of conventional, high technology military capabilities in Afghanistan in particular, and the use of special forces in places such as the Philippines. Whether this becomes a long-term trend will probably depend on the effectiveness of the current approach. Nevertheless, it raises important questions about the applicability of conventional military forces in dealing with a wide range of unconventional threats.

High and low technology and conflict

A further categorisation of conflict involves the level of technology employed by the combatants. At the high technology end of the spectrum are nuclear weapons and the advanced conventional combat capabilities employed by the modern armed forces of major states; an area dominated by the US. Such systems are often at the cutting edge of technology, requiring major expenditure on research and development and highly developed defence industries to produce them. The

US has been working to create a Revolution in Military Affairs (RMA) through its transformation agenda, involving:

- protecting critical bases of operations (US homeland, forces abroad, allies, and friends) and defeating CBRNE¹⁸ weapons and their means of delivery;
- assuring information systems in the face of attack and conducting effective information operations;
- projecting and sustaining US forces in distant anti-access or area-denial environments and defeating anti-access and area denial threats;
- denying enemies sanctuary by providing persistent surveillance, tracking, and rapid engagement with high-volume precision strike, through a combination of complementary air and ground capabilities, against critical mobile and fixed targets at various ranges and in all weather and terrains;
- enhancing the capability and survivability of space systems and supporting infrastructure; and
- leveraging information technology and innovative concepts to develop an interoperable, joint C4ISR¹⁹ architecture and capability that includes a tailorable joint operational picture.²⁰

Such systems enable modern capabilities such as fighter aircraft, ships, submarines and highly mobile, armoured land forces to be employed to maximum effect. All these systems require highly professional, trained personnel and fully developed doctrine to realise their full combat capability, together with complex logistics support arrangements. The level of resources required to operate, support and maintain such systems is such that even key NATO allies of the US, with highly developed defence industries, find it difficult to maintain interoperability with US forces.

At the other end of the scale, poor countries and intrastate actors cannot generally aspire to own such modern weapon systems. In the first instance they may be unable to afford them, or potential suppliers may not be prepared to provide the technology to them. For these actors, the primary weapons of war may be the detritus of past conflicts, such as old assault rifles and landmines, with the possibility of more sophisticated weapons obtained on the black market. In the middle are countries that are developing economically and are seeking to modernise and professionalise their militaries, often reducing numbers of conscript personnel in favour of more highly trained professional soldiers, and seeking to acquire more modern equipment. Many states in the Asia–Pacific region, including China and the major nations of Southeast Asia, fall into this category.

Australian categorisation of conflict

The changing nature of conflict is reflected in the development of Australian Defence policy. The 1987 Defence White Paper analysed the possible forms of military pressure against Australia.²¹ Under the heading of 'Low Level Conflict', the paper described the 'advantages that an opponent might see in a campaign of sustained low level military pressure against Australia' using 'military force to harass remote settlements and other targets in northern Australia, our offshore territories and resource assets and shipping in proximate areas'.²² It was envisaged that such attacks could involve covert and unconventional tactics that largely avoided direct confrontation with the ADF. The intent would have been to force political concessions over some disputed issue. This pressure could have increased into 'Escalated Low Level Conflict',²³ involving 'more conventional but still limited operations against Australia', involving direct confrontation with the ADF. Finally, 'More Substantial Conflict', involving sustained high level intensive military operations against Australia, was a longer term possibility, as it would take any potential adversary a long time to develop the forces necessary for such a campaign.²⁴ The 1994 Defence White Paper maintained a similar approach to potential conflict, but changed the terminology to 'Major Conflict' and 'Short Warning Conflict', and noted that 'military capabilities are expanding throughout the region', although not to the extent that any regional state could mount a major conventional attack on Australia without giving early warning through the development of its forces.²⁵

The 1987 and 1994 Defence White Papers assessed the prime risks as being interstate conflicts. Major conflict using sophisticated conventional or even nuclear weapons could occur elsewhere in the world, in the context of the Cold War. Australia would be profoundly affected by such a conflict. It could support the US in deterring or fighting such a war through the provision of support such as the joint Australia/US defence facilities, and could work diplomatically for arms control and disarmament agreements that could lessen the chance of war.²⁶ Militarily, however, there was little Australian forces could do to influence the course of such a conflict. The focus was, therefore, on the possibility of smaller interstate wars in our geographic region, involving limited conventional or special forces. Viewed from 2003, the assumption of an interstate adversary does not seem to be a precondition for the sort of harassment envisaged under the banner of 'Low Level Conflict'.

By the mid 1990s the Cold War was over and it was apparent that the nature of likely conflict was changing. Major wars were becoming less likely, but a rash of smaller intrastate conflicts was occurring in many parts of the world.

The 2000 Defence White Paper, therefore, came to a markedly different assessment to its predecessors, arguing that:

Resort to force will continue to be constrained by many aspects of the international system, and armed conflict between states will remain less common than in earlier centuries. But there remains a risk that circumstances may still arise in which these constraints are not effective. That risk is as high in the Asia–Pacific region as it is elsewhere in the world. . . (It) means that we need to maintain a capable defence force, that is trained and equipped to meet the demands of conventional war between states.²⁷

Additionally, the worldwide increase in intrastate conflict led this Defence White Paper to address a range of ‘New Military Tasks’ that ‘placed new demands on the armed forces of many countries, including for humanitarian relief, evacuations, peace keeping and peace enforcement’.²⁸ Lastly, the paper noted the broadening of the security agenda by a range of ‘Non-Military Security Issues’,²⁹ including cyber attack, organised crime, terrorism, illegal immigration, the drug trade, illegal fishing, piracy and quarantine infringements.

These assessments were borne out by the events of the next two years, including the 11 September 2001 and Bali terrorist attacks, the consequent operations against terrorism in Afghanistan, and preparations for a possible war in Iraq. Proliferation of WMD became an issue, particularly in Iraq and North Korea. Additionally, there were ongoing operations in East Timor and Bougainville, operations to deter suspected illegal entry vessels in our north-west approaches, and new fisheries protection tasks in the Southern Ocean.³⁰ The 2003 Defence Update, therefore, gave attention to the threats of global terrorism, a wide range of regional troubles, WMD proliferation by rogue states, and the consequent possibility of such weapons falling into the hands of terrorists.³¹

Within Australian Defence Policy over the last two decades, therefore, conflict has been categorised in a variety of ways to allow for its changing nature. It is striking that the categories of conflict, and resulting use of the military, have steadily expanded. The trend towards less interstate conflict is acknowledged, but not to the extent that it can be dismissed from strategic calculations, while a whole range of new tasks, often directly or indirectly associated with conflicts, have had to be taken into account.

Interrelationships between categories of war

Implicit in these assessments is increasing complexity and blurring between neat categories of conflict. In the last century, the predominant form of war, whether total or limited, involved interstate actors engaged in conventional conflict, usually over territory, using relatively high technology military equipment. The Second World War, Cold War and the Arab–Israeli and India–Pakistan conflicts are all examples of this kind of war. On the other hand, intrastate

conflicts have tended to involve unconventional tactics using relatively low technology equipment, such as the protracted conflict of the Chinese Civil War. When a particular conflict is analysed more closely, however, apparently neat categorisations begin to break down.

For example, the Second World War primarily involved total, conventional, high-technology warfare between the Allied and Axis powers, including the use of nuclear weapons at Hiroshima and Nagasaki. There were, however, many other actors fighting for a wide range of objectives by different means. They included guerrilla wars in occupied countries, such as the resistance in France and partisan operations in Yugoslavia, ethnic cleansing in the form of the Holocaust, wars of national liberation, and the civil war in China. This war, therefore, included elements from all the categories listed above. More recently, the Vietnam War was simultaneously a war of national liberation, a civil war and an interstate conflict, involving US forces equipped with the latest high technology weapons and conventional tactics operating against poorly equipped North Vietnamese forces usually employing unconventional tactics.

Since the end of the Cold War, attempts to categorise conflicts in a globalising world have become increasingly difficult. It appears that, for the moment at least, total war between states is unlikely; indeed, other than in the 20th century, total war has not been the norm for conflict. Nevertheless, the 1982 Falklands War, the 1990–1991 Gulf War and continuing fighting between India and Pakistan in Kashmir suggest that more limited interstate wars may still occur. Such limited wars may often have some of the features of intrastate conflict. Since the end of the Cold War, intrastate conflicts have tended to occur in weak or failing states. Such conflicts cause considerable human suffering, whether through starvation, persecution and attempted genocide, or the direct impact of the conflict. Weak and failed states can also provide a haven for terrorists, as has been seen in Afghanistan. As a result, the international community has been increasingly willing to step in to enforce or keep the peace and to provide humanitarian assistance. Most recently, under the Bush Doctrine,³² the United States has been willing to act more directly in or against other states that harbour or actively sponsor terrorism or present other threats, in Afghanistan and against the Saddam regime in Iraq. There are now numerous examples of conflicts involving both state and intrastate actors, sometimes, as in the War on Terrorism, directly pitted against each other.

International intervention by states in intrastate conflicts also breaks down other categories. Intrastate conflicts are primarily fought with unconventional means and relatively low technology military equipment. When a state steps in to enforce peace, however, it is likely to use its military capability to attempt to

dominate the situation, both to bring the conflict to a rapid end and to minimise its own casualties. Therefore, conventional and unconventional tactics and high and low technology militaries get mixed up in the same conflict. This is why the strategic and doctrinal documents of many states discuss asymmetric conflict; all the actors in a conflict will inevitably try to fight in ways and places that maximise their strengths and minimise their weaknesses. In a sense, therefore, all conflict is asymmetric, because the combatants seek to make it so. While it seems clear, from Vietnam to Iraq and Afghanistan, that modern conventional military force will win in particular battles against both older conventional and unconventional forces, this does not mean that they will necessarily win the larger war. The US and USSR were unsuccessful in Vietnam and Afghanistan respectively. Whether the US and the international community will prevail in Afghanistan and Iraq today remains to be seen.

Most recently, the impact of transnational terrorism, particularly 11 September 2001 and the Bali bombing, has brought home the impact of the globalisation of conflict. Intrastate actors in limited conflicts are no longer necessarily constrained to geographic areas, and no state can now feel entirely secure within its own borders. Of even more concern is the potential for intrastate actors or terrorists to acquire high technology weaponry, from small, man-portable anti-aircraft missiles to nuclear weapons, supplied by or stolen from rogue states or states where security has broken down. Such developments create the potential for small groups of terrorists to wreak mass casualties and damage in other states.

Implications of the changing nature of conflict

The nature of future conflict is a crucial question for Defence policy makers. It determines the tasks that a defence force may have to conduct and, therefore, the capabilities that may be required. Some worldwide trends seem evident. The preponderance of US power, especially military power, seems unlikely to come under serious challenge over the next few decades.³³ This makes total war along the lines of the two world wars most unlikely for the foreseeable future. The availability of nuclear weapons may also have a role in constraining both total and limited interstate conflicts, as Van Creveld argues. But, while defence policy makers may agree that total war is unlikely, they are not so sanguine about more limited interstate conflicts. This is particularly the case in the Asia-Pacific region, as will be argued in Chapter 3. Many states are seeking to modernise their militaries as insurance against the possibility of interstate conflict. Australian assessments of the likely nature of future conflict acknowledge the developing nature of intrastate conflict, but consistently reject the assertion that interstate conflict is a thing of the past.

Even if the downward trend in interstate conflict continues, this does not mean that states will not be drawn into intrastate conflicts. There is an increasing trend for international coalitions of states, under UN mandate, to intervene in these conflicts to provide humanitarian relief, peace keeping and peace enforcement. In the case of the current War on Terrorism, this has been taken further to include direct combat against the Taliban and Al-Qaeda terrorists in Afghanistan. Finally, and more controversially, it has resulted in the invasion of Iraq and the removal of Saddam Hussein's regime. Australia has been regularly involved in such operations, as will be argued in Chapter 4.

These types of conflicts defy attempts to neatly categorise them. The actors include the UN, the United States and other developed states, a range of intrastate actors and, possibly, transnational terrorists and criminals. They may include the conventional use of high technology military equipment, often arrayed against combatants employing unconventional tactics and armed with low technology equipment. Van Creveld argues that war is a messy, bloody clash and that the use of high technology weapons in a place like Afghanistan (and, by extension, the war in Iraq in 2003) is based on a fundamental misunderstanding of the nature of war.³⁴ In effect, he concludes that such weaponry is increasingly irrelevant in today's circumstances. This may be the case in situations such as Somalia, the Israeli–Palestinian conflict, and perhaps in the former Yugoslavia. In Afghanistan and Iraq, however, modern, high technology forces have rapidly achieved military victory. The question now is whether these states can be rebuilt and effective governance re-established to prevent ongoing low level violence, which is more a political than military problem. Even if Van Creveld is correct that intrastate conflict is becoming the dominant form of war, it does not necessarily follow that modern conventional weapons have become irrelevant.

It appears unlikely that the trend to increased intrastate conflict and transnational terrorism will be reversed without determined political, social, economic and military intervention by the international community. Almost by definition, these conflicts arise in failing or failed states, where the government is unable to effectively control and manage the situation without assistance to reassert law and order. International revulsion at gross human rights abuses, the threat that conflict will spread, and the possibility that failed states will provide havens for transnational criminals and terrorists whose activities directly affect the interests of other states all provide a powerful motivation for intervention. Life in the absence of the state is indeed 'solitary, poor, nasty, brutish and short'.³⁵

This is not to say that intervention to effect regime change, as has just occurred in Iraq, is necessarily a model for the future, especially if efforts to reconstruct Iraq do not go well. It seems that the nature of future conflict is sufficiently

confused and uncertain that most states cannot discount the possibility that they may be involved in a wide range of conflicts, requiring everything from peace keeping and law enforcement capabilities to higher level combat capabilities for, at a minimum, peace enforcement. Trends in the developing nature of conflict are making Defence policy decisions more complex, not easier. It is not possible to disregard the possibility of conventional interstate conflict, yet increasing and varied forms of intrastate conflict also place heavy demands on militaries. As will be argued in Chapters 4 and 5, this is of great significance for Australian Defence policy makers and force structure planners.

NOTES

- ¹ CA Snyder and MJ Malik, 1999, 'Developments in Modern Warfare', in *Contemporary Security and Strategy*, Macmillan, London, p. 195.
- ² CA Snyder and MJ Malik, 1999, 'Developments in Modern Warfare', in *Contemporary Security and Strategy*, Macmillan, London, pp. 195–199.
- ³ C von Clausewitz, *On War*, edited by M Howard and P Paret, NJ Princeton, Princeton University Press, 1976, p. 87.
- ⁴ *ibid.*, p. 89.
- ⁵ M Van Creveld, 'The Transformation of War Revisited', *Small Wars and Insurgencies*, Vol 13, No 2, Summer 2002, p. 8.
- ⁶ J Keegan, *A History of Warfare*, Hutchinson, London, 1993, p. 3.
- ⁷ M Van Creveld, *The Transformation of War*, The Free Press, Macmillan Inc, New York, 1991; and 'The Transformation of War Revisited', *Small Wars and Insurgencies*, Vol 13, No 2, Summer 2002.
- ⁸ In 1945 the United Nations comprised 51 states. By 2002 the number had risen to 191. See United Nations web page at <http://www.un.org/Overview/growth.htm> (16 October 2003).
- ⁹ M Van Creveld, 'The Transformation of War Revisited', *Small Wars and Insurgencies*, Vol 13, No 2, Summer 2002, p. 7.
- ¹⁰ See the argument in M Kaldor, *New and Old Wars: Organised Violence in a Global Era*, Polity Press (Cambridge) in association with Blackwell Publishers Ltd. (Oxford), England, 2001.
- ¹¹ M Van Creveld, 'The Transformation of War Revisited', *Small Wars and Insurgencies*, Vol 13, No 2, Summer 2002, pp. 7–8.
- ¹² *ibid.*, p. 5.
- ¹³ *ibid.*, pp 4–5.
- ¹⁴ CA Snyder and MJ Malik, 'Developments in Modern Warfare' in *Contemporary Security and Strategy*, Deakin University, Macmillan, London, 1999, pp. 199–203.
- ¹⁵ Mao Zedung, quoted in J Keegan, *A History of Warfare*, Hutchinson, London, 1993, p. 51.
- ¹⁶ CA Snyder and MJ Malik, 'Developments in Modern Warfare' in *Contemporary Security and Strategy*, Macmillan, London, 1999, p. 201.
- ¹⁷ Quoted by PR Pillar, *Terrorism and U.S. Foreign Policy*, Brookings Institution Press, Washington, D.C. 2001, p. 13.
- ¹⁸ Chemical, Biological, Radiological, Nuclear, and Enhanced High Explosive.
- ¹⁹ Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance.
- ²⁰ US Department of Defense, *Quadrennial Defense Review Report*, 30 September 2001, p. 30. <http://www.defenselink.mil/pubs/qdr2001.pdf> (5 November 2003).
- ²¹ Commonwealth of Australia, *The Defence of Australia 1987*, Australian Government Publishing Service, Canberra, March 1987, pp. 23–33.
- ²² Commonwealth of Australia, *The Defence of Australia 1987*, Australian Government Publishing Service, Canberra, March 1987, p. 24.
- ²³ *ibid.*, pp. 24–25.
- ²⁴ *ibid.*, pp. 25–27.
- ²⁵ Commonwealth of Australia, *Defending Australia—Defence White Paper 1994*, Australian Government Publishing Service, Canberra, pp. 23–25.
- ²⁶ Commonwealth of Australia, *The Defence of Australia 1987*, Australian Government Publishing Service, Canberra, March 1987, pp. 10–12.
- ²⁷ Commonwealth of Australia, *Defence 2000—Our Future Defence Force*, Defence Publishing Service, Canberra, October 2000, pp. 9–10.
- ²⁸ *ibid.*, p. 10.
- ²⁹ *ibid.*, pp. 12–13.
- ³⁰ Commonwealth of Australia, *Australia's National Security: A Defence Update 2003*, Canberra, 2003, pp. 11–12, pp. 15–17 and p. 26.

³¹ Commonwealth of Australia, *Australia's National Security: A Defence Update 2003*, Canberra, 2003.

³² President of the USA, *The National Security Strategy of the United States of America*, 17 September 2002, <http://www.whitehouse.gov/nsc/nss.pdf> (5 November 2003).

³³ Commonwealth of Australia, *Defence 2000—Our Future Defence Force*, Defence Publishing Service, Canberra, October 2000, p. 16.

³⁴ M Van Creveld, 'The Transformation of War Revisited', *Small Wars and Insurgencies*, Vol 13, No 2, Summer 2002, p. 14.

³⁵ T Hobbes, *Leviathan*, Chapter XIII—Of the natural condition of mankind as concerning their felicity and misery.

CHAPTER 3 DEFENCE POLICY AND FORCE DEVELOPMENT IN THE ASIA–PACIFIC

Trends in conflict in the Asia–Pacific region

The last chapter looked at trends in the development of conflict in a general sense. It seems obvious, however, that these trends are not operating the same way in different parts of the world. In post-modern, post-Cold War Europe, a comprehensive and still expanding security architecture has been built up, including NATO and the Organisation for Security and Cooperation in Europe. In half a century, the major states of Europe have moved from a state of regular major conflict to a point where interstate conflict seems almost inconceivable.

Other parts of the world, which might be characterised as pre-modern, are afflicted with almost chronic intrastate conflict. Van Creveld lists conflicts that have occurred or are occurring in Afghanistan, Algeria, Angola, Chechnya, Columbia, the Congo, East Timor, Egypt, Israel, Kashmir, Lebanon, Liberia, Macedonia, Mozambique, Northern Ireland, the Philippines, Rwanda, Sierra Leone, Somalia, Spain, the Spanish Sahara, Sri Lanka, the Sudan, Turkish Kurdistan, and most of the regions comprising the former Yugoslavia.¹ This is the empirical evidence in support of Van Creveld's thesis that intrastate conflict is becoming the dominant form of war. To his list could be added separatist violence in Aceh and West Papua, the breakdown of law and order in Solomon Islands and Bougainville, and the potential for this to occur in Papua New Guinea and some other small nations in the South Pacific. It is notable that the conflicts listed are predominantly in the Middle East and Africa. Afghanistan is on the outer fringe of the Asia–Pacific, the conflicts in Indonesia and the Philippines are sufficiently limited that they do not seriously threaten state stability, and those in East Timor and Solomons Islands are occurring in small states that have little potential to seriously threaten other nations.

While the intrastate conflict in the 'arc of instability' running from our north into the South Pacific is undoubtedly of concern for Australian Defence policy makers, this chapter suggests that Van Creveld's thesis is considerably less compelling in the Asia–Pacific region than elsewhere. Indeed, it seems reasonable to suggest that the Asia–Pacific is more 'modern' than 'post-modern'. There are at least as many parallels between the Asia–Pacific today and Europe in the late 19th and early 20th centuries as there are with Europe in the 21st century.² The region contains major powers in the form of the United States and Japan, major developing powers in the form of China and India, and a range of smaller developed and developing states, including Korea, Taiwan, Pakistan and the nations of Southeast Asia. Among these states, a number of important issues remain outstanding. Potential flashpoints for interstate conflict exist on

the Korean Peninsula, over the status of Taiwan, in the South China Sea, and in Kashmir. There are longstanding rivalries between Russia and China, China and India, China and Korea, and China and Japan. India has fought wars with both China and Pakistan, and conflict continues in Kashmir. There are many border disputes and disagreements between other states in the region, including the nations of Southeast Asia. China, India and Japan are major powers, and China and India are growing rapidly. Competition between them, and the possibility that they may wish to challenge US hegemony in the region, cannot be ruled out. While the War on Terrorism has deflected some of the attention that was being given to the implications of China's rapid growth, this was a subject of a great deal of analysis in the US and Australia only a few years ago. Moreover, 'military affairs in East Asia and Australasia have been largely unaffected by the events of 11 September 2001, notwithstanding Japan's defence policy review, which facilitated the deployment of elements of its self-defence forces in support of the US in its military operations in the South Asian theatre'.³

Desmond Ball has noted that, since the end of the Cold War, security concerns in the Asia-Pacific have not changed greatly, with the exception of the greater focus on terrorist threats since 11 September 2001. They include:

- Pervasive strategic uncertainty following the collapse of the Soviet Union and resulting concerns about the role the US will play in the region. This has led to nations seeking greater self-reliance, reflected in the widespread drive to modernise and develop their military forces.
- The rise of the major regional powers, Japan, India and, especially, China.
- A raft of residual conflict issues, both interstate and intrastate. The Asia-Pacific is different to the rest of the world in terms of the number of issues that could still precipitate interstate conflicts.
- Defence modernisation programs.
- Proliferation of WMD, where the Asia-Pacific is the most dynamic region in the world.
- Many maritime issues stemming from UNCLOS III.
- New security agenda items, including economic and environmental security, transnational crime, terrorism, refugee flows and failing states.⁴

This is not just a Western perception. China's recent Defence White Paper describes these issues in very similar terms. It notes that:

economic development, scientific and technological progress, and the enhancement of overall national strength are the main strategic trends of all countries. The major countries, while cooperating and seeking support from each other, are nonetheless checking on and competing with one another... However, uncertainties impeding peace and development are also on the increase. The world is far from being tranquil. The old international political and economic order, which is unfair and irrational, has yet to be

changed fundamentally... Factors of instability still exist in the Asia–Pacific region. Traditional security problems left over from history are yet to be resolved, and new ones have appeared. In certain countries, non-traditional security issues are looming large. The danger posed by terrorist, separatist and extremist forces to the region’s security cannot be rooted out in a short time. Tension in South Asia has not been fundamentally changed. Afghanistan has not regained full stability. Reconciliation on the Korean Peninsula is moving haltingly. Certain countries are stepping up their military deployment and strengthening their military alliances in the Asia–Pacific region. Other countries have time and again enlarged the terms of reference and scope of operations of their armed forces.

The Chinese paper is also quite specific on the issue of Taiwan:

The basic pattern and trend of development in the cross-Taiwan Straits relationship remain unchanged... The Taiwan separatist force is the biggest threat to peace and stability in the Taiwan Straits. By continuing to sell weapons and military equipment to Taiwan and elevating relations with the Taiwan authorities, a handful of countries have interfered in China’s internal affairs, inflated the arrogance of the separatist forces and undermined China’s peaceful reunification.⁵

A US–China Security Review Commission report to the US Congress in June 2002 noted the build-up of Chinese forces opposite Taiwan, and particularly the increase in deployment of short-range ballistic missiles (SRBM).⁶ None of this suggests that China’s assessment of the strategic situation in the Asia–Pacific rules out the possibility of significant interstate conflict.

There is not yet an effective security architecture in the region. ASEAN and ARF operate to a set of norms that include the non-use of force and pacific settlement of disputes, regional autonomy or ‘regional solutions to regional problems’, the doctrine of non-interference, no military pacts and a preference for bilateral defence cooperation. The ‘ASEAN Way’ is ‘a decision-making process that features a high degree of consultation and consensus. It is a claim about the *process* of regional interactions and cooperation based on discreteness, informality, consensus building and non-confrontational bargaining styles which are often contrasted with the adversarial posturing, majority vote and other legalistic decision-making procedures in Western multilateral negotiations’.⁷ These words suggest a determination to avoid conflict. The focus on non-interference and consensus, however, mean that these organisations tend to avoid difficult or contentious issues, and have had difficulty moving beyond confidence building measures to the development of preventive diplomacy and the establishment of mechanisms for conflict resolution, which remain the basic goals for which the ARF was set up.⁸ The nature of the ASEAN norms and ASEAN way was in large part the result of the many unresolved issues and disputes in the region. The participation of countries such as China in these organisations was dependent on the establishment of relatively weak, non-confrontational processes which enabled difficult issues to be avoided rather than discussed and resolved.

In the Asia–Pacific region, realist, state based balance of power politics seems to predominate, and multi-lateral security arrangements such as ASEAN and ARF remain weak and unwilling to grapple with the resolution of contentious issues. It is, therefore, not clear that the pattern of declining interstate and increasing intrastate conflict will dominate in the region. Destructive competition and interstate wars are not inevitable, or even particularly likely. Unlike Western Europe, however, they remain conceivable.

Defence Budgets and Force Development in the Asia–Pacific

In response to these perceptions, Asia–Pacific states are steadily developing and modernising their armed forces.

Defence budgets

Over the last 20 years, military spending and arms procurement in the Asia–Pacific region have grown rapidly, and defence industry has expanded.⁹ Defence spending in East Asia grew by some 40 per cent between 1985 and 1996. While spending is much lower in Southeast Asia, over the same period, Indonesia increased expenditure by 44 per cent, Malaysia by 47 per cent, Myanmar by 61 per cent, Thailand by 65 per cent, the Philippines by 125 per cent and Singapore by 144 per cent. Vietnam was the only Southeast Asian state not to increase its defence spending substantially: in fact, the withdrawal of Soviet aid caused it to fall by some 70 per cent.¹⁰ In South Asia, the IISS calculate that Indian defence spending increased by 14.1 per cent in 1997, 0.9 per cent in 1998, 20.1 per cent in 1999, 20.3 per cent in 2000, -3.6 per cent in 2001 and 6.1 per cent in 2002.¹¹ Admittedly, many states were starting from a low base of defence spending. In large part, the increases reflect their increasing maturity as independent nations, rapidly increasing economic prosperity and expanding interests, and a resulting shift in focus from internal security to external security, particularly as they became more dependent on maritime trade. Nevertheless, the increase in defence spending across the Asia–Pacific is significant, and does not suggest that states consider that peace and security can be assumed.

The Asian economic crisis of 1997 resulted in reduced defence spending in the region's hardest hit countries, and led to the cancellation or postponement of some major procurement programs.¹² It did not, however, affect all states to the same degree, leaving China, Taiwan and Singapore relatively unscathed. Indeed, Singapore increased its defence budget in 1998.¹³ Even in those countries that were hard hit by the crisis, the fact that programs were delayed but not cancelled suggests that they still see the strategic need for new capabilities, even if the funding is not presently available to procure them.

The nature of this defence spending and the capabilities that are being procured is indicative of the strategic assessments of the states in the region.

Nuclear weapons and delivery systems

Within the Asia–Pacific, a number of countries have been spending on nuclear weapons. The United States, Russia, China, India and Pakistan all have nuclear weapons and North Korea may already have a limited number. There are also significant current concerns about the intentions of Iran and, before the removal of Saddam Hussein’s regime, of Iraq. Additionally, countries such as ‘Japan, South Korea and Taiwan all have the technical potential to develop nuclear weapons and long-range missiles, but are constrained from doing so by their close security relationships with the US, their adherence to international agreements and, for Japan especially, domestic political factors’.¹⁴

The apparent intention of North Korea to develop nuclear weapons is currently the most destabilising security issue in the Asia–Pacific region. At the same time as the events leading to war in Iraq, North Korea escalated its provocative behaviour, withdrawing from the 1970 Nuclear Non-Proliferation Treaty, seeking to reactivate nuclear reactors that produce plutonium, and creating concern that it is seeking nuclear weapons.¹⁵ Additionally, North Korea has been pursuing missile developments:

By 1998, North Korea had deployed not only extensively modified, 320km- and 500km-versions of Russian *Scud* missiles, but probably also the *Nodong*, which, with a range of over 1,000km, is capable of reaching many parts of Japan, including major US bases. In addition, *Taepodong* missiles with ranges of over 1,500km and 4,000km are being developed. A three-stage *Taepodong* was test-launched over Japan in August 1998. In December 1998, it was reported that North Korea was building underground *Taepodong* launch sites. North Korea also produces Chinese-designed *Silkworm* cruise missiles, and is developing more advanced *Silkworm* derivatives. While North Korea’s missiles may be inaccurate, they could be effective weapons if armed with nuclear, chemical or biological warheads.¹⁶

These programs are key factors in the defence decisions of a number of regional countries.

In the US, the January 2002 Nuclear Posture Review (NPR) ‘called for a reduction of operationally deployed strategic weapons to a level of between 1,700 and 2,200 weapons by 2012’.¹⁷ This capability will continue to dominate at the global level. Regionally, however, the NPR adopted a ‘capabilities-based approach’ involving ‘immediate, potential or unexpected contingencies’, which included Russia, China, North Korea, Iran, Iraq, Syria and Libya, and proposes ‘to study the development of a new generation of earth-penetrating nuclear weapons designed to destroy hardened or deeply buried targets’.¹⁸ Such capabilities are closely related to perceived needs to be able to target the

highly protected leadership and weapons programs of so called ‘rogue states’, particularly North Korea, Iran and the former Iraqi regime that formed the ‘Axis of Evil’.¹⁹ In defensive terms, the NPR and Quadrennial Defence Review (QDR) both propose ‘to refocus and expand the existing missile-defence program from a single-site “national” missile defence to a broad-based research, development and testing effort aimed at deploying “layered” missile defences, to include ground, sea, air and possibly space based systems’.²⁰ In Japan too, North Korea’s missile test in August 1998 was a key factor in Tokyo’s decision to join the US sponsored missile defence program.²¹

During the 1990s, China has been slowly modernising its nuclear forces around the concept of limited deterrence. This has included enlarging its ICBM force, and developing, among other things: DF-31 and DF-41 mobile, solid-fuel ICBMs; JL-2 submarine launched ballistic missiles (SLBM); longer-range versions of the DF-21 intermediate-range ballistic missile; improved warheads and guidance systems; and, new or improved theatre ballistic and cruise missiles.²²

India continues to develop its nuclear capabilities, ‘establishing a separate strategic nuclear force that will incorporate all the country’s nuclear assets, and bringing the nuclear-capable *Agni* (Fire) II SSM, with a range of 2,000km, into military service’.²³ In response, Pakistan conducted test-firings of three missiles in May 2002, probably to demonstrate capability for domestic and international political rather than developmental purposes.²⁴

The Asia–Pacific contains more nuclear powers than any other region of the world, and is the scene of some of the most complex and potentially escalatory nuclear issues.²⁵ These developments do not necessarily imply that conflict is either more or less likely in the Asia–Pacific. Indeed, if Van Creveld is correct, the availability of nuclear weapons may make conflict less likely. This argument is not compelling. At the least, North Korea has a record of international brinkmanship that creates situations pregnant with the possibility of miscalculation. As has just been demonstrated in Iraq, it is conceivable that war could be waged to prevent such regimes proliferating nuclear weapons. Again, such a situation has great potential for miscalculation. Finally, the proliferation of nuclear weapons in failing or failed states where security is poor increases the possibility that they could get into the hands of terrorists, perhaps the ultimate nightmare in the post-11 September 2001 world.

Conventional weapons

While nuclear weapons may have political constraints on their use, this does not apply to conventional weapons to the same extent. Throughout the Asia–Pacific, increased defence budgets are being spent on developing their conventional forces, albeit in a measured way. East Asian governments and many academics argue that

the aim is primarily modernisation, but some new capabilities are being introduced that seem to go well beyond this.²⁶ The trend is from forces focused on internal security to forces capable of defending against external threats, particularly in the maritime environment, and, in some cases, to the ability to project power ashore. Modern fighter aircraft, frigates and submarines feature high on the list of desired capabilities of many countries in the region.²⁷ Additionally, and perhaps more significantly, some countries are investing in the sophisticated C4ISR systems which lie at the heart of the RMA.²⁸ The following examples illustrate the nature of the developments that are going on in the region.²⁹

The US remains dominant in every area of military capability, and there is little prospect that this will change in the next two to three decades. While the US is paying great attention to the War on Terrorism, it is still taking account of traditional threats, including the possibility of interstate conflict in the future. In this context, 'the Department of Defence has published a *Report to Congress of the US-China Security Review Commission*, Chapter 9 of which argues that China may be the next major threat to US strategic interests in the future'.³⁰ Key developments include: a new Marine Corps brigade to counter terrorism anywhere in the US; two prototype Army Brigade Combat Teams (BCT), with a further four to form by 2007, to provide a fast deployment force that is better armed and protected than the army's current light forces; USAF focus on weapon systems rather than platforms, including new C⁴ISTAR, precision-strike and air-defence systems; a USN focus on the tasks of 'sea strike', 'sea shield' and 'sea basing', which will require the full range of existing capabilities with additional focus on UCAVs and UAVs, land-attack missiles and long-range ship-borne guns, together with platforms capable of operating in littoral areas, and the necessary logistic capability to support them around the world.³¹

In Japan, defence spending has been maintained at around one per cent of GDP. While the Japanese Self Defense Force is structured to defend against invasion rather than to project power, it remains the most technologically advanced and capable force in East Asia. 'Tokyo has obtained some of the most advanced systems sold to US allies, such as the *Aegis* combat data system for its *Kongou*-class destroyers, and the latest AWADS aircraft. The establishment of a centralised Defence Intelligence Headquarters in 1997, and the decision in November 1998 to launch Japan's first reconnaissance satellites, indicate a serious effort to improve intelligence collection, coordination and dissemination'.³² The emphasis is on 'high-technology weapon systems, cyber protection and networked C4ISR systems. Japan is also designing two 13,500 tonne helicopter-carrying cruisers, that will be the most powerful ships in its inventory'.³³

While the priority in China remains economic development rather than high defence spending, efforts to modernise the military are continuing. There is a strong focus on the implications of the RMA, which China sees as undermining ‘the balance of military power. The extensive applications in the military field of new and high technologies led by IT have stretched the battlefield into multidimensional space ... Medium- and long-distance precision strikes have become an important pattern of operations ... the gap between the developed and developing countries is wider than ever before’.³⁴ Through the 1990s, China has been moving to modernise its forces into ‘a streamlined, hard-hitting modern military, capable of winning a limited, high-technology war on the country’s periphery’.³⁵ Personnel strength has been reduced by some 500,000 personnel, but the proportion of professional soldiers has increased to 35 per cent.³⁶ The army is developing rapid-reaction ‘fist’ divisions structured for offensive operations, the air force is re-equipping with modern combat aircraft, such as the Russian-supplied Su-27 and the indigenous F-10, with AEW aircraft in prospect. The navy is acquiring modern surface combatants, submarines and amphibious ships.³⁷ These include *Sovremenny* destroyers (DDG) from Russia, two Chinese built *Luhai* DDGs, and eight Russian-built *Kilo* 636-Type and eight Chinese-built Song class diesel submarines. The first replacement for the *Han*-class nuclear powered submarines is due to commission in 2005.³⁸

In order to defend against possible Chinese attack, Taiwan seeks to maintain air superiority over its waters, prevent successful blockade, and defeat an amphibious and aerial assault on Taiwan. Procurement has had a strong air and maritime focus, including the introduction of the *Ching Kuo* Indigenous Defence Fighter and purchases of F-16s and French-built Mirage 2000s, French *Lafayette* and US frigates and locally assembled submarines.³⁹ C4ISR systems have also been a focus, including ‘E-2 early warning aircraft, the automated “Strong Net” air-defence network... In January 1999, the first of three planned “research satellites”, widely believed to have military surveillance applications, was launched’.⁴⁰

South Korea faces a constant threat from North Korea, as well as broader security concerns, including sea-lanes protection. In February 1999 ‘Seoul announced plans for major defence purchases between 2000 and 2004, including three KDX indigenous destroyers, 60 F-X fighters, attack helicopters and UAVs’.⁴¹ Its KDX destroyer program has been further developed, and three German Type-214 diesel submarines (SSK) are due to be delivered in 2007–09.⁴² Korea is also improving C4ISR capabilities, including ‘aircraft equipped for signals intelligence, *Popeye* air-launched missiles and HARM anti-radar missiles and LANTIRN navigation and targeting equipment. There are also plans to launch a military communications and reconnaissance satellite in 2005’.⁴³

Among the ASEAN states, many programs have been postponed in the aftermath of the Asian financial crisis. In Thailand, an order for eight F/A-18 fighter aircraft was cancelled, and 'plans to buy armoured vehicles, transport helicopters and aircraft, airborne early warning (AEW) aircraft, air-defence radar and in-flight refuelling tankers were deferred, as were plans to upgrade F-16 fighters'.⁴⁴ Malaysia suspended procurement of AEW aircraft, armed helicopters and army equipment such as armoured vehicles, artillery and air-defence missiles,⁴⁵ but already has capable frigates and is acquiring new patrol vessels,⁴⁶ and tanks, cannons, missiles in an effort to upgrade and modernise its defence capabilities.⁴⁷ Additionally, a French *Agosta* class submarine is on loan for training purposes, and a contract has been signed for two *Scorpene* class diesel submarines, expected to enter service in 2008/09.⁴⁸ In Indonesia, procurements of major new systems have been 'postponed indefinitely'.⁴⁹ In Singapore, however, RMA type forces have been acquired, including 'E-2C AEW aircraft, Fokker 50s equipped for electronic intelligence as well as maritime patrol, RF-5S reconnaissance fighter, *Searcher* UAVs, and mobile air-defence radar... In April 1999, Singaporean communications equipment was included in the payload of a British mini-satellite launched by Russia'.⁵⁰ Singapore has acquired four *Sjoormen* class conventional submarines,⁵¹ and is due to take delivery of six new *La Fayette* class frigates between 2005 and 2009.⁵²

India remains heavily committed in Kashmir, placing a considerable burden on the armed forces.⁵³ In February 2002, India signed an agreement with the US Navy to conduct anti-piracy and anti-terrorism patrols in the Malacca Strait.⁵⁴ The Indian Naval Doctrine of 2000 stressed 'the need for the fleet to be able to operate in both the eastern and western Indian Ocean by having two operational aircraft carriers and highly capable submarines'.⁵⁵ India is buying six French *Scorpene* submarines, with a further six to be built in India. These will supplement the already capable *Kilo* Class submarines. New submarine and surface launched anti-ship missiles are also being introduced to the fleet.⁵⁶ The Indian Air Force has upgraded its capability with the Su-30 Mk 1 fighter.⁵⁷

Pakistan's forces are committed on two fronts, being involved in anti-terrorism operations in the tribal areas neighbouring Pakistan, and having up to 500,000 troops along the Line of Control in Kashmir.⁵⁸ 'Pakistan is slowly improving its naval capabilities. The second *Khalid*-class (French *Agosta* 90B) diesel submarine should enter service in late-2002 and should be at least as capable as India's *Kilo* diesel submarines... Islamabad is also still planning to replace its ageing principal surface combatants, although no contracts have yet been placed'.⁵⁹

Implications of force developments

These force developments are not optimising forces for unconventional conflict of the kind that Van Creveld suggests will predominate in the future. The emphasis is overwhelmingly on sophisticated modern systems, suited for interstate conflict. Huxley and Willett identify the factors that have influenced these developments as:

- increased state funds as a result of rapid economic growth before the 1997 crisis;
- the influence of the armed forces on political and economic decision-making in some East Asian states;
- internal security concerns, particularly in Southeast Asia;
- military modernisation and the development of defence industries as part of overall national modernisation and industrialisation;
- national prestige, in relation to neighbouring states and to domestic audiences;
- uncertainty over the region's strategic future;
- the increasing salience of maritime security issues; and
- pressure from arms suppliers.⁶⁰

It seems clear that the nations of the Asia–Pacific assess that there is a real possibility that interstate conflict could occur, either by design or miscalculation. Their interests are expanding, which brings the potential for competition. Each of the regional flash points has the potential for a range of possible futures, from substantial conflict to the status quo to peaceful resolution. Whether conflict occurs depends on the decisions that national leaders make, which will be shaped by their interpretations and perceptions of specific situations. Such decision making is dynamic and unpredictable, especially in times of crisis, when the possibility of miscalculation is increased.

It is understandable that Asia–Pacific states continue to seek armed forces that can ensure their security should conflict occur. As international relations realists have frequently pointed out, this creates a security dilemma for other states, as they cannot be sure whether the acquisition of a new military capability is motivated by legitimate defensive requirements, or actually poses a threat to them. If they judge that it is the latter, it may prompt a response in kind. As Huxley and Willett observe, ‘the military programmes of pairs of states, notably China and Taiwan and the two Koreas, have influenced one another. Less intense competition has taken place between Japan and South Korea, Japan and China, and combinations of Southeast Asian states such as Malaysia and Singapore’.⁶¹ There has been a steady development of military forces in the region, to the extent that it could be called a nascent arms race. The existence of these

capabilities may actually deter conflict by raising the potential costs of war above any potential gains. Should conflict occur, however, the existence of particular capabilities will, in turn, shape the nature of that conflict. When conflict does break out, states have no choice but to fight with the capabilities they have at their disposal at the time.

Defence decision makers have to develop policy and force structures that can cope with the possibility of interstate conflict, as well as the consequences of the intrastate conflicts that are already occurring and will probably continue to occur in the future. The next chapter turns to the development of defence policy in Australia, as successive governments have attempted to address this complex and unpredictable security environment.

NOTES

¹ M Van Creveld, 'The Transformation of War Revisited', *Small Wars and Insurgencies*, Vol 13, No 2, Summer 2002, p. 7.

² See PQ Hurst, 'Another Century of Conflict? War and the International System in the 21st Century', *International Relations*, Vol 16, No 3, 2002, especially pp. 327–328 and p. 338.

³ International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 138.

⁴ Professor Des Ball lecture at CDSS 22 July 2003.

⁵ These quotes come from China's White Paper on Defence, 2002, Chapter 1, <http://www.china.org.cn/e-white/20021209/index.htm> (5 November 2003).

⁶ International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, pp. 138–139.

⁷ See Amitav Acharya, *Constructing a Security Community in Southeast Asia*, Routledge, London, 2001, pp. 47–48 and pp. 63–64.

⁸ *The ASEAN Regional Forum: A Concept Paper*, 1995, <http://www.aeansec.org/3693.htm> (28 April 2003), pp. 2–4.

⁹ T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, p. 9.

¹⁰ T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, p. 15.

¹¹ International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 288.

¹² T Huxley and S Willett, 1999, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, p. 15.

¹³ *ibid.*, pp. 20–22.

¹⁴ T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, p. 72.

¹⁵ International Atomic Energy Agency fact sheet on DPRK nuclear safeguards, 8 January 2003, http://www.iaea.org/NewsCenter/Focus/iaeaDprk/fact_sheet_8jan2003.shtml (6 November 2003).

¹⁶ T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, p. 73.

¹⁷ International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 14.

¹⁸ International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 15.

¹⁹ President Bush, State of the Union address, 29 January 2002, http://www.bushcountry.org/bush_speeches/president_bush_speech_012902.htm (5 November 2003).

²⁰ International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 15.

²¹ T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, p. 20.

²² *ibid.*, p. 74.

²³ International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 125.

²⁴ International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 126.

²⁵ T Delpech, 'Nuclear Weapons and the "New World Order": Early Warning from Asia?', *Survival*, Vol 40, No 4, Winter 1998–99.

²⁶ T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, p. 9.

²⁷ *ibid.*, p. 65.

- ²⁸ T Huxley and S Willett *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, pp. 65–66.
- ²⁹ For a more detailed description see T Huxley and S Willett, 1999, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford; and, International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London.
- ³⁰ International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 13.
- ³¹ *ibid.*, pp. 13–14.
- ³² T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, p. 68.
- ³³ International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 140.
- ³⁴ All the quotes come from *China's National Defence in 2002*, Chapter 1, <http://www.china.org.cn/e-white/20021209/index.htm> (5 November 2003).
- ³⁵ T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, pp. 66–67.
- ³⁶ International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 139.
- ³⁷ T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, pp. 66–67.
- ³⁸ See International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 139; and, Jane's Fighting Ships 2003–2004, 106th Edition, pp. 115–120.
- ³⁹ See T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, p. 21; and, International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 139.
- ⁴⁰ T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, pp. 68–69.
- ⁴¹ *ibid.*, p. 19.
- ⁴² International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 140.
- ⁴³ T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, p. 70.
- ⁴⁴ *ibid.*, p. 16.
- ⁴⁵ T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, p. 17.
- ⁴⁶ *ibid.*, p. 17.
- ⁴⁷ International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 141.
- ⁴⁸ Jane's Fighting Ships 2003–2004, 106th Edition, p. 447.
- ⁴⁹ T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, p. 17.
- ⁵⁰ *ibid.*, p. 71.
- ⁵¹ Republic of Singapore Navy Web Page at <http://www.mindef.gov.sg/navy/> (17 October 2003).
- ⁵² Jane's Fighting Ships 2003–2004, 106th Edition, p. 636.
- ⁵³ International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 125.
- ⁵⁴ *ibid.*, p. 125.
- ⁵⁵ *ibid.*, p. 125.
- ⁵⁶ International Institute of Strategic Studies, *The Military Balance 2002–2003*, Oxford University Press, London, p. 125.
- ⁵⁷ *ibid.*, p. 125.

⁵⁸ *ibid.*, p. 126.

⁵⁹ *ibid.*, p. 126.

⁶⁰ T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, p. 10.

⁶¹ T Huxley and S Willett, *Arming East Asia*, Adelphi Paper 329, International Institute for Strategic Studies, Oxford University Press, Oxford, 1999, p. 9.

CHAPTER 4 AUSTRALIA'S STRATEGIC POSTURE AND MILITARY STRATEGY

The last two chapters concluded that conflict is taking increasingly diverse forms and that, while some forms may be more likely than others, it is not possible to discount the occurrence of any form of conflict, especially in the Asia–Pacific. In Australia, from Federation to the end of the Cold War, strategic thinking was focused almost exclusively on interstate conflict. Intrastate conflict, in all its present forms, was not a significant issue. Given the changing nature of conflict, Defence policy has had to evolve over the last decade to address the challenges of the current strategic environment.

Evolution of Australian defence policy

Before the end of the Cold War, the prime challenge for Australian defence policy was to contend with the competing demands of the defence of Australia from direct military attack, and the defence of broader interests further afield. Up until the fall of Singapore in 1942, Australian defence was inextricably bound to the defence of the British Empire. Australia committed forces to the Boxer Rebellion in China, the Boer War, and the European theatre in World War I. In World War II, Australia again sent forces to Europe, Africa and the Middle East, only recalling some forces as Australia came under direct threat from Japan. From 1942, Australia's defence became steadily more linked to US policy, firstly in the Pacific theatre during World War II, and then in Korea and Vietnam. 'Forward Defence', as it came to be known, was based on the assessment that the best way to a secure Australia was to support allies overseas to ensure direct threats to Australia did not emerge. In part, this approach was adopted because it was considered that Australia could not defend itself alone and that reliance on 'great and powerful friends'¹ was a necessary part of Australian defence policy.

There has also been a parallel strand of Defence thinking arguing that Australia could not rely entirely on powerful allies and should develop capabilities for the self-reliant defence of the country from a direct military threat. For example, the 1913 Hughes–Onslow Report argued for a comprehensive strategic policy implementing all elements of national power, stating:

Such strenuous and vital operations as would be necessary to frustrate the attack of a formidable enemy advancing from the North *would require not only the heartiest cooperation between the whole of the armed forces of the Commonwealth, but every Department of Government*, and the further back that cooperation starts and the more heartily it is entered into the more likely are we to succeed our prospective enemy [emphasis in original].²

By the early 1970s it was apparent that the reliance on forward defence was becoming untenable. Britain had withdrawn from East of Suez. The war in Vietnam was coming to an end, US forces were withdrawing from Indo-China³ and, on 25 July 1969, President Nixon had announced what came to be known as the ‘Guam Doctrine’, which put limits on US willingness to intervene on behalf of its allies, except in the event of a major attack.⁴ Additionally, both the US and the Whitlam Government in Australia had separately proceeded to normalise relations with the People’s Republic of China.

In this new strategic environment, the Whitlam Government put its focus on self-reliant ‘continental defence’ and sought a more independent foreign policy stance. The 1976 Defence White Paper, *Australian Defence*, released by the Fraser Government, formalised the change in strategic emphasis.⁵ It stated that distant regional conflicts would not necessarily affect Australia’s security interests, which would always have the highest priority for our limited military resources, and identified Australia’s area of primary strategic concern, which included Australia and its territories, the South Pacific, Papua New Guinea, Indonesia and Southeast Asia.⁶ The paper sought increased self-reliance while maintaining the important ANZUS relationship, establishing a trend in Australian defence thinking that remained dominant up until the terrorist attacks of 11 September 2001, but is now being questioned.

For several years the Defence Department and the Australian Defence Force could not agree on the implications of this strategic shift, particularly on the nature of the tasks that the ADF might have to perform and, therefore, the force structure that would be required.⁷ Faced with conflicting advice, Paul Dibb was commissioned to conduct an independent *Review of Australia’s Defence Capabilities*.⁸ The review argued that ‘Australia must have the military capacity to prevent any enemy from attacking us successfully in our sea and air approaches, gaining a foothold on our soil, or extracting political concessions from us through the use of military force’.⁹ It argued that Australian interests rather than territory were, at least in the short term, most likely to come under threat, and that Australia needed the independent military capability to defend these interests. It recommended an essentially defensive posture within our region based on the fundamentals of our geographic location. From this, it followed that ‘a strong stable region free from external pressures is a fundamental security interest’. It identified an area of ‘direct military interest’ running from the Cocos Islands in the west to New Zealand and the islands of the South Pacific in the east, and from the island chain to Australia’s north to the Southern Ocean. It also recognised ‘a sphere of primary strategic interest encompassing Southeast Asia and the South Pacific generally’, where military power could be employed to deal with indirect threats to Australia. While

recognising ‘the practical benefits of the ANZUS relationship for our defence effort’, it noted only ‘the option to make a modest military contribution in support of our more distant diplomatic interests and the military efforts of others’. Perhaps the most significant element of the review was the closer linkage of strategy to force structure. The report argued that force structure priorities should be based on a strategy of denial within Australia’s area of direct military interest. This involved ‘a layered strategy of defence within our area of direct military interest. Our most important defence planning concern is to ensure that an enemy would have substantial difficulty in crossing the sea and air gap’.¹⁰

*The Defence of Australia 1987*¹¹ was heavily based on the approach enunciated by Dibb. It noted that:

Self-reliance achieves the four fundamental objectives of Australia’s national and international defence policy. It maintains and develops our capacity for the independent defence of Australia and its interests. It promotes strategic stability and security in our region. It strengthens our ability to meet the mutual obligations we share with our chief allies, the United States and New Zealand. It enhances our ability, as a member of the western association of nations, to contribute to strategic stability at the global level.¹²

The strategy of denial was rejected in favour of defence in depth, giving ‘priority to meeting any credible level of threat in Australia’s area of direct military interest. It means that any potential adversaries know that they will be faced with a comprehensive array of military capabilities, both defensive and offensive’.¹³ This reflected the recognition that a defensive, geographically based denial strategy may prevent defeat, but did not necessarily provide the offensive means to take the initiative and achieve victory.

By 1994, the end of the Cold War and dynamic growth in the Asia–Pacific region had dramatically changed Australia’s strategic outlook. *Defending Australia: Defence White Paper 1994*¹⁴ reflected these changes, emphasising the linkage between Australia’s security and that of the Asia–Pacific region.¹⁵ It also noted that, while helping to deter aggression, ‘the ADF plays a key role in maintaining the international policies and relationships which help ensure the security of Australia and its interests’.¹⁶ While maintaining the priority of the defence of Australia, the paper gave more emphasis to the significance of events further afield. The change in emphasis was relatively small, but declaratory policy moved some way towards reflecting the government’s operational policy in employing the ADF to pursue Australian interests that were not geographically constrained to either the immediate or broader Asia–Pacific region. It noted effective contributions to peace enforcement and peace building demands in the Middle East, Namibia and Cambodia, and the humanitarian crises in Somalia and Rwanda.¹⁷ All of these operations were well out of the former area of direct military interest, and only Cambodia was in the former area of primary strategic interest.

The Howard Government reinforced this change in emphasis. *Australia's Strategic Policy (ASP 97)*¹⁸ stated that 'maintaining confidence in our ability to defeat an attack on Australia is, in a sense, the focus of all our defence activities', but decried an illusory 'fortress Australia', stating the aim as: 'a secure country in a secure region'.¹⁹ The paper went on to state:

Our armed forces are at the heart of our strategic policy. They contribute to our security from armed attack in many ways. They help us shape our environment, enhance the sense of security of our neighbours, support our allies and deter potential adversaries. More broadly, our armed forces contribute both to our national self esteem and our national standing overseas... Our strategic policy must, therefore, have at its core the task of developing defence capabilities which can, if needed, be successfully employed in any conflict in which Australia's interests are vitally engaged.²⁰

The change is striking. Previous White Papers strongly emphasised the defence of Australia and were cautious about involvement in operations further afield; the wording of ASP 97 seems to reverse the emphasis. The paper went on to identify 'three basic tasks which could require the ADF to undertake combat operations: defeating attacks on Australia, defending our regional interests, and supporting our global interests'. It also noted the requirement to help Australia's civil community, particularly in the provision of specialist support for counter-terrorist operations and surveillance and response forces for customs, immigration, fisheries and other civil authorities off Australia's coasts.²¹ While it noted that defeating attacks against Australian territory was our core force structure priority, the specific possibility of combat operations in support of global interests was a clear departure from previous declaratory policy.

By 2000, the strategic environment had once again changed markedly. The Asian financial crisis had, at least temporarily, removed much of the optimism about continued economic growth in the region, and had caused the nations most affected to slow down their military modernisation programs. In Indonesia, the Soeharto regime had ended, and Australia had found itself heavily committed in East Timor. The ADF was increasingly being committed to a wider range of tasks in the region and further afield, and the resulting operational tempo was placing heavy strain on the budget. Personnel costs were also rising, and there were significant problems with major capital equipment procurement. Thus, an increase in the budget was the key issue in the development of the 2000 Defence White Paper, *Defence 2000: Our Future Defence Force*.²² Strategically, the paper did not markedly change the direction set in ASP 97. It gave highest priority to Australian interests and objectives closest to Australia, while noting that 'in some circumstances a major crisis far from Australia may be more important to our future security than a minor problem close at hand'.²³ Five strategic

objectives, closely aligned to ASP 97, were to: Ensure the Defence of Australia and its Direct Approaches; Foster the Security of our Immediate Neighbourhood; Promote Stability and Cooperation in Southeast Asia; Support Strategic Stability in the Wider Asia–Pacific Region; and, Support Global Security.

The Australian Military Strategy²⁴ stemmed from these objectives, establishing four strategic tasks for the ADF. First, the self-reliant defence of Australia was to be accomplished through a maritime strategy that embraced proactive operations to successfully end a conflict as quickly as possible. Second, the defence force had to be able to ‘make a major contribution to the security of our immediate neighbourhood’. Thirdly, the ADF had to be ‘able to contribute effectively to international coalitions of forces to meet crises beyond our immediate neighbourhood where our interests are engaged. Such coalitions might involve operations ranging from peacekeeping and disaster relief to relatively high-intensity conflict’. Fourth, the ADF had to be able to conduct peacetime national tasks, including coastal surveillance, emergency management and ad hoc support to wider community needs. Most important were ‘the critical contribution that the ADF makes to the security of our coastline from illegal immigration, smuggling, quarantine evasion and other intrusions on our sovereignty... Other peacetime national tasks include counter-terrorist response, maritime search and rescue, and natural disaster relief’.

The most recent strategic guidance document is *Australia’s National Security—A Defence Update 2003*.²⁵ To an extent, the document reaffirms the importance of the defence of Australia, stating: ‘while the principles set out in the Government’s Defence White Paper remain sound, some rebalancing of capability and expenditure will be necessary to take account of changes in Australia’s strategic environment’.²⁶ There is a strong focus on the War on Terrorism, and increased concern about preventing the proliferation of WMD and instability in our immediate region. It makes the judgement that the likelihood of conventional military attack on Australia has diminished, but that ADF involvement in coalition operations further afield is somewhat more likely than in the recent past. This acknowledges a trend that has been evident since the mid 1980s, but has been brought into sharp focus by deployments related to the War on Terrorism and Gulf War II. In fact, the defence of Australia rationale is barely mentioned, and then posed in the following way:

The question for Defence is whether the strategic tasks which have underpinned Defence planning and capability development—the defence of Australia, operations in the immediate neighbourhood, coalition operations further afield and peacetime national tasks—still provide a sufficiently firm but flexible foundation for planning and capability development, particularly when addressing today’s threats.²⁷

Current Defence Policy Debate

Each White Paper has reflected the changing strategic environment, and consequent government decisions to employ the ADF in an increasingly broad range of operations and tasks, ranging from combat operations through peace keeping to a whole range of what might be termed constabulary operations. This expanding range of operations and tasks, including the current War on Terrorism, in a time of constrained budgets has precipitated a debate about the fundamentals and priorities of Australian strategic policy. The current debate centres on whether the defence of Australia approach remains appropriate, or whether Australia's strategic environment has changed so markedly that a new, more expeditionary approach is required.

Paul Dibb and Kim Beazley have both made speeches supporting the defence of Australia rationale in the last few months.²⁸ Beazley asserts that the key question in Australian defence planning is 'should Australia continue to structure its defence forces around the defence of Australia, its approaches and its immediate region, or should it be structured around an expeditionary force...' In other words, the question is not so much the short-term strategy adopted in response to particular world events, but the long-term strategic rationale for force structure. Dibb makes similar points, noting that 'the threat from terrorism and rogue states possessing WMD is a new challenge to our security', but that the way this challenge will be met is uncertain. Terrorism has traditionally been handled by intelligence and law and order agencies, with the military being used in support only when the capabilities of those agencies are inadequate. Further military operations, as have occurred in Afghanistan and Iraq, may not be necessary. He notes that 'Australia, as America's second most important ally in the world after the United Kingdom, faces the increasing likelihood of contributing to coalition military operations in far-flung places. We also face, as Robert Hill's *Strategic Update* correctly notes, an increasingly troubled region in Southeast Asia and the South Pacific—as current events in Solomon Islands demonstrate. It is important to recognise that, unlike distant operations, we have little room for discrimination when it comes to crises in our neighbourhood'. As with Beazley, Dibb argues the main question remains 'whether the defence of Australia, as the basic determinant of the force structure of the ADF, should now be dropped in favour of expeditionary capabilities for distant operations with allies'. Both pose the question as a choice Australia must make.

On the other side of the argument are those suggesting that the defence of Australia strategy has lost relevance in Australia's new strategic setting, and that a more expeditionary strategy is required. Alan Dupont argues that there is 'a mismatch between strategy, force structure and the emerging threats to Australian

security. Our defence strategy is firmly rooted in the past, having remained essentially unchanged since the Dobb review almost 20 years ago despite the enormous transformation that has taken place in our security environment'.²⁹

Dupont goes on to suggest that current strategy has four major deficiencies. Firstly, 'it is based on a misplaced geographical determinism that ignores the diverse and globalised nature of modern conflict'.³⁰ In this regard he argues that 'the great conceptual weakness of the Defence of Australia (DOA) doctrine ... is that it is based on a notion of threat that takes little account of the declining strategic relevance of geography and the proliferation of non-military, non-state challenges to security'. The impact has been that 'in committing so much of the defence budget to the Navy and Air Force at the expense of the Army, the "gatekeepers of strategic doctrine" pursued a policy that severely weakened the Army's capacity for force projection in the mistaken belief that air and naval power would suffice'.³¹

Secondly, 'it has shaped the ADF for the wrong wars'.³² He argues that a direct military attack is neither the most likely nor the most serious security threat that Australia could face. Rather 'separatism, ethnic struggles, guerrilla insurgencies, armed criminal challenges to the state and terrorism are today more frequent than interstate war and the consequences no less severe'.³³ Despite this, 'there is little sign of a willingness to make changes to a force structure that is still heavily reliant on expensive sea and air assets that cannot be easily adapted to contingencies other than DOA, despite claims to the contrary'.³⁴

Thirdly, 'it gives insufficient weight to the transnational threats that confront us'.³⁵ Dupont singles out the many new human security, border protection and constabulary tasks that the ADF has been committed to in recent years, which do not 'fit easily within the DOA mindset' and 'now account for the majority of the ADF's operational tasks'.³⁶ Lastly, 'it fails to recognise that modern defence forces must win the peace as well as the war'.³⁷ Dupont notes that, 'while the 2000 White Paper notes the requirement to participate in peacekeeping and peace enforcement missions, it is careful to add the caveat that such roles ought not "to detract from the ADF's core function of defending Australia from armed attack"'.³⁸

Dupont concludes that 'too much of the defence budget and our national treasure are spent on capabilities that lack versatility or are prohibitively expensive to maintain and run'.³⁹ As with Beazley and Dobb, therefore, Dupont's argument is ultimately about force structure.

The significance of the current debate

This debate raises a number of issues and questions. First, most of what the

proponents of each side of the argument say is undoubtedly correct in an absolute sense. Disagreement arises when they prioritise the different aspects of Australia's strategic environment and the possible policy responses, particularly as each side proceeds from different assumptions. Second, the context of the debate is important. The Defence budget is under great pressure, as indicated by the need for the current Defence Capability Review less than three years after the Defence Capability Plan was promulgated in the 2000 White Paper. Both sides seem to assume, perhaps rightly, that Defence will not receive much more money, and this becomes an unstated start point for their strategic analysis. Third, and closely related to the second point, both sides quickly move from strategy to analysis of the required force structure. Again the argument is about the relative value of particular capabilities in particular strategic scenarios within a constrained budget, rather than an analysis of what is required to meet overall strategic circumstances. In effect, much of the current debate puts the budgetary cart before the strategic horse.

Australia's strategic environment, operational and declaratory policy

As already stated, since the end of the Cold War, governments have considered it necessary to deploy the ADF in and beyond our immediate region to conduct a wide range of operations. They include:⁴⁰

- 1989–1990 **Namibia.** Construction and landmine clearance support for the force assisting the transition to self-government in Namibia.
- 1989–1993 **Pakistan and Afghanistan.** Provision of landmine clearance expertise.
- 1990–present **Iraq.** Monitoring economic sanctions against Iraq, and Iraqi compliance with the ceasefire and disarmament agreements stemming from the 1990–1991 Gulf War.
- 1990–1991 **The Persian Gulf.** Participation in the US-led coalition against Iraq following Iraq's invasion of Kuwait.
- 1991 **Turkey.** Provision of care for Kurdish refugees following the 1990–1991 Gulf War.
- 1991–1993 **Cambodia.** Transitional force established to verify Vietnam's withdrawal from Cambodia, the ceasefire between the four Cambodian factions, and the holding of general elections.
- 1991–1994 **Western Sahara.** Monitoring ceasefire between Morocco and the Sahawari people, and conducting a referendum on the territory's future.
- 1991–present **Croatia, Bosnia and Macedonia.** Mediation between Croats and Serbs, and enforcement of ceasefires in Bosnia following the dissolution of Yugoslavia.

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| 1993 | Somalia. Participation in US-led operation protecting and assisting the distribution of humanitarian aid after prolonged drought and civil war displaced approximately two million Somalis. |
| 1994–1995 | Rwanda. Provision of medical support following widespread communal killings. |
| 1994–present | Mozambique. Landmine clearance. |
| 1998 | PNG (Tsunami Disaster). Medical support for the victims of the tidal wave which hit the northern Papua New Guinea coastline killing over 3,000 people. |
| 1998–present | Bougainville. Participation in the multinational Truce Monitoring Group and Peace Monitoring Group to supervise ceasefire after a nine-year civil war. |
| 1999–present | East Timor. Leadership of a UN-sanctioned international force following the civil unrest which accompanied the independence ballot. |
| 2000–2002 | Solomon Islands. Monitoring peace agreement signed by warring ethnic factions and the Solomon Islands Government. |
| 2001–present | War on Terrorism. Participation in US-led campaign against international terrorism. Including operations against the Taliban and Al-Qaeda in Afghanistan and the regime in Iraq . |
| 2003–present | Solomon Islands. |

Regardless of declaratory policy, operational policy decisions indicate that both Labor and Coalition governments are willing to deploy the ADF whenever and wherever they perceive it is in Australia's interest to do so. It also seems clear that governments do not see these interests as being geographically constrained to either our immediate or wider regions. Moreover, threats to these interests can develop with very little warning, as the end of the Cold War and the rapid increase in intrastate conflicts and terrorism amply demonstrates. In the mid 1980s, the assumption was that Australia's most important interests were located close to home, in our regions of direct military interest and primary strategic interest. Almost immediately, however, developments brought this assumption into question, as the ADF deployed further afield, particularly to Somalia and the Persian Gulf. Strategic policy had to be steadily amended to cover this reality, broadening the idea of Supporting Global Security⁴¹ to include a wider range of policy options, including significant military contributions to coalition operations. The current transnational terrorist threat, and the resulting War on Terrorism, has only reinforced this point. The pattern of deployments is different to those in the earlier era of forward defence, which primarily involved supporting major power allies against other state adversaries. Instead, operations are focused on intrastate actors and smaller 'rogue states' to maintain or restore a

peaceful security environment. The term ‘expeditionary operations’ reflects this pattern better than forward defence.

At the same time, unchanging geography dictates that the defence of Australia from direct attack will always be an important issue to consider. A major attack or invasion of Australia would probably be the greatest threat the country could face, even if it is highly unlikely at present. Governments must, therefore, make judgements about the scale and timing of possible emerging threats, and the ADF must have both the capability to meet short-term threats, and the capacity to develop in time to meet threats that could emerge over a longer period. Major Defence policy decisions must take warning time into account, given that the acquisition of major combat capabilities may take 10–15 years, and that those capabilities may then be in service for a further 30 years or more.

All of these points have been made, with differing levels of emphasis, in the various strategic guidance documents since 1976. The current defence debate, however, assumes that Australia must choose between a geographically based defence of Australia strategy and a more expeditionary strategy. This is a false dilemma, as a comprehensive strategy has to include both possibilities. If strategy strays too far towards one or other approach, it is likely to deny government the options it needs to deal with a wide range of scenarios, in our immediate region or much further abroad. As already stated, Australia cannot escape its geography, but nor can it escape the implications of dramatic and unpredictable changes in broader world strategic circumstances. The level of choice that governments have, therefore, can be overstated. Declaratory policy certainly guides decision making but, ultimately, world events may dictate operational policy and force changes in declaratory policy. Perhaps the most that can be said, as Paul Dibb suggests,⁴² is that governments may have a greater degree of choice in responding to events far away than those close to home.

This raises the question whether Australia would be involved should a regional flash point such as North Korea or Taiwan erupt into conflict. Declaratory policy might suggest that Australia would have a genuine choice. Undoubtedly, however, there would be considerable pressure for Australia to contribute, generated by our allies and by our own strategic culture. Our long-standing record of participation in operations overseas suggests we would find it difficult to resist this pressure. Choice or not, governments have seldom decided not to participate in the face of significant events anywhere in the broader Asia–Pacific region. As Mohan Malik puts it:

Historically, Australia has always fought its wars offshore. Though ‘defence of Australia’ remains the first and foremost objective of the government, planners cannot rule out the possibility that the ADF would be sent abroad to fight as part of its major

allies' forces. Canberra's decision to contribute SAS troops to the US-led military build-up in the Persian Gulf in early 1998 once again confirmed this fact. Australia just cannot say 'no' to the US. Actual needs of the ADF are in peacekeeping, support in counter-insurgency operations and in support of allies in Coalition Warfare. That is why, despite protestations to the contrary since the 1976 White Paper *Australian Defence*, defence policy continues to be influenced by the 'Other People's Wars' factor... As in the past, Australian defence policy in the 21st century is likely to be a mixture of the two strategies—self-reliance and forward defence.⁴³

Both expeditionary and defence of Australia requirements are important strategic determinants for Australia, and both have an important impact on the Defence budget in terms of personnel requirements, current operations and their logistic support, and force structure. This is one, and possibly the main, reason why those arguing the merits of different strategic rationales move so quickly to discussion of force structure. It is to the impact of Australian defence policy and strategic rationales on the long-term investment in force structure that the monograph now turns. The argument has been made that the choice between the defence of Australia and a more expeditionary represents a false dilemma; Chapter 5 will argue that both strategic rationales also have limits to their utility in determining force structure, and that other factors are also important.

NOTES

- ¹ Robert Menzies first coined this expression, which is now in widespread use by policy makers, academics and journalists.
- ² Hughes-Onslow Report, p. 6, quoted in *Southern Trident: Strategy, History and the Rise of Australian Naval Power*, D Stevens and J Reeve, eds, Allen and Unwin, Sydney, 2001, p. 233.
- ³ E Andrews, *The Australian Centenary History of Defence, Volume V*, The Department of Defence, Oxford University Press, South Melbourne, 2001, p. 189.
- ⁴ D Lee, 'Australia's defence policy: a historical overview' in MJ Malik, (Editor), *Australia's Security in the 21st Century*, Allen and Unwin, Sydney, Australia, 1999, p. 26.
- ⁵ Commonwealth of Australia, *Australian Defence*, Presented to Parliament by the Hon. DJ Killen, AGPS, Canberra, November 1976, pp. 1–2.
- ⁶ Commonwealth of Australia, *Australian Defence*, Presented to Parliament by the Hon. DJ Killen, AGPS, Canberra, November 1976, pp. 5–6.
- ⁷ E Andrews, *The Australian Centenary History of Defence, Volume V*, The Department of Defence, Oxford University Press, South Melbourne, 2001, p. 245.
- ⁸ P Dibb, *Review of Australia's Defence Capabilities: Report to the Minister for Defence* by Mr Paul Dibb, Australian Government Publishing Service, Canberra, March 1986.
- ⁹ *ibid.*, p. 3.
- ¹⁰ P Dibb, *Review of Australia's Defence Capabilities: Report to the Minister for Defence* by Mr Paul Dibb, Australian Government Publishing Service, Canberra, March 1986, p. 5.
- ¹¹ Commonwealth of Australia, *The Defence of Australia 1987*, Australian Government Publishing Service, Canberra, March 1987.
- ¹² *ibid.*, p. ix.
- ¹³ *ibid.*, p. vii.
- ¹⁴ Commonwealth of Australia, *Defending Australia—Defence White Paper 1994*, Australian Government Publishing Service, Canberra.
- ¹⁵ *ibid.*, p. 3.
- ¹⁶ *ibid.*, p. 5.
- ¹⁷ Commonwealth of Australia, *Defending Australia—Defence White Paper 1994*, Australian Government Publishing Service, Canberra, p. 5.
- ¹⁸ Commonwealth of Australia, *Australia's Strategic Policy*, Canberra, December 1997.
- ¹⁹ *ibid.*, p. 3.
- ²⁰ *ibid.*, p. 3.
- ²¹ Commonwealth of Australia, *Australia's Strategic Policy*, Canberra, December 1997, pp. 29–35.
- ²² Commonwealth of Australia, *Defence 2000—Our Future Defence Force*, Defence Publishing Service, Canberra, October 2000, p. v–vi.
- ²³ *ibid.*, pp. 29–30.
- ²⁴ Commonwealth of Australia, *Defence 2000—Our Future Defence Force*, Defence Publishing Service, Canberra, October 2000, pp. 46–53.
- ²⁵ Commonwealth of Australia, *Australia's National Security—A Defence Update 2003*, Defence Publishing Service, Canberra, 2003.
- ²⁶ *ibid.*, pp. 5–6.
- ²⁷ Commonwealth of Australia, *Australia's National Security—A Defence Update 2003*, Defence Publishing Service, Canberra, 2003, p. 7.
- ²⁸ See P Dibb, 'Does Australia need a New Defence Policy?' ANU Address, 22 July 2003; and, KC Beazley, John Turner Memorial History Lecture: 'National Security: Where Are We Now?' Delivered at City Hall, Newcastle, 31 July 2003.
- ²⁹ A Dupont, 'Transformation or stagnation? Rethinking Australia's defence', *Australian Journal of International Affairs*, Vol 57, No 1, 2003, p. 56.
- ³⁰ *ibid.*, pp. 56–57.
- ³¹ *ibid.*, p. 59.

- ³² *ibid.*, p. 57.
- ³³ A Dupont, 'Transformation or stagnation? Rethinking Australia's defence', *Australian Journal of International Affairs*, Vol 57, No 1, 2003, p. 62.
- ³⁴ *ibid.*, p. 66.
- ³⁵ *ibid.*, p. 57.
- ³⁶ *ibid.*, p. 66.
- ³⁷ *ibid.*, p. 57.
- ³⁸ *ibid.*, p. 67.
- ³⁹ *ibid.*, p. 71.
- ⁴⁰ Department of Defence, ADDP-D.1—*The Australian Approach to Warfare*, Defence Publishing Service, Canberra, June 2002, Annex A to Chapter 7.
- ⁴¹ Commonwealth of Australia, *Defence 2000—Our Future Defence Force*, Defence Publishing Service, Canberra, October 2000, pp. 31–32.
- ⁴² P Dobb, 'Does Australia need a New Defence Policy?' ANU Address, 22 July 2003
- ⁴³ MJ Malik, *Australia's Security in the 21st Century*, Allen and Unwin, Sydney, Australia, 1999, p. 239.

CHAPTER 5 FORCE STRUCTURE IMPLICATIONS FOR AUSTRALIA

The current Defence debate in Australia centres around the question of whether it remains valid to structure forces solely for the defence of Australia, regardless of how the forces so created are subsequently employed, or whether a more expeditionary rationale would provide a more appropriate force structure.

In the absence of an immediate direct threat to Australia, and to insure against uncertainty, the 1976 Defence White Paper made a number of recommendations. Firstly, Australia should maintain a force-in-being capable of dealing with current requirements and responding to short-term contingencies. Secondly, better intelligence was required to detect any changes in the strategic situation. Thirdly, the force-in-being should have the size, versatility and structure to enable timely expansion in the event of serious threats to Australian security.¹ Since 1986, these ideas have been retained, and it has been maintained that the self-reliant defence of Australia is the primary force structure determinant. Paul Dibb argued that force structure should be determined by events in our area of direct military interest, and that even events in our sphere of primary strategic interest should not determine our force structure.² He went on to state that ‘there would always be an option to make a modest military contribution in support of our more distant diplomatic interests and the military efforts of others. But this should be seen as essentially a gesture of support, not as a contribution that could materially affect the outcome... Nor should our forces be specifically structured or equipped to undertake such tasks’.³

By 2000, however, the Australian Military Strategy in the 2000 White Paper stated that the ADF must be able to ‘make a major contribution to the security of our immediate neighbourhood’ and be ‘able to contribute effectively to international coalitions of forces to meet crises beyond our immediate neighbourhood where our interests are engaged. Such coalitions might involve operations ranging from peacekeeping and disaster relief to relatively high-intensity conflict’.⁴ In the 2003 Defence Update, the Minister for Defence, Senator Robert Hill, taking into account the impact of terrorism, stated that, while the principles set out in the Government’s Defence White Paper remain sound, some rebalancing of capability and expenditure will be necessary to take account of changes in Australia’s strategic environment. He noted that this rebalancing ‘will not fundamentally alter the size, structure and roles of the Defence Force, but it will inevitably result in increased emphasis on readiness and mobility, on interoperability, on the development and enhancement of important new capabilities and, where sensible and prudent, a reduced emphasis on capabilities of less importance’.⁵ The interim findings of the 2003 Defence Capability Review (DCR) confirm the thrust of the 2000 Defence Capability

Plan (DCP) and add new tanks to the list of planned acquisitions. They also acknowledge that this cannot be achieved without paying off some major capabilities, particularly F-111s and two FFGs, significantly earlier than planned to free up the necessary funding within the Defence budget.⁶ These statements and plans suggest that, to some extent, expeditionary requirements have already become force structure determinants.

Nevertheless, there is an argument that the current and planned force structure is not optimised for the succession of contingencies that Australia has and is likely to continue to face. Alan Dupont suggests that conventional interstate wars are increasingly unlikely, and that asymmetric intrastate conflicts involving a wide range of actors, including terrorists, are the most likely challenge for Australian forces operating overseas.⁷ He goes on to state that, 'deploying force beyond our immediate neighbourhood is perfectly consistent with the defence of Australia's vital interests and should not be construed as fighting someone else's war or developing a costly, expeditionary force'.⁸ While he does not articulate a detailed force structure, he does propose that the force 'must possess greater capacity for strategic reach and offshore deployments ... must be trained and configured for multi-faceted tasks not just the defence of Australia from conventional military attack. ... [and] while technological superiority is essential to the knowledge edge, it must be usable and appropriate for the new wars as well as the old'.⁹ He also suggests that the requirement for mobile, autonomous land forces has not been met, as so much of the defence budget has been committed to sea and air capabilities for the direct defence of Australia.¹⁰

While this focus on expeditionary operations is a response to the changing strategic circumstances, it is not clear what expeditionary operations may entail. The focus on mobile, autonomous land forces, and the suggestion that sea and air capabilities have been overemphasised might suggest that the aim is 'to do East Timor better'. Those arguing against this approach suggest that expeditionary operations entail much more than this. For example, Kim Beazley asks, 'should [the ADF] be structured around an expeditionary force, capable of inserting one or two heavy brigades well distant from Australian shores in concert with the United States or on our own in the South Pacific or Southeast Asian region? Does support for our ally demand this? Do the regional problems require it?'¹¹

Paul Dibb echoes this issue:

In particular, there is a growing call for a much larger army at the expense of our high technology air and naval capabilities.¹² Some (such as myself) see any changes as being basically moderate and involving the introduction of new or modified niche capabilities. Others argue for much more radical change involving a fundamental restructuring of the ADF.¹³

Further:

The alternative is to structure the ADF, or least a significant part of it, as an expeditionary force for coalition operations around the world but as a subsidiary component of US forces. What would an Australian expeditionary force look like? Well, it might have a much larger army supported by new heavy strategic airlift aircraft, armed attack helicopters, new main battle tanks, and upgraded amphibious assault capabilities. The latter should include, according to the Army's Land Warfare Studies Centre, organic naval aviation—in other words aircraft carriers.¹⁴

These statements assume that a force structured under an expeditionary rationale would require significantly greater capabilities than the ADF presently has, perhaps suited to participation in a major war on the Korean Peninsula. The description given conjures up images of a US Marine Expeditionary Force, and is used to suggest that an expeditionary based force is unaffordable, and thus to suggest that the defence of Australia remains the only practical determinant of force structure. This suggests that a key issue is the level of combat operations that may be envisaged, rather than where those operations may take place.

One point, however, is agreed on both sides of the argument. Overseas contingencies will usually, if not always, involve coalition forces. In our immediate region, the ADF is likely to both lead and provide the majority of the forces required, with smaller contributions from other interested nations and, quite likely, significant logistical support from the USA. Further afield, the ADF contribution is likely to be a small part of a larger coalition force, with the US likely to be providing overall leadership and the majority of the forces involved. This, at least, has been the pattern of operations since the mid 1980s. An expeditionary strategy, therefore, will require more emphasis on interoperability with coalition forces than does the self-reliant defence of Australia.

Both sides of the argument make the core assumption that strategic rationale can be closely linked to force structure, providing clear guidance on the nature, quality and quantity of forces that are required. Analysis of the development of ADF force structure should provide a test of the validity of this assumption. Force structure involves more than the number and capabilities of ships, battalions, aircraft and their associated Command, Control, Communications and Intelligence systems. It also includes logistic support, trained personnel, doctrine, and the sustainment provided by the Defence Science and Technology Organisation, Defence industry and other forms of civilian support.¹⁵ Nevertheless, the major 'sharp-end' warfighting capabilities and basing arrangements provide the most visible expression of force structure, and they should indicate the impact of changes in Defence strategy.

Structuring to Defend Australia

The 1976 White Paper put in place most of the strategic underpinnings of the defence of Australia rationale. It also identified the military capabilities that were required, which included: Intelligence; maritime surveillance, reconnaissance and offshore patrol; strike, reconnaissance and deterrence; naval general purpose warfare; naval air warfare; submarine and anti-submarine warfare; afloat support; mine countermeasures and mining; land warfare;¹⁶ air defence; strategic mobility; oceanography, hydrography and land survey; and, electronic warfare.¹⁷ The paper also noted the need to develop the naval base at HMAS STIRLING in West Australia, air bases in the north and Defence facilities in Darwin,¹⁸ all of which were key to the defence of Australia. While it listed all these military tasks and requirements, the paper did not describe a strategy to achieve the defence of Australia. The Dibb Review attempted to address this shortcoming, proposing a strategy of denial and noting:

The Review has examined a number of possible strategies for the defence of Australia. Most of them, including the concept of deterrence, do not provide a basis for detailed force structure decisions. The 'core force' concept, which has been used for the last decade, is not a strategy but it is a useful way of approaching force structure priorities in the absence of threat. But a more deliberate framework is required which focuses on our area of direct military interest and credible levels of conflict.

*The Review proposes a layered strategy of defence within our area of direct military interest. Our most important defence planning concern is to ensure that an enemy would have substantial difficulty in crossing the sea and air gap.*¹⁹ [Emphasis in original]

This strategy has steadily developed since 1986. Its most recent public iteration is the 'Australian Military Strategy' contained in the 2000 White Paper.²⁰

In some respects, the impact of the defence of Australia rationale and associated strategy on force structure is obvious. It is reflected in the development of Command and Control arrangements that include a Commander Australian Theatre and Commander Northern Command, together with the supporting headquarters infrastructure. It is evident in the development of the Jindalee Over the Horizon Radar Network (JORN), with its ability to conduct surveillance over the northern approaches to Australia. Most obviously of all, it is evident in the move of large elements of the Army to northern bases, the construction of three bare airbases, in addition to RAAF Base Tindal, across the top end of Australia, and the two-ocean basing decision with respect to Navy. Every one of these decisions was predicated on the assumption that the key task for the ADF was to conduct operations in the sea and air approaches to the northern part of Australia to deter or defeat any potential attacker. Should an adversary actually succeed in lodging forces on the mainland or offshore territories, it would be the job of the Army, with support from maritime and air forces to defeat and remove them.

The defence of Australia was also an important driver for a greater focus on joint operations between the three Services. Under the forward defence rationale, deployed forces had tended to operate as part of combined forces, predominantly those of the US, rather than with other elements of the ADF. RAN units operated with other navies, the Australian Army operated with other armies, and the RAAF operated with other air forces. Joint operations, however, required the development of joint command, control, communications and intelligence arrangements, which has been a major focus of force structure developments since the 1970s. While similar trends were occurring in armed forces around the world, it seems clear that the defence of Australia has been a major driver of these force structure developments.

The defence of Australia has also had less obvious implications. JORN could not provide a full surveillance picture across the northern approaches, so it needed to be complemented by AEW&C aircraft in order to realise the full air defence potential of the FA-18 fighters.²¹ After being included in the 1987 Defence White Paper, the decision to acquire these aircraft was finally taken in the 2000 Defence White Paper. The ANZAC frigate was also influenced by defence of Australia considerations. Conceived as a replacement for the Destroyer Escorts, it was relatively small, and armament was traded off in order to acquire eight ships, partly because numbers were important in the huge expanse of ocean to the north. Moreover, the decision to build them in Australia, as with the COLLINS Class submarines, was in large part driven by considerations of defence self-reliance in relation to defence industry.²² The defence of Australia rationale has given precedence to maritime and air capabilities over those of Army. Army personnel numbers shrank and its equipment steadily aged. The absence of replacement tanks in successive White Papers indicates that they were not seen as key to the defence of Australia.

Other consequences of the defence of Australia rationale include the 'fitted for but not with' approach. The expectation that any major attack would be preceded by considerable warning time meant that there would be time to rectify deficiencies in armament should a higher level threat emerge. In the face of budget constraints, this seemed reasonable. Thus, ADF aircraft have lacked Electronic Warfare Self Protection Equipment for many years, which made it difficult to deploy aircraft for operations involving a significant missile threat. It also helps to explain why, even before the last ANZAC ships have been commissioned into the RAN, there is already a longstanding project to improve their armament. The decision to acquire eight ANZAC ships has had further consequences. With six FFGs and eight ANZACs, and the DDGs paying off due to age, it meant that the surface combatant force would be a force of 14 ships that lacked a credible air warfare capability. This has been recognised for at least ten years, resulting

in proposed major upgrades to both FFGs and ANZACs. It has not, however, proved possible to achieve a credible air warfare capability in these hulls. Hence, the Air Warfare Destroyer project was included in the 2000 DCP, but will not enter service until next decade. Navy will, therefore, lack a credible air warfare capability for a period of ten years, and this will seriously limit the potential for the ADF to deploy by sea in the face of significant air threat. At least in part, the defence of Australia rationale, which led to a larger number of underarmed ships, contributed to the current situation.

The defence of Australia rationale has, therefore, had considerable impact on major elements of the ADF. It is also true, however, that most ADF combat capabilities are also relevant to a much wider range of contingencies than those conceived of in the defence of Australia. To illustrate, in the case of air force, FA-18 fighters and F-111 bombers provide capabilities that could be useful in a wide range of contingencies and conflicts where significant combat is likely. The surveillance, anti-submarine and anti-surface capabilities of the AP-3C maritime patrol aircraft will be essential in any operation with a significant maritime dimension. The transport capabilities of C-130 Hercules and Caribou aircraft will be crucial in deploying the ADF, especially Army, for operations whether they occur within Australia or overseas. The same case can be made for naval assets such as surface combatants and their helicopters, their supporting supply ships, heavy lift and amphibious ships, submarines and mine warfare forces. The oceans of the world are connected and, provided they have some base and logistic support in theatre, all these assets can operate overseas just as effectively as they can in Australia's immediate region. Army capabilities may also be used in a wide range of contingencies, as has been proved by many deployments over the last 15 years.

Structuring for expeditionary operations

The increasing focus on expeditionary operations does not necessarily contradict the assertion that the Defence of Australia should be the primary force structure determinant. Successive White Papers have argued that the Defence of Australia is the most serious and challenging situation the country could face, and that a force structured for this will also provide military options for a government concerned about shorter term contingencies overseas. The list of contingencies where various elements of the ADF have been successfully deployed for operations overseas is clear evidence of this. Australia has earned a fine operational reputation as a result of these successes. Nevertheless, there is the suggestion that the current force structure is not optimal for expeditionary operations.

It might be expected that a more expeditionary force would include additional air and sea lift to support more mobile, autonomous land forces supported from

within a larger Army. This, however, does not assist with determining the level of combat capability that might be required. As described in the last chapter, Australia has been involved in a wide range of military operations overseas, ranging from peacekeeping missions to combat operations. The most significant have probably been the peacekeeping mission in East Timor, and the combat operations involved in the two wars against Iraq and the War on Terrorism in Afghanistan. Between them, these operations tested the ADF's ability to deploy and sustain significant forces and conduct combat operations. They did not, however, test the ADF in all aspects of higher level combat. Apart from special forces, other Army combat capabilities were not employed in combat operations. Nor have Navy and Air Force units had to fight to achieve control of the sea and air, which are the strategic tasks that must be completed to enable other operations, such as projection of power against the shore. When the current ADF force structure is measured against these kinds of operational requirements, it has some shortcomings. Higher level capabilities such as F-111s and FA-18s, Frigates and Amphibious ships, and Leopard tanks are either aging or are losing their capability advantage against credible threats. There are, however, plans to address these issues in most cases, in particular through the acquisition of Joint Strike Fighters, Air Warfare Destroyers and Amphibious ships. The main omission in terms of higher level combat capabilities seems to have been Army's armoured capability which, under the defence of Australia rationale, has not attracted priority. This seems to be the capability most in question in relation to a more expeditionary force structured for higher level combat operations. The Chief of Army has argued that Iraq indicates that tanks still have a role, and the interim findings of the 2003 DCR have now included new tanks in future acquisition plans.²³

At a lower level of combat operations, strategic circumstances have already resulted in changes to force structure. By the late 1990s it was clear that the potential demands on Army to deploy for peacekeeping and enforcement operations could exceed the Army's capacity. Two additional battalions were constituted. The wisdom of this decision rapidly became clear when the ADF was required to make an extensive long-term commitment in East Timor. These developments suggest that the Defence of Australia rationale, at least in its most geographically constrained form, was too narrow to provide the range of capabilities that Australia needed in changing strategic circumstances. Expeditionary requirements had clearly become a force structure determinant.

In determining the level of capabilities required, major assumptions have to be made about the sort of threats the ADF might face in an expeditionary operation. The high level combat capabilities that Beazley and Dibb suggest are implied by a more expeditionary rationale have been rejected as unnecessary

for the direct defence of Australia, at least against any conceivable threat in the short to medium term. With the possible exception of a major coalition operation against North Korea, it is also unclear where such capabilities might be necessary elsewhere in the Asia–Pacific. Given that it is inconceivable that these capabilities would be used overseas except in a major coalition operation, almost certainly led by the United States, it is also not clear that Australia would be in a position where it had no choice but to acquire and deploy such capabilities. As Beazley has said, ‘in planning the structure of our defence forces, we are in danger of losing the coherence which came with our bipartisan focus on the defence of Australia as our first priority, whilst perceiving costly solutions to an expeditionary approach which we are handling effectively enough anyway’.²⁴

This suggests that decisions to acquire particular capabilities, such as armour, are to some extent independent of either a defence of Australia or expeditionary strategic rationale. There may well be a good case for acquiring new tanks to provide force protection and striking power in both expeditionary and defence of Australia operations. The decision depends more on assumptions about the threat that the ADF might face than it does on whether the operation takes place on Australian territory or overseas.

Force structure for the defence of Australia and expeditionary operations

Critics of a more expeditionary rationale argue that it does not provide a basis for determining force structure, and the difficulty of pinning down the force structure changes that might be required suggests that this may be the case. It is, however, also easy to overstate the utility of the defence of Australia in determining force structure. While force structure must derive from strategic requirements, it is just as important to understand the limitations that any particular strategic rationale may have in guiding force structure, and the other factors that impact on force structure. There at least two other crucial issues to be considered.

Firstly, there is an implicit assumption that the defence of Australia is not expeditionary in nature. While such operations may take place in areas under Australian sovereignty, the defence of northern Australia from direct attack is, by virtue of geography, an expeditionary scenario. The main elements of Army capability are based in Darwin. As the crow flies, Gove is 700km, Weipa 1,300km and Karratha 1,800km away. The main combat elements of the RAAF are near Brisbane, Newcastle and Edinburgh, between 2,500 and 3,500km by air from Darwin. Navy is primarily based in Sydney and Perth, in the order of 5,000 and 3,500km by sea from Darwin respectively. In the event of attacks against any of the significant population and infrastructure centres in the north, large elements of the ADF will have to deploy thousands of kilometres to get to the theatre of operations. Army will require sea and air transport to get to

most locations in the north, in addition to land transport. Large amounts of fuel, ammunition and other logistics stores will have to be moved to support extended operations. In other words, the problem of deployment to defend northern Australia will be just as difficult as deploying for operations in East Timor. The defence of Australia may take place in our local region and on our own soil, from the significant infrastructure that has already been created in the north to support such deployed forces, but it remains the case that the defence of northern Australia will have many of the challenges of military deployments overseas. Thus it is no surprise that the current ADF force structure already includes significant focus on sea, air and land mobility, and the DCP includes projects to enhance these capabilities.

Secondly, the 1987 White Paper noted that ‘our force capability priorities are structured to take account of existing and projected capabilities in regional forces...’²⁵ This remains a key issue for the determination of capability requirements. Yet, while it was made in the context of the direct defence of Australia, it seems obvious that it applies equally well to expeditionary operations in the Asia–Pacific region. Implicit in the statement is the level of military capability that the ADF may encounter, which has increased as the nations of the region have continued to modernise their armed forces. Threat is a combination of capability and intent, and there is no suggestion that any nation intends to threaten Australia at present. Intent, however, can change relatively quickly, so capability becomes the key issue in long-term planning. In a region where sophisticated military capabilities are increasing, it is no surprise that the ADF continues to seek capabilities to match or exceed those in the region. Thousands of years of history provide evidence that technological and doctrinal advances in warfare are crucial to success, and that forces that do not understand the importance of a new advance are destined to lose in battle, at least until they catch up. The stirrup and the longbow in the distant past, radar, cryptography, aircraft and aircraft carriers in the Second World War, and the revolution in C4ISR combined with precision strike weapons in recent times, all provide evidence of the importance of technological and doctrinal advantage. Thus regional benchmarks guide the level of combat capability that the ADF may require. This helps to explain the plans to acquire platforms such as the Joint Strike Fighter and Air Warfare Destroyer, as well as the renewed interest in tanks. To a significant extent, these requirements are driven equally by both defence of Australia and expeditionary rationales.

Further evidence of the limitations of any particular strategic rationale can be seen in the composition of other defence forces. Throughout the Asia–Pacific, states facing diverse strategic circumstances are modernising their forces with modern fighter aircraft, destroyers, frigates and submarines, and increasingly

mobile and capable army units. To take a specific example, Canada, which faces no conceivable direct threat, has put its military focus on expeditionary operations, predominantly peacekeeping. Yet its force structure is remarkably similar to Australia's, in many cases employing the same platforms. Ironically, for a nation with a strategic rationale that purports to put more focus on expeditionary operations than Australia, the Canadian forces have less lift capacity than the ADF.²⁶ States acquire the capabilities that are available in the defence market, because they have been tried and tested in a 'Darwinian' selection process in many different conflicts and circumstances around the globe. Military doctrine from many countries makes the point that military forces must be able to control the environment (battlespace dominance in current US parlance) as an enabler for other operations to achieve specific objectives, such as the safe movement of trade or the projection of power. Modern military hardware, whether ships, submarines, aircraft or tanks, provides the means to achieve both control and other objectives, so it is not surprising that so many states seek to acquire similar capabilities.

Despite a strong focus on the defence of Australia over many years, the ADF already has most of the capabilities that are required for expeditionary operations, because such capabilities are often relevant to both requirements. Thus, the assertion that the DCP contained in the 2000 Defence White Paper, whose roots go back to the 1976 Defence White Paper, will require some rebalancing of capability and expenditure, but that this will not fundamentally alter the size, structure and roles of the ADF, seems well justified, and is borne out by the interim findings of the 2003 DCR.²⁷ The argument over whether the ADF should be structured primarily for the defence of Australia or expeditionary warfare, therefore, presents something of a false dilemma, as the resulting force structure is likely to be quite similar.

The Defence budget

The argument over strategic rationale is both driven by and tends to obscure key budgetary issues. Assuming that the DCP is broadly appropriate regardless of the emphasis placed on the defence of Australia or expeditionary operations, the current argument reduces to questions of priority in the face of a constrained budget. A more important issue is that the intense debate over priorities stems from a larger problem. Put bluntly, the Defence budget has not matched Australia's strategic aspirations over a period of some 15 years.

*The Sinews of War*²⁸ summarises the development of the Defence budget over this period, and the cost pressures that are currently faced within the operational, personnel and major capital equipment sections of the budget. The 1987 White Paper noted that 'if we are to achieve the levels of defence capability and the

priorities reflected in this Paper, there is a need, over the life of the program, for an allocation of resources generally within the order of 2.6 per cent to 3.0 per cent of GDP.²⁹ While this allocation would be dependent on growth in GDP, assuming an average annual GDP growth of about 3 per cent, this statement clearly recognised the need for sustained real growth in Defence expenditure. From 1987 to 1997, however, Defence expenditure was maintained in real terms, but did not grow.³⁰ Thereafter, it has grown, receiving additional funding for operations in East Timor in 1999, and a substantial boost in the White Paper at the end of 2000.³¹ Nevertheless, outlays as a percentage of GDP have steadily declined from 2.6 per cent in 1987 to 1.9 per cent by 2003, and are projected to drop further.³²

In this context, it seems clear that many of the force structure issues that have been discussed in this chapter have been driven at least as much by budgetary constraints as by strategic rationale. For example, fitting for but not with was considered reasonable because of the concept of warning time, but also enabled expenditure to be delayed, providing a way to cope within a constrained budget. The current shortfall in Air Warfare capability also has roots in funding constraints. The 1987 White Paper stated the intent for the ADF to operate 16–17 major surface combatants, which created the expectation that Air Warfare capability could be provided through a DDG replacement after the ANZAC program. This has not been possible because the strategic guidance that suggested larger numbers of ships was never matched by the required budget.

In today's dollars, defence spending has increased from just over \$11 billion in 1987 to \$15 billion in financial year 2002–03.³³ If 3 per cent real growth had been maintained across this period, the budget would now be approaching \$18 billion, without factoring in the budget supplementation that has been received to meet additional operational commitments. The cumulative reduction between the projected and real budgets over the last 16 years is approaching \$30 billion.³⁴ Even if half the projected increase had been achieved, it would have ameliorated most of the current pressure on the Defence budget. It would, for example, have gone a long way towards funding the costs of the two most expensive future acquisitions, new fighter aircraft and air warfare destroyers.

Despite the slower than planned growth in the budget, successive governments and Defence have been very reluctant to reduce our strategic aspirations to affordable levels. In particular, the DCP enunciated in the 2000 White Paper is not that different from that planned in the 1987 White Paper. No major capability has yet been dropped to balance the budget. A succession of reviews have sought to deal with the problem. Starting with the Force Structure Review in 1991 and the Defence Efficiency Review (DER) and subsequent Defence Reform Program

(DRP) in 1996–97, Defence sought savings by reducing personnel from 70,000 regulars and 40,000 civilians in 1987³⁵ to 51,000 regulars and 16,000 civilians by the end of 2000.³⁶ This figure would have been even lower if the DER recommendation of 42,500 permanent military personnel had been accepted. In the light of changing strategic circumstances, however, the government revised this figure up to 50,000, and set a target of 54,000 by 2010.³⁷ Another source of savings has been the ongoing search for efficiency within Defence, through the DER/DRP and through a number of reorganisations of the acquisition and logistics functions.

These initiatives have been insufficient to address the budgetary problem. This is in part because of the changing strategic circumstances, particularly increasing instability in our region and further afield. One impact of the new strategic environment and associated strategic policy has been that the ADF has been held at a higher degree of preparedness for operations. Operations in East Timor commencing in 1999, and a succession of other operations for border protection, in Afghanistan and Iraq and, now, Solomon Islands, exert pressure on both personnel and operational sections of the budget. Current operations have been funded at the expense of long-term investment.³⁸ In particular, the budget has been balanced by repeatedly slipping, but not cancelling, the approval of major acquisition projects.

When the financial projections required to implement the force structure planned in DOA 1987 were continually unrealised, the envisaged ADF combat force, whether developed or employed for the defence of Australia or expeditionary operations, was going to be unachievable. As the 2003 DCR is considered by government, there have been a series of media articles suggesting that the DCP may still be underfunded by perhaps \$12 billion over the next ten years,³⁹ despite government intent to provide 3 per cent real growth in Defence spending.⁴⁰ The interim findings of the DCR add new tanks to the DCP, and indicate that the revised DCP can be achieved by freeing up funding by paying off the F-111s and two FFGs early, and mothballing two of the new HUON Class mine hunters.⁴¹ This is probably the most optimistic possible portrayal of funding requirements. If the truth lies somewhere between these estimates, it would not be surprising if significant additional funding is required later in the decade.⁴² If this proves to be the case, the only other options would be continued slipping of major projects, which would only exacerbate current problems, or cancelling projects, which would amount to a reduction in our strategic aspirations.

Were government to increase real Defence funding by 3.5 per cent between 2003–04 and 2012–13, this would provide an additional \$4.2 billion. Assuming

GDP continues to grow at about 3.5 per cent,⁴³ this would simply maintain the percentage of GDP currently devoted to Defence. A 4 per cent increase over the same period would provide an additional \$8.6 billion,⁴⁴ which would marginally increase the percentage of GDP devoted to Defence, to perhaps 2.1 per cent.⁴⁵ Should such an increase prove necessary, it should be affordable for a wealthy country like Australia, despite other budgetary pressures. 2.1 per cent of GDP is a low figure to devote to Defence, and is well below the average that Australia has spent since the Second World War, which only began to decline towards the current figure from 1986.⁴⁶

This analysis suggests that the fundamental problems in the DCP are not primarily related to competition between two strategies, but that Australia's strategic aspirations have not been matched by Defence budgets

- ¹ D Lee, 'Australia's defence policy: a historical overview' in MJ Malik, (Editor) *Australia's Security in the 21st Century*, Allen and Unwin, Sydney, Australia, 1999, p 27; 1976, *Australian Defence*, Presented to Parliament by the Hon. DJ Killen, AGPS, Canberra, November 1976 p. 12.
- ² P Dibb, *Review of Australia's Defence Capabilities: Report to the Minister for Defence* by Mr Paul Dibb, Australian Government Publishing Service, Canberra, March 1986, p. 4.
- ³ *ibid.*, p. 43.
- ⁴ Commonwealth of Australia, *Defence 2000 – Our Future Defence Force*, Defence Publishing Service, Canberra, October 2000, pp. 48–51.
- ⁵ Commonwealth of Australia, *Australia's National Security – A Defence Update 2003*, Defence Publishing Service, Canberra, 2003, pp. 5–6.
- ⁶ See Minister for Defence Media Release 142/2003 of 7 November 2003 and transcript of associated press conference, <http://www.minister.defence.gov.au/minreleases.cfm> (7 November 2003).
- ⁷ A Dupont, 'Transformation or stagnation? Rethinking Australia's defence', *Australian Journal of International Affairs*, Vol 57, No 1, 2003, pp. 62–66.
- ⁸ *ibid.*, p. 70.
- ⁹ A Dupont, 'Transformation or stagnation? Rethinking Australia's defence', *Australian Journal of International Affairs*, Vol 57, No 1, 2003, pp. 70–71.
- ¹⁰ *ibid.*, p. 59.
- ¹¹ KC Beazley, John Turner Memorial History Lecture: 'National Security: Where Are We Now?' Delivered at City Hall, Newcastle, 31 July 2003.
- ¹² See the editorial in *The Australian* on 27 June 2003 and the article in *The Bulletin* by Max Walsh and Fred Brenchley on 3 June 2003.
- ¹³ P Dibb, 'Does Australia need a New Defence Policy?' ANU Address, 22 July 2003.
- ¹⁴ *ibid.* Dibb quotes evidence given by Dr. Michael Evans in his private capacity before the Joint Parliamentary Standing Committee on Foreign Affairs, Defence and Trade: Defence Subcommittee on 25 February 2003.
- ¹⁵ D Horner, 'Force Structure: the hardware dimension', in MJ Malik, (Editor), *Australia's Security in the 21st Century*, Allen and Unwin, Sydney, Australia, 1999, p. 168.
- ¹⁶ Land warfare included ground combat, armour and anti-armour, artillery, surveillance and reconnaissance, battlefield air defence, tactical mobility and logistic support.
- ¹⁷ Commonwealth of Australia, *Australian Defence*, Presented to Parliament by the Hon. DJ Killen, AGPS, Canberra, November 1976, pp. 5–6.
- ¹⁸ *ibid.*, pp. 44–45.
- ¹⁹ P Dibb, *Review of Australia's Defence Capabilities: Report to the Minister for Defence* by Mr Paul Dibb, Australian Government Publishing Service, Canberra, March 1986, p. 5.
- ²⁰ Commonwealth of Australia, *Defence 2000 – Our Future Defence Force*, Defence Publishing Service, Canberra, October 2000, pp. 46–53.
- ²¹ D Horner, 'Force Structure: the hardware dimension', in MJ Malik, (Editor), *Australia's Security in the 21st Century*, Allen and Unwin, Sydney, Australia, 1999, p. 175.
- ²² Commonwealth of Australia, *The Defence of Australia 1987*, Australian Government Publishing Service, Canberra, March 1987, pp. 86–87.
- ²³ See Minister for Defence Media Release 142/2003 of 7 November 2003 and transcript of associated press conference, <http://www.minister.defence.gov.au/minreleases.cfm> (7 November 2003).
- ²⁴ KC Beazley, 2003 John Turner Memorial History Lecture: 'National Security: Where Are We Now?' Delivered at City Hall, Newcastle, 31 July 2003.
- ²⁵ Commonwealth of Australia, *The Defence of Australia 1987*, Australian Government Publishing Service, Canberra, March 1987, p. 29.
- ²⁶ For example, the Canadian Forces have no amphibious or heavy lift ships. See Jane's Fighting Ships 2003–2004, 106th Edition, Jane's Information Group, Surrey, England, pp. 85–100.

- ²⁷ Minister for Defence Media Release 142/2003 of 7 November 2003 and transcript of associated press conference, <http://www.minister.defence.gov.au/minreleases.cfm> (7 November 2003).
- ²⁸ Australian Strategic Policy Institute, *Sinews of War: The Defence Budget in 2003 and How We Got There*, Canberra, August 2003.
- ²⁹ Commonwealth of Australia, *The Defence of Australia 1987*, Australian Government Publishing Service, Canberra, March 1987, p. 112.
- ³⁰ Australian Strategic Policy Institute, *Sinews of War: The Defence Budget in 2003 and How We Got There*, Canberra, August 2003.
- ³¹ *ibid.*, p. 16.
- ³² *ibid.*, p. 17.
- ³³ *ibid.*, p. 16.
- ³⁴ Calculated from the sum of the differences between realised annual budgets and projected annual budgets from the 1987 baseline with 3 per cent growth, 2002–03 dollars.
- ³⁵ Commonwealth of Australia, *The Defence of Australia 1987*, Australian Government Publishing Service, Canberra, March 1987, p. 90.
- ³⁶ Commonwealth of Australia, *Defence 2000 – Our Future Defence Force*, Defence Publishing Service, Canberra, October 2000, p. 120.
- ³⁷ *ibid.*, p. 62.
- ³⁸ Australian Strategic Policy Institute, *Sinews of War: The Defence Budget in 2003 and How We Got There*, Canberra, August 2003, p. 23.
- ³⁹ For examples, see Derek Woolner in *The Australian Financial Review*, 30 October 2003, p. 79; P Walters and J Kerin, '\$50bn for new defence arsenal', *The Weekend Australian*, 8 November 2003, <http://www.theaustralian.news.com.au/> (8 November 2003); and P Dibb, 'Defence policy down to Howard strategy' in *The Australian*, 10 November 2003, <http://www.theaustralian.news.com.au/> (10 November 2003).
- ⁴⁰ Commonwealth of Australia, *Defence 2000 – Our Future Defence Force*, Defence Publishing Service, Canberra, October 2000, p. 117.
- ⁴¹ See Minister for Defence Media Release 142/2003 of 7 November 2003 and transcript of associated press conference, <http://www.minister.defence.gov.au/minreleases.cfm> (7 November 2003).
- ⁴² P Walters and J Kerin, '\$50bn for new defence arsenal' and P Walters, 'Grand plan avoids budget talk' in *The Weekend Australian*, 8 November 2003, <http://www.theaustralian.news.com.au/> (8 November 2003).
- ⁴³ Australian Strategic Policy Institute, *Sinews of War: The Defence Budget in 2003 and How We Got There*, Canberra, August 2003, p. 17.
- ⁴⁴ Calculated from the sum of the differences between 3, 3.5 and 4 per cent real growth from the 2003–04 baseline budget of \$15.8 billion to financial year 2012–13.
- ⁴⁵ Current Defence spending increases of 0.5 per cent below projected GDP growth will see the percentage of GDP devoted to Defence decrease from 1.9 to 1.7 per cent over the decade. Increases of 0.5 per cent above projected GDP growth should increase the percentage of GDP to around 2.1 per cent over the same period. See Australian Strategic Policy Institute, *Sinews of War: The Defence Budget in 2003 and How We Got There*, Canberra, August 2003, p. 17.
- ⁴⁶ See J Beaumont, *The Australian Centenary History of Defence, Volume VI, Australian Defence Sources and Statistics*, Oxford University Press, South Melbourne, 2001, figure 1.2, p. 33; and D Horner, *The Australian Centenary History of Defence, Volume IV, Making the Australian Defence Force*, Oxford University Press, South Melbourne, 2001, table 3.2, p. 87.

CHAPTER 6 CONCLUSION

The world is a less stable and more unpredictable place than it was during the latter part of the Cold War. The nature of conflict is changing, and smaller, intrastate conflicts have proliferated. These new conflicts involve a range of issues, from transnational crimes such as piracy, people and drug trafficking, terrorism, and religiously or ethnically based intra-state conflicts. They impact on other states through the requirement to intervene to re-establish or keep peace, law and order, and to prevent the conflict spreading. This brings conventional state based military forces into contact with local militias, and high technology, modern weaponry into use against poorly armed guerrillas.

While the number of interstate conflicts has reduced, the possibility of interstate conflict cannot be ignored. This is particularly the case in the Asia–Pacific region. In addition to a range of intrastate problems in ‘the arc of instability’ and further north, the region includes the interstate flashpoints of Kashmir, Taiwan, North Korea and the South China Sea, as well as many other longstanding disputes between states. Major interstate conflict may be unlikely, but it is conceivable. Most nations of the Asia–Pacific acknowledge this uncertainty and risk in their Defence policies. They are seeking to modernise their armed forces, with the acquisition of modern fighter aircraft, frigates and submarines being the most obvious manifestations of this trend. This suggests that they see at least a potential need for such capabilities. Should interstate conflict occur, the armed forces of the protagonists will shape the nature of that conflict.

While it is possible to identify some broad trends in this strategic environment, specific predictions about developments are likely to be wrong. Australian Defence policy makers have, therefore, sought to ensure both the security of Australia from direct attack, and the capability to intervene in crises overseas where Australian interests may be threatened. This has meant that the ADF must cope with high rates of effort in a wide range of operations around the world, while concurrently attempting to maintain its higher level warfighting capabilities. At the same time, Defence funding has been tightly constrained over the last 15 years.

In this context there has been a debate whether the defence of Australia rationale remains relevant or should be replaced by a more expeditionary focus. This represents something of a false dilemma, both in terms of strategic rationale and the consequent impact on force structure. In the first instance, Australian governments have always committed the ADF to operations overseas, often well beyond our immediate region. Despite the declaratory defence of Australia policy, this has increasingly been the case since the end of the Cold War.

Australian defence policy must, in other words, cope with the demands of both the direct defence of Australia and expeditionary operations driven by world events. The degree of choice that governments have in participating in coalition operations overseas, especially with our major ally the United States, is probably overstated. Additionally, Australian strategic culture exerts internal pressure for Australia to participate when crises occur; in practice, this has been the default position for successive Labor and Coalition governments.

The need for both direct defence and expeditionary operations to coexist within Australian Defence policy does not present as much of a force structure challenge as the current debate suggests. First, the geographic scale of Australia means that direct defence operations are themselves expeditionary, requiring elements of the ADF to deploy hundreds or thousands of kilometres to participate. The existing force structure is, in large part, already suitable for expeditionary operations. This helps to explain why the ADF, structured for the defence of Australia over the past 30 years, has established a reputation for operational excellence in a long and diverse series of operations overseas.

Second, it is easy to overstate the linkage of strategic rationale with force structure. The structure of the ADF must take into account the nature of capabilities that are present in the broader Asia–Pacific region because, should conflict occur, these are the capabilities that the ADF will be in coalition with or fighting against. This factor is largely independent of strategic rationale, and is very important in determining the major combat capabilities of the ADF. Such combat capabilities are, by their nature, equally useful in a broad range of contingencies, wherever they may occur. This also helps to explain why nations around the Asia–Pacific facing widely different strategic circumstances are seeking to modernise their militaries through the acquisition of a broadly similar range of capabilities, including improved C4ISR, modern aircraft, ships and submarines, and smaller, more professional and more capable armies. Should interstate conflict occur, these are the fighting instruments of war, and there is ample evidence to show that failure to keep up with military technology and doctrine leads to rapid defeat in battle.

This is not to say that strategic rationale is not an important issue. It is equally important, however, to understand the limitations of any particular rationale, and the other factors that affect Defence policy and force structure. If the limitations of a particular approach are not understood, there is a danger that theoretical considerations may get in the way of pragmatic decision making.

The evidence and arguments in this monograph suggest that there is good justification for the broad thrust of the current DCP, as amended by the interim

findings of the DCR. The government is correct in asserting that the current DCR includes an appropriate range of combat capabilities to meet Australia's strategic needs. The real issue facing Defence policy makers is not, therefore, strategic rationale. It is the long-term mismatch between Australia's strategic aspirations, expressed in both operational commitments and the declarations in a succession of Defence White Papers, and the budget that has been provided to achieve them. Despite all efforts to achieve savings through efficiency, the interim findings of the DCR indicate that the 2000 DCP could not be achieved without paying off major capabilities early. It remains to be seen whether these measures will be adequate, or whether further funding increases will be required later in the decade. Either way, Defence spending between 1.9 and 2.1 per cent of GDP is a low price for a wealthy country to pay to achieve its strategic aspirations and ensure its security.

For the past 15 years, increasing personnel and current operational costs have been funded at the expense of investment in major capital equipment. Major projects have been constantly delayed but not cancelled. As a result, existing warfighting capabilities are ageing and approaching obsolescence. This has already resulted in significant gaps in capability. Further delays in key projects will only exacerbate the problem and make it harder to reconstitute lost capabilities. Unless the situation is resolved, ADF capabilities will inevitably reduce to the level that can be sustained by the actual budget, but by default not decision, leading to a range of hollow, ineffective capabilities.

In the DCR, the government and Defence appear to have made the choice to maintain overall ADF combat capabilities, paying off some old capabilities early, but introducing a number of significantly improved capabilities over the next decade. The analysis in this monograph suggests there is good justification for this approach. The key issue remains whether the Defence budget is adequate to achieve the plan. The long-term success of the DCR will be measured by how well it realigns our strategic aspirations and Defence budget.

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