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Australian National Audit Office: Evaluating Australian Army Program Performance

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Plan B for Australian Defence

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Security Challenges

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Editor's note

To kick off the 2020s it seems fitting to produce a Special Issue of *Security Challenges* focused on the 'Plan B for Australian Defence' concept. Australia's Plan B for defence debate has covered much ground over the past few years: alas Canberra still operates within somewhat of a strategic 'fog'. Calls have been made to increase strategic attention to the Indo-Pacific, to brace for a US decline and potential for Canberra to go it alone in the region, to scrap diesel-submarine projects and invest in a nuclear-powered future fleet, and to increase Australian Defence spending to 3% of GDP.

This special issue features alternative voices in the 'Plan B for Australian Defence' debate. Martin White's article crafts a case for closer Indian-Australian ties to be an element of Canberra's Plan B strategy. White delves into the shared interests and potential for increased intelligence cooperation between Delhi and Canberra, arguing the two are natural strategic partners. Rebecca Strating's article focuses the Plan B debate on the question of Australian maritime strategy. Strating argues any Plan B approach should articulate how sea power would be mobilised to protect Australia's national interests. Strating presents a case for Canberra to develop a new maritime strategy which is tailored to effectively deal with emerging security challenges.

Graeme Dobell's article provides an assessment of the Defence 'beast', illuminating the history of the department and subsequent efforts to grapple with the complexity of the challenge inherent in defending Australia. A Plan B, potentially to emerge from the upcoming 'One Defence' review, will no doubt need to contend with renewed demands of Dobell's 'beast'. Cameron Hawker's article delves into the origins of our 'Plan B for Australian Defence' debate, arguing it is a product of 'strategic drift' in the Australian strategic community. John Blaxland presents a geostrategic SWOT framework for consideration in the Australian defence planning debate. Blaxland's article makes the case for revising Canberra's defence planning to better grapple with non-traditional security threats.

Rita Parker takes a broader view of the 'Plan B for Australian Defence' debate. Parker's article examines the contemporary strategic challenges for Australian security policy. In doing so, Parker illustrates how defence strategy, Australia's Plan A, is in need of reframing to better reflect our current strategic situation. The Stephen Bartos article engages with Hugh White's thesis—how best to defend Australia. Bartos employs an economic lens to the challenge of Australian defence, arguing Canberra's interests are best served by economic and cultural integration with our neighbours and not by expanding military power.

Mark Armstrong focuses on the role of Australian Defence Force (ADF) reservists as expressed in Defence White Papers since 1976. Armstrong's article considers how Canberra can optimise the contribution from reservists to the defence force in future Defence White Papers by unpacking the historical strategic guidance provided. Albert Chapman also approaches the 'Plan B for Australian Defence' debate from new territory. Chapman's article uses Australian National Audit Office (ANAO) reportage to assess Australian Army project procurement and performance, in order to illustrate how Plan B forecasts (such as Canberra needing to increase the defence budget due to reduced US support) might influence the 'bottom line' of Australian Army capabilities.

Dr Elizabeth Buchanan
Special Issue Editor

The Big Defence Beast

Graeme Dobell

All Australian governments come to office with a deep admiration for the military and some apprehension about the Department of Defence.

Politicians embrace the uniform but worry about the organisation. After some time in office, the mystique of the slouch hat is confirmed; the men and women who salute are as impressive as their reputation.

The Defence Department, though, is a big beast that doesn't become more lovable by close association. Apprehension shifts towards frustration and even anger.

The big beast is tasked with doing many things that are expensive, tough and complex. The high degree of difficulty is matched by the huge dump of dollars.

Ministers are in the power game; they're in it to make things happen, not have things happen to them—or happen extremely slowly, if at all. Ministers push and pull at the beast and coax and cajole, yet not much seems to shift.

Another dimension of this is that Defence's mission is to see that catastrophic things don't happen. The beast gets fed huge amounts of cash, to what result? No war on our shores. Tick. National security. Tick.

Trouble is, Australian voters tend to see defence as a given—a core mission that's a minimum competency. Defence is what any government is expected to deliver while voters get on with their lives.

If Defence does its job, nothing happens. And governments know they don't get much credit from voters for what doesn't happen. Ministers have to tend and feed the beast, but fret about what they get in return.

The politics of this is delicate. Cabinet can't be seen to be mean to Defence for fear of accusations about mistreating the military and risking national security. The slouch hat is a potent symbol that provides much bureaucratic cover.

Mostly, the beastly frustrations are muted. When a minister does roar (usually after leaving office), the steam and smoke can be impressive. A notable vent was by Australia's longest serving treasurer, Peter Costello, who was in office from 1996 to 2007. All those years feeding dollars to the beast gave Costello an intimate knowledge of its foibles and temperament. He was not impressed.

Costello devotes a page of his memoirs to denouncing Defence as the despair of Cabinet's expenditure review committee. Costello recalls that Defence planners had such a poor grip on their budget submissions they could not explain the details to their own ministers.

> "When I first became Treasurer, Defence would not even itemise its Budget submissions or state where the funds were being spent. It used to insist on a global budget which, if the Government agreed to it, would enable the department to allocate funds between projects as it saw fit."[1]

In listing projects for capital acquisition, he says, Defence never allowed for depreciation or, in some cases, for repairs. The problem was compounded by the five defence ministers who served during the Howard era. "They did not have time to really get on top of all the ins and outs." The shuffles at the top mirrored the military custom of having officers change chairs every couple of years.

> "There is a high turnover of people in the various Defence hierarchies. All the services protect their own areas. Every step in achieving more efficiency involved a tussle over whether or not the central Government was entitled to a line-by-line disclosure of how Defence spent its budget."[2]

Costello writes that his longevity as Treasurer meant that he had a better recall of the history of some acquisitions than those who turned up to make submissions.

> "Defence is now making disclosures on a scale it has never done previously. After eleven and a half years I had a handle on all this simply because I had been involved in these decisions for longer than any of the Defence chiefs. I could actually remember the reasons why we had decided on certain acquisitions. They had to rely on the oral traditions passed down the chain of command. I was able to remind the Defence chiefs of previous undertakings they had given about containing costs."[3]

Usually, as Costello notes, it's governments and ministers that don't remember past problems and solutions. The big beast is supposed to have the advantage of a long memory.

A few things have shifted, but beasts are slow to change their nature, much less their spots. Consider the simple question of whether Defence has even evolved to be one beast, or is still just a herd of them. This is a Canberra conundrum that's galloped around the parliamentary triangle for decades: is Australia's Department of Defence one big beast or a herd of beasts? Is the Oz military a single tribe or a bunch of tribes?

The questions matter in many ways, not least because the nature of the instrument says much about the purposes it can be used for. The means you create express the ends you intend.

The Old Testament view of Australian defence dealt in plurality. The New Testament seeks singularity. The New and Old Testament understandings both contend and combine.

The Old Testament prophet of Australian defence presided over a herd. An alliance–expeditionary culture meant different service tribes could be sent off individually to work with allied forces under foreign command.

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1   Peter Costello with Peter Coleman, *The Costello Memoirs: The Age of Prosperity* (Carlton, Vic.: Melbourne University Press, 2008), p. 99.

2   Ibid., p. 100.

3   Ibid., p. 99.

The New Testament prophet of Australian defence united the tribes and proclaimed them one. The herd would be transformed into a single big beast to defend the land of Oz.

The Old Testament prophet was Sir Frederick Shedden, who headed the Defence Department for nineteen years, from 1937 to 1956.

The New Testament prophet was Sir Arthur Tange, secretary of the Department of External Affairs from 1954 to 1965, and secretary of Defence from 1970 to 1979.

Shedden was a tough, shrewd operator who spent his whole career at Victoria barracks in Melbourne (refusing to move to Canberra). Shedden was described as a powerful personality who was "ruthless with those who crossed him and devastating with those … who could not rise to his exceptional standards of performance".[4] Exactly the same description applied to Tange. These prophets both had steel at their core, fine administrators always ready for a turf war.

As a superb bureaucrat, Shedden recorded his life on paper.[5] Away from his desk, Shedden was adrift. John Edwards describes Shedden's ill humour when sailing with Prime Minister John Curtin to the United States in 1944:

> The voyage across the Pacific to San Francisco took two weeks. Separated from his files, from his department, from his independence and authority as the bureaucratic overlord of the national war effort, Shedden was morose. Files were knowledge, and knowledge was power. A habitual note taker, he was suddenly bereft of content.[6]

As a fine example of his times, Shedden was a British Empire man. Dividing the Oz defence tribes wasn't merely a means for him to rule, but preparation for the dispatch of individual elements to serve under British command. Even after the turn to the United States in World War Two, Shedden's vision was to bring back the Brits—even resurrect a naval strategy based on Singapore.

By the end of Shedden's reign, as David Horner writes, Prime Minister Robert Menzies thought that the problem with Defence was "the dead hand of Fred Shedden".[7]

Arthur Tange overthrew much Shedden had made and carefully minuted. Tange's attack on the Old Testament was that it valued consistency above innovation, process above outcome: "In my discussions with Shedden over the years, I heard few opinions on Australia's strategic interests or priorities. He was more interested, it seemed, in procedures and respect for the Defence Committee".[8]

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4   David Horner, 'Shedden, Sir Frederick Geoffrey (1893–1971)', *Australian Dictionary of Biography*, National Centre of Biography, Australian National University, published first in hardcopy 2002, <adb.anu.edu.au/biography/shedden-sir-frederick-geoffrey-11670> [Accessed 22 January 2020].

5   David Horner wrote a biography based on Shedden's files (2,400 boxes of material) and the 2,400 typed pages of Shedden's unpublished history of Australian defence policy from 1901 to 1945. See David Horner, *Defence Supremo: Sir Fredrick Shedden and the Making of Australian Defence Policy* (St Leonards, NSW: Allen & Unwin, 2000).

6   John Edwards*, John Curtin's War. Volume II: Triumph and Decline* (Melbourne: Viking, 2018), p. 269.

7   Horner, 'Shedden, Sir Frederick Geoffrey'.

8   Sir Arthur Tange, *Defence Policy-Making*, A Close-Up View, 1950-1980, edited by Peter Edwards, Canberra Papers on Strategy and Defence, no. 169 (Canberra: ANU E Press, 2008), p. 8; <press.anu.edu.au/publications/series/sdsc/defence-policy-making>.

Tange killed off four separate beasts, the departments of Army, Navy, Air Force and Supply (each with a separate minister), and merged their functions into a single Defence department; he created the civilian-military leadership diarchy and resurrected the term Australian Defence Force (ADF).

Shedden's military world was the AIF (Australian Imperial Force). Tange brought forth the ADF, recalling:

> I took the opportunity to employ symbolism to reflect the concept that a common purpose must govern the activities of the three Services. I restored to usage the compendious title 'Australian Defence Force' which the 1915 *Defence Act* had declared to be composed of 'three arms'. … In due course (after my time) the commander had his title changed to the unambiguous 'Chief of the Defence Force'.[9]

In criticising the three services, the word Tange used a couple of times was 'tribalism'. Shedden sought to control the tribes; Tange wanted to make them one.

Tange made a new structure for a new strategy. In seeking to turn the herd into a single beast, Tange aimed to remake policy, as Peter Edwards notes:

> He strongly endorsed, and possibly coined, "self reliance" as the concept to replace 'forward defence', and he supported the idea of defence focused on the continent and its approaches. But that didn't mean a wholesale rejection of the US alliance—an issue on which he sparred in his later years with his friend and admirer Malcolm Fraser. Tange's subtle balance between robust independence and alliance confused many.[10]

Tange remade structure, but elements of the Old Testament still pulse through the system. Heresy still happens.

The only man to have emulated Tange, in heading both Foreign Affairs and Defence is Dennis Richardson.[11] Four decades after Tange, Richardson confessed he was still waging the struggle to create a single beast and unite the tribes.

Richardson said he had "a very strong philosophy to make Defence more of a unitary state rather than a federation, and a loose federation at that".[12]

Unitary state versus loose federation! The testaments still contend.

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9   Tange, *Defence Policy-Making*, p. 58.

10   Peter Edwards, 'Sir Arthur Turns 100', *The Strategist*, Australian Strategic Policy Institute, 18 August 2014, <www.aspistrategist.org.au/sir-arthur-turns-100/>.

11   Graeme Dobell, 'Dennis Richardson and Arthur Tange: Part 1', *The Strategist*, Australian Strategic Policy Institute, 22 April 2013, <www.aspistrategist.org.au/dennis-richardson-and-arthur-tange-part-one/>; and 'Dennis Richardson and Arthur Tange: Part 2', 24 April 2013, <www.aspistrategist.org.au/dennis-richardson-and-arthur-tange-part-ii/>.

12   Dennis Richardson, 'Transcript of Proceedings', Secretary Address, Institute of Public Administration, National Portrait Gallery, Canberra, 21 November 2016, p. 3. <vs286790.blob.core.windows.net/docs/Event-Documents/IPAA%20Secretary%20Address%20-%20Dennis%20Richardson%20AO%20-%20Transcript%20-%2021%20November%202016.pdf>.

The Tangle of Kit and Costs, Complexity and Strategy

'Strategy without money is not strategy.'

—Arthur Tange[13]

'Everything is very simple in war, but the simplest thing is difficult.'

—Carl von Clausewitz[14]

Australian governments are always trying to simplify defence and rein in costs.

In Canberra's world of inputs, outputs and deliverables, Defence is the big-bucks beast that eats much and always demands more. And what, exactly, does the beast deliver for a nation that has its own continent?

To put the question more formally: What is the optimal defence strategy of an affluent and stable country with no land borders that has never in its modern history experienced enemy soldiers setting foot on its land?

The conundrum was well presented fifty years ago in a wonderful Bruce Petty cartoon, headed 'The great defence shake-up'.

A senior Oz military officer is sitting at his desk, amid a clutter of paper and models of military kit, yelling in frustration: "For the 500th time can somebody tell me. It'd be a great help. In the light of current allied attitudes: WHO ARE WE TO DEFEND! AGAINST WHAT?"

A civilian bursts through the door and announces that it's time for streamlining and a basic restructure, declaring: "Defence planning must assume a new FLEXIBILITY. Our goal is a new dimension in departmental cooperation."

The maps and model planes and rockets are swept from the desk and the uniformed officer is plonked on top of the filing cabinet. The be-suited bureaucrat plugs in his electric kettle, organises the rubber bands, then sits at the newly cleared desk and announces to the officer: "Now all I want from you is: who are we to defend against what?"

The civilian is booted out and the process begins all over again. It's a succinct rendering of what Paul Dibb later called "the lack of a real consensus in this country on what the Defence Force is defending us against".[15]

When Petty drew that cartoon, Australia was deeply involved with the United States in losing a war in Vietnam. Yet, even as Vietnam went from failure to tragedy, the visiting British strategist Michael Howard could observe: "The real defence problem of Australia is, in fact, that it does not have a defence problem: that there is not at present a single cloud on the horizon that seriously threatens Australian security".[16]

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13   Paul Dibb, Defence Policymaking', in Peter Dean, Stephan Frühling and Brendan Taylor (eds), *Australia's Defence: Towards a New Era?* (Carlton, Vic.: Melbourne University Press, 2014), p. 166.

14   Carl von Clausewitz, *On War*, Book 1, Chapter 7: 'Friction in war', The Clausewitz Homepage, <clausewitz.com/readings/OnWar1873/BK1ch07.html>.

15   Paul Dibb, *Review of Australia's Defence Capabilities*, Report to the Minister for Defence (Canberra: AGPS,1986), p. 176.

16   Michael Howard, broadcast as 'Guest of Honour', ABC, 3 October 1971, and printed as 'Australia in World Affairs: A British View', in David Pettit (ed.), *Selected Readings in Australian Foreign Policy*, 2nd edition (Toorak, Vic.: Sorrett Publishing, 1975), p. 63.

Fifty years on, there's a growing cloud called China. Lots of other stuff, though, looks familiar. The continent is still secure. Now, as then, Australia worries about the United States withdrawing from Asia. Still we ponder the reliability of the alliance. As ever, Canberra grapples with the complexities of the defence beast.

The cash that Canberra throws at the beast has much to do with the cost of the military kit. The kit is costly and complicated because government and bureaucracy grapple with Clausewitz's truth (doing simple things in battle is hard) while confronting Augustine's laws.[17] The laws are the aphoristic observations of Norman R. Augustine, an American aerospace engineer who did several stints in the Pentagon. Among my Augustine favourites:

- The last 10 per cent of performance generates one-third of the cost and two-thirds of the problems.

- The process of competitively selecting contractors to perform work is based on a system of rewards and penalties, all distributed randomly.

- The weaker the data available upon which to base one's conclusion, the greater the precision which should be quoted in order to give the data authenticity.

- Simple systems are not feasible because they require infinite testing.

- Hardware works best when it matters the least.

The most notorious law states that defence budgets grow linearly while the unit cost of new military aircraft grows exponentially. Canberra understands this law to the extent that we're not building fighter planes. Instead, we build submarines.

The tangle of kit, costs, complexity and strategy explain why the Department of Defence is the most inquiry-prone creature in Canberra. Defence has had fifty reviews since 1973, (thirty-five significant reviews and many more supplementary reviews).[18]

The 1973 start point is when Arthur Tange brought forth the New Testament. Tange's act of creation and Petty's cartoon stand together five decades back, yet still today prime ministers puzzle, defence ministers struggle and treasurers rage.

For the political masters, admiration and appreciation still mingle with exasperation and frustration. The beast will never be tame. But how well can it be ridden?

The most recent major report on the defence organisation—the First Principles Review—noted in 2015: "The sheer frequency of reviews over the past decade has meant that many were short-lived or simply overtaken by the next review. Often the recommended changes were not allowed to bed in before another review began".[19]

If any of the answers were simple or cheap, they'd have been implemented long ago. The beast shifts slowly as reviews come and go, pushing at the history, habits and habitat of Russell Hill. Tange's creation has a diarchic brain, with military and civilian sides; the creature spends a lot of energy just connecting its thoughts.

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17   Norman Augustine, 'Augustine's Laws', Wikipedia, 4 May 2018, <en.wikipedia.org/wiki/Augustine%27s_laws>.

18   Department of Defence, *First Principles Review, Creating One Defence* (Canberra: Department of Defence, 2015), p. 13., <www.defence.gov.au/Publications/Reviews/Firstprinciples/Docs/FirstPrinciplesReviewB. pdf>.

19   Ibid., p. 13.

The First Principles review found that Defence's way of doing things was "complicated, slow and inefficient in an environment which requires simplicity, greater agility and timely delivery. Waste, inefficiency and rework are palpable. Defence is suffering from a proliferation of structures, processes and systems with unclear accountabilities".[20]

Savour that recurring lament of reviews through the decades.

Reviews happen for many reasons. Oppositions pledge to overhaul Defence as one of their promises to remake Canberra; and if they win power, a review is a promise that can be kept.

Governments usually order reviews to tackle a bothersome headache or damp a crisis. After some time in office, though, they often reach for an all-purpose shake-up to vent frustration, tighten the reins and sharpen the spurs.

Defence white papers and strategic reviews are a special genre, a form of self-analysis using a geopolitical crystal ball and an equipment wish list. The beast tries to explain itself to government (and itself) while looking out from Russell at what's happening in other parts of the jungle.

In line with the big beast metaphor, Peter Jennings channelled his inner naturalist to describe the life cycle of a defence review as though it were a gnu or wildebeest roaming the grasslands. Under punny headlines 'Nothing Gnu Here' and 'No Gnus is Good News', he records the tough truth that few reviews survive long enough to be fully implemented: "Just as for Gnus in Africa, life is brutal and short on the policy veldt. Many reviews get trampled underfoot by newer processes".[21]

Life is hard for reviews because Defence's problems aren't just complex and costly; they reach beyond vital towards existential. As an example, consider Paul Dibb's account of why he was asked to report on Australia's defence capabilities in 1985 (one of the reviews that lived long enough to have a real impact).

Dibb was called in after twelve months of internal argument, when Defence couldn't "come to even a preliminary agreement on force structure priorities for the defence of Australia". Ponder that. Defence couldn't answer the question that's the heart of its existence: how do we defend Oz? The diarchic brain was in turmoil.

Dibb describes the entrenched differences between the senior military and civilian hierarchies:

> The secretary and the chief of the defence force had got bogged down in exchanging 130 classified memos about the theology of defence policy on such concepts as defence warning time; low-level conflict; more substantial conflict; and whether Australia's unique geography should basically determine its force structure, as distinct from expeditionary forces for operations at great distance from Australia. Most of the ensuing debate was not constructive: it was hostile with little agreement on even basic principles for force structure priorities.[22]

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20 Ibid., p. 13.

21 Peter Jennings, 'Defence Reviews: Nothing Gnu Here', *The Strategist*, Australian Strategic Policy Institute, 20 April 2015, <www.aspistrategist.org.au/defence-reviews-nothing-gnu-here/>; and 'Defence Reviews: No Gnus Is Good News', *The Strategist*, Australian Strategic Policy Institute, 21 April 2015, <www. aspistrategist.org.au/defence-reviews-no-gnus-is-good-news/> [Both accessed xx month 20xx].

22 Paul Dibb, 'Revisiting the North in the Defence of Australia, *The Strategist*, Australian Strategic Policy Institute, 27 June 2019, <www.aspistrategist.org.au/revisiting-the-north-in-the-defence-of-australia/>.

As the outsider, Dibb says his main policy aim was to get a "workable compromise between these bitterly held positions".[23]

Workable compromise is the spur of choice for the beast.

Reviews always wail about fuzzy accountability and indirect responsibility. The critique was immortalised by Defence Department Secretary Allan Hawke, back in 2000, when he decried "a culture of learned helplessness among some Defence senior managers—both military and civilian. Their perspective is one of disempowerment".[24]

Hawke described the problem this way:

> Putting the budget/financial situation to one side, the most significant organisational issue we face relates to leadership. Not to put too fine a point on it, too many of our people lack confidence in many of Defence's senior leaders. Justified or not, Defence's leadership is seen as lacking coherence, as failing to accept responsibility and as reactive. Issues such as visibility and caring arise.
>
> Far too often, it seems that wherever one sits in the hierarchy, all the problems besetting the organisation in terms of its management and leadership come from higher up the ladder.[25]

Defence had "been through massive change that is often not well appreciated", Hawke said. His version of the department as a big beast was that it was "far too inwardly focussed". Yet the beast had trouble understanding its own "mission, vision and values". The rest of government, he noted, was equally puzzled:

> The reality today … is that there is widespread dissatisfaction with Defence's performance in Canberra—from ministers, central agencies within the public service, industry, and even from within the Defence organisation itself. In essence, we have a credibility problem.[26]

Many reviews later, the newest 'learned helplessness' attack is in Hugh White's *How to Defend Australia*. The book stirred so much controversy that not much attention was paid to his call for a 'savage cut' to the beast he once rode as a deputy secretary.

White sets up his assault with this aside: "It is a sobering reality that anyone attempting to understand defence management should start with the works of C. Northcote Parkinson, especially *Parkinson's Law*".[27] The law states that "work expands so as to fill the time available for its completion". The naval historian built his satirical analysis on two sublaws: the Law of Multiplication of Subordinates and the Law of Multiplication of Work. Later he added further edicts such as one on triviality, observing that organisations spend disproportionate time and effort on minor matters.

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23   Ibid.

24   Allan Hawke, 'What's the Matter? A Due Diligence Report', Edited Address by Secretary, Department of Defence, to Defence Watch Seminar, National Press Club, Canberra, 17 February 2000, in *Australian Defence Force Journal*, no. 141 (March/April 2000), <www.defence.gov.au/adc/adfj/Documents/ issue_141/141_2000_Mar_Apr.pdf>.

25   Ibid.

26   Ibid.

27   Hugh White, *How to Defend Australia* (La Trobe University Press with Black Inc., 2019), p. 309.

White judges that Australia has a record of failed defence reforms. Benchmarked against Singapore, Israel and France, he writes, Australia doesn't get value for money. The reviews "have not delivered big long-term savings and seem to have done nothing to redress the poor performance".[28]

A key reason defence is less efficient, White argues, is complacency. Our leaders and the military and civilian hierarchies have assumed "that Australia does not really face serious strategic risks, because we can always rely on the Americans".[29]

White wants to spend a lot more money bulking up the body of the beast, but make its head smaller:

> One organisational reform which might make a real difference is a savage cut to the size of the civilian and military staffs in defence headquarters on Russell Hill … [W]e would get better decisions faster if a lot fewer people were involved. The big benefit here is not that we need fewer people on the payroll; it's that we get better decisions about big strategic questions.[30]

The beast has a fine record of discipline. Efficiency is tougher, not least because Defence lives in arcane and difficult places; that's why private-sector business-based answers can offer only partial answers.

Rigour in the thinking matters because in conflict even simple things are hard. And the diarchic brain has to decide not just the best strategy to guard an affluent and stable nation with its own continent, but to relate that thinking to all the forces surging across the Indo-Pacific. In an era of great power contest, where the international system strains and sags, Canberra frets at "the most consequential changes in the global environment since WWII" pushing at the prosperity and stability of the Indo-Pacific.[31]

Australia needs the big beast to be strong and versatile, smart on strategy and ready with the best kit.

So, naturally, it's time for another review.

In October 2019, Defence Minister Linda Reynolds announced Defence will do a "hard-headed assessment" of the "changes and challenges" confronting the beast.[32] Senator Reynolds said "to adapt to the reality of the changes around us", Defence will ponder:

- What changes we need to make to our strategy;

- What changes we need to make to our capability [although Reynolds also said, 'I do not envisage any changes to our major capability programs']; and

- [H]ow we transform Defence into an organisation that can deliver on the national tasks for the decades ahead.

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28   Ibid., p. 277.

29   Ibid., p. 280.

30   Ibid., p. 279.

31   Eryk Bagshaw, 'Australia facing most significant global changes since WWII, DFAT warns ministers', *Sydney Morning Herald*, November 12, 2019. https://www.smh.com.au/politics/federal/australia-facing-most-significant-global-changes-since-wwii-dfat-warns-ministers-20191112-p539ud.html

32   Linda Reynolds, Speech at Royal Australian Navy Sea Power Conference, International Convention Centre, Sydney, 8 October 2019, <www.minister.defence.gov.au/minister/lreynolds/speeches/royal-australian-navy-sea-power-conference-international-convention>.

The speech had twelve mentions of 'change', 'transformation' made three appearances and 'strategy' was there eight times. The vision is of beast guided by strategy, not by habit and history. As Senator Reynolds put it:

> The First Principles Review made Defence a far more strategy-led organisation. It succeeded, in my mind, in getting the Defence enterprise aligned at the starting line of on an ongoing transformation process. The next step is to define this new, more adaptive strategy framework, to ensure One Defence is agile in responding to current circumstances.[33]

The times demand more of the beast. Time, again, to push the beast.

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Graeme Dobell is journalist fellow at the Australian Strategic Policy Institute.

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33   Ibid.

Developing a new Plan B for the ADF: Implications from a Geostrategic SWOT Analysis for Australia[1]

John Blaxland

Australia's geostrategic circumstances are in a greater state of flux than seen in generations. Great power contestation has flared and the rules-based order is in question, while environmental catastrophe looms and governance challenges, ranging from cyber attacks, foreign interference, terrorism and transnational crime, flourish. In reflecting on how the Australian Defence Force (ADF) should respond, traditional thinking about conventional military capabilities for the defence of Australia or forward defence is no longer adequate. A more holistic reassessment is called for. This paper considers the nation's strengths, weaknesses, opportunities and threats; in so doing, it presents an argument for establishing a national institute of net assessment. In turn, that institute needs to place as top priority consideration on a range of proposals to bolster capabilities to defend the nation and its interests. Significant increase in defence expenditure and bold new recruitment and funding initiatives are necessary.

The SWOT Analysis

In order to consider what options Australia has to address an emergent array of challenges, a geostrategic SWOT analysis, weighing up internal strengths and weakness, and external opportunities and threats, points to a number of steps that the ADF and other arms of government can take. Critically reflecting on the circumstances of Australia and its neighbours presents a useful mechanism to commence a dialogue about the net effects of these threats and the most appropriate responses. The SWOT analysis considers the following factors:

Internal <u>strengths</u> include: abundant natural resources; a strong economy (albeit one that is declining relative to neighbouring economies); domestic political stability and the rule of law; an educated workforce; a robust multicultural society; a honed and hi-tech, albeit boutique, defence force; the nation's geography as an island continent, with no land border disputes; and the leverage gained from access to advanced US military and intelligence capabilities.

Internal <u>weaknesses</u> include: a complacency about security and our place in the world; infrastructure pressures and uneven population distribution; fuel dependency on oil refineries abroad; power vulnerabilities and underdeveloped solar, hydro and potential nuclear energy resources; web-dependence and cyber vulnerabilities; and limited and declining sovereign industrial capacity.

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1   This paper derives its foundation from 'A Geostrategic SWOT Analysis for Australia', *Centre of Gravity* series, no. 49 (Canberra: Strategic and Defence Studies Centre, ANU, June 2019).

External opportunities, by region, include: in the Pacific—climate, resource and social challenges present an opening for respectful Australian leadership alongside New Zealand; in Southeast Asia—there is a regional and sub-regional appetite for closer Australian engagement and investment; in Northeast Asia—trade growth opportunities persist; in the Indian Ocean region—ties to India and beyond, including the east coast of Africa, are growing; with some NATO member countries—a resurgent interest in China's rise provides openings; with the United States—multifaceted and deep ties with Australia's principal ally remain of enduring consequence; with Antarctica—Australian responsibilities and obligations loom larger than most realise.

External threats include: levels of foreign interference not seen since the height of the Cold War; cyber attacks from industrial, state and non-state actors; an ideational retreat from leadership by the United States; challenges to the fundamentals of the rules-based order; religiously and politically motivated violence at home and abroad—both near (Southeast Asia and South Pacific) and far (Middle East); increasing prospects of conventional and/or thermonuclear war; increased environmental challenges at home and abroad; other transnational security concerns; large scale unregulated people movement; diminished biodiversity and pandemics, challenges to fishing stocks in the Pacific and beyond; and the possibility of a breakdown in relations with Indonesia—a country with ten times Australia's population that possibly could eclipse us economically in the near term.

This SWOT shows that a range of factors, from political, economic and human security concerns, environmental challenges including looming environmental catastrophe at home and abroad, cyber security issues and a range of maritime, territorial and homeland security problems are combining to present an unprecedented challenge for the nation and the region. In essence, then, this can be distilled to three fundamental components: great power contestation, environmental strains and local, national and international governance challenges.

Whilst important, some of these SWOT factors may not appear to be urgent. Yet many of these must be addressed sooner than later; for if we wait until they appear urgent, we may have waited too long and left things too late.

Awakening to the New Spectrum of Modern Conflict & Uses of Armed Force

Focusing in on what this SWOT analysis means for defence and security, what emerges is a greater awareness of a new, broader spectrum of security challenges. In the age of so-called 'grey-zone' warfare as well as expanding cyber security challenges, artificial intelligence, robotics and the militarisation of space, the very concept of warfare is subject to redefinition. Indeed, as is becoming clear to many, the traditional way of differentiating between peace and war is insufficient. We think of being at peace or war but potential adversaries do not necessarily think that way.[2]

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2   United States Department of Defense, *Joint Doctrine Note 1-19, Competition Continuum*, 3 June 2019, <www.jcs.mil/Portals/36/Documents/Doctrine/jdn_jg/jdn1_19.pdf> [Accessed 14 September 2019].

Rather than being one dimensional, a more comprehensive approach to the use of armed force requires management of several states of being that relate to the conflict-cooperation spectrum: collaboration, cooperation, contestation, confrontation and, where possible, compromise to avert armed conflict.[3] Yet even here, the very terms suggest to some that we may be able to muddle our way through without significant additional investment in defence of the nation. The fact remains that Australia currently has limited sovereign capacity to respond to the growing range of traditional and non-traditional security threats. Increased capacity and endurance in a number of areas is required for Australia to be self-sufficient.

In response, the nation needs a domestic political and societal re-awakening to face the array of challenges presenting themselves. A national institute of net assessment, akin to the productivity commission, should be established on a statutory basis, with links to government through a national security authority, to consider the SWOT spectrum, drawing on the breadth of research expertise in the university sector, as well as industry, think tanks, government and beyond. Such an institute would look beyond the tyranny of the urgent to develop viable options to address holistically challenges with intergenerational consequences. That institute should examine the proposals below.

Firstly, there is a growing need for the nation to invest further in the capacity of the ADF and related government instrumentalities and other infrastructure (including in the cyber domain) to be able to endure prolonged security challenges including those presented by nations posing advanced technology threats and possibly war.

Within the military itself, there is a demand for additional trained personnel across the three services and in the joint (overlapping) domains. My SDSC colleague, Hugh White, has argued that Defence expenditure should significantly increase but it should focus on acquisition of additional fighter aircraft and submarines.[4] The SWOT analysis provides pointers to a range of scenarios which indicate that additional expenditure is indeed becoming urgent, but beyond that, the capability prescription he proposes would unduly limit government options in response to a range of potential scenarios that do not necessarily respond well to the use of such items. Conventional great power contestation is certainly in the mix, but so are many other considerations relating to governance and environmental concerns. The spectrum of challenges raised in the SWOT analysis suggests that it is not inconceivable that Australia may need to deploy forces concurrently in response to:

1. a major humanitarian disaster akin to the Indian Ocean Tsunami of December 2004 or the Fijian Cyclone in 2016;

2. catastrophic fires and drought as well as floods and cyclones in multiple locations across Australia like, or worse than, those experienced during the 2019-20 summer;

3. a potentially violent and hotly contested man-made crisis—akin to the crisis in East Timor in 1999 and 2006, Solomon Islands in 2003 or Bougainville in 1998—that could arise at short notice, like the siege of the city of Marawi mounted by violent Islamist extremists in the southern Philippines in 2017;

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3   See Brigadier Grant Mason, 'The Competition Prism', *The Forge*, 11 September 2019, <t.co/A0bk49p19s?amp=1> [Accessed 14 September 2019].

4   See Hugh White, *How to Defend Australia* (Melbourne: La Trobe University Press with Black Ink, 2019), <www.blackincbooks.com.au/books/how-defend-australia> [Accessed 14 September 2019].

4. calls to support regional security partners facing potentially existential threats—related to crises that could arise over the South China Sea, East China Sea, Korea and Taiwan;[5]

5. a multifaceted terrorist incident, or incidents, possibly in multiple locations;

6. a cyberattack, or multiple cyberattacks, against critical infrastructure that disrupts the electricity grid and shuts down critical industries;

7. a major border security challenge—one such that could be linked to a surge of refugees arriving by sea following a spike in, say, the crisis affecting the displaced Rohingya people in Bangladesh; and

8. a natural or man-made disaster threatening the lives of those forming part of Australia's Antarctic presence and posing a threat to Australia's claims there.

These are plausible scenarios and it is quite possible that several of them could strike at once. The ADF (let alone any other arm of government tasked to respond to emergencies) simply is not structured or resourced to tackle more than a couple of these possible contingencies at once; and yet the prospect of several of them occurring simultaneously is greater than ever before.

Developing a New Plan A for the ADF

The defence force of today is much smaller than it has been at the height of earlier crises. In land power terms alone, Australian full-time armed forces today consist of just over one division of troops. Part time reserve forces maintain a hollow second division. In contrast, in the Second World War, Australian land forces included the equivalent of over fourteen divisions from a population base of seven-to-eight million. A repeat of a Second World War scenario is not what is being argued here, but the comparison is instructive. In addition, the ADF's capabilities are largely tactical and with relatively short range. This means that Australia poses only a modest deterrent to potential aggressors. Therefore, while the ADF is a capable force, should Australia ever face a challenge from a nation with advanced weapons systems, this force may be inadequate for the task. A one-division regular-army force of three combat brigades and some special forces, a navy of a dozen or so warships and a handful of submarines, and an air force of only 100 fighter aircraft, means Australia has little if any ability to sustain significant attrition in case of a substantial conflict. In effect, the ADF is only a one-punch force. This is inadequate in view of emergent issues.

In response to many of these circumstances, Australia's Foreign Policy White Paper of 2017 outlined what I call a 'Plan B' for international engagement.[6] I would argue that in response to that plan and to the evolving circumstances, Australia's defence capabilities now also need a new 'Plan B'. Defence capabilities are fundamental to international engagement as well as national security. The spectrum of potentially existential matters facing our country and the world is unprecedented. Australia is ill-prepared to

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5   Brendan Taylor, *The Four Flash Points: How Asia Goes to War* (Melbourne: La Trobe University Press, Black Inc., 2019), <www.blackincbooks.com.au/books/four-flashpoints> [Accessed 14 September 2019].

6   John Blaxland, 'Plan B: Australia's Foreign Policy White Paper', *The Strategist*, Australian Strategic Policy Institute, 10 February 2018, <www.aspistrategist.org.au/plan-b-australias-foreign-policy-white-paper/> [Accessed 14 September 2019].

respond appropriately, with limited sovereign capacity and with the ADF designed for a much more benign setting when ten years' warning time of any major threat to the nation was expected.[7]

Australia's unpreparedness is in part because many of these issues are beyond the jurisdiction of one state or federal entity; meanwhile international mechanisms to handle them are weak and disjointed. The defence minister, for instance, can rightly say many of these issues are not her problem. Similarly, the home affairs minister can say they are not his; and the foreign affairs minister, likewise, with significant resource constraints, can say this is way beyond the scope of her remit. Yet it is increasingly evident that such narrow responses to the challenges faced are inadequate. A visionary, inclusive and comprehensive solution is needed if Australia is to be prepared for the potential onslaught of emergent security challenges. The main challenge in overcoming this shortfall relates to recruitment and retention of personnel. With that broad range of concerns in mind, this paper proposes expanding and reorganising a range of force elements as outlined below.

Naval Forces

With the acquisition of new surface warships and submarines, it is tempting to use the equipment update to justify a streamlining of personnel requirements. Arguably, however, the acquisitions should be made in addition, not instead, of extant capabilities. The upgraded Anzac class frigates, for instance, have sophisticated capabilities that should not be retired simply because a replacement platform is scheduled. In addition, the production run of those replacement warships should be extended. Similarly, the eventual construction of the Attack class submarines should not be used to justify retirement of the highly capable Collins class submarines. Necessity is the mother of invention and innovative solutions for additional life extension programs for the Collins submarines should be considered to allow the submarine fleet to grow not just from six to twelve submarines, but to a combined total of eighteen Attack and modified Collins class submarines, equipped with a fleet of underwater drones in support.

Sophisticated, capable of being armed and unattended aerial vehicles should be acquired for operations from the flight deck of the amphibious landing helicopter dock ships (LHDs) HMAS *Canberra* and HMAS *Adelaide*. These ships are already proving to be in high demand to bolster security and stability domestically, in Southeast Asia and the South Pacific. They have demonstrable capabilities to help bolster security and stability in places where environmental challenges are grave, security is precarious, governance is weak, and where great power contestation is increasing. With so many scenarios for which a response may be required, their operational tempo can only be expected to increase.

An additional replenishment ship and an additional LHD would add considerably to the ADF's ability to sustain an operational tempo that might be generated by a combination of these scenarios. These should also be able to operate deep in the Southern Ocean.

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7   See Paul Dibb, Richard Brabin-Smith and Brendan Sargeant, 'Why Australia Needs a Radically New Defence Policy', *Centre of Gravity* series, no. 40 (Canberra: Strategic and Defence Studies Centre, ANU, October 2018) <sdsc.bellschool.anu.edu.au/sites/default/files/publications/attachments/2018-11/cog_44_web.pdf> [Accessed 15 September 2019].

Air and Space Power

The Joint Strike Fighter has proven to be an expensive acquisition. There is scope for an increase in the planned fleet from 70 to 100, but this should not come at the expense of retiring the Super Hornets—a sophisticated almost-new aircraft type: this fleet should be expanded further. Drones, including the Loyal Wingman program, should be acquired as part of the mix. In the meantime, critical enablers for the ADF, including the C17 Globemaster and C130 Hercules transport aircraft, the air-to-air refuellers and surveillance planes, as well as airborne early warning and control aircraft will continue to be of critical importance in order to be able to deploy and sustain force elements across the region in response to contingencies that we can expect to arise with little if any notice. Firefighting and other disaster response is not core military business; specialists manage these functions more economically, but ADF air elements remain well placed to assist when necessary.

With satellite technology becoming increasingly miniaturised and cost effective and anti-satellite technology maturing amongst a range of nations in the Indo-Pacific, the Air Force will need to expand its remit to more fully cover the space domain. This should include the acquisition of Australia's own satellite capability for surveillance, communications, as well as command and control purposes, in order to operate in a more self-reliant and resilient manner.

Land Forces

Land forces today are small by the standards of almost all of Australia's neighbours, except for the Pacific Island states. With so many potential calls for the commitment of land forces, there is scope for an additional rotational regular-force combat brigade to be raised and, perhaps, operated from the nation's west coast. That would allow for potentially a second brigade to be ready to respond to one of the many possible contingencies, while the others undergo the readying and reset phases of the Army's force generation cycle. More importantly, the critical specialist support enabling capabilities (currently found in 6 Brigade (command and intelligence support), 16 Brigade (aviation) and 17 Brigade (logistics), should be filled out to enable more robust dedicated support of the regular-force combined-arms combat brigades (1, 3 and 7 Brigades) that are intended to operate in rotation through the ready, readying and reset force generation cycle. Reserve brigades (with a mix of part-time and full-time members) should be beefed up to assist. Precision medium-range strike capabilities would enable these forces to provide robust defence of airfields and key infrastructure in a contested crisis that might arise in Southeast Asia and the South Pacific maritime approaches to Australia.

Cyber Force

The broadening and deepening of the array of cyber security challenges, points to the need to bolster significantly the ADF's cyber capabilities. Cyber security concerns have seen the establishment of an Information Warfare Division inside the Defence Capability Group; but more concerted action is required.[8] The ADF already includes electronic

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8   Department of Defence, Information Warfare Division, <www.defence.gov.au/jcg/iwd.asp>
     [Accessed 14 September 2019].

warfare (EW) units in the three services, but the cyber domain is an area of increasing demands that stretch the old definitions and capabilities of the EW realms. Growth in this area is of fundamental importance, but that has to be coordinated with developments in the Australian Cyber Security Centre and other arms of government concerned to develop strong defensive and, in places, offensive cyber capabilities.

Domestic Security

Cyber concerns are alive and well in the community at large, as are enduring concerns about terrorism and growing threats of sabotage and evidence of foreign interference. The combination is corrosive, eating at the core of institutions. The ADF's special operations forces have an important role to play in support of the national and state counter-terrorism plans. They also have important contributions to make in a range of regional scenarios abroad. Preparing for such contingencies requires considerable investment of time and effort developing regional ties and closer relations with counterparts in the neighbourhood, across from the Indian Ocean, through Southeast Asia and into the South Pacific. To do all of that effectively additional growth is required.

Border Force

The Home Affairs Department has responsibility for managing border security in conjunction with the ADF through Border Protection Command. Closer coordination and greater resourcing of the offshore patrol fleet, with additional and more robust ships and aircraft, supplemented by sophisticated unattended aerial vehicles will be required in order for the nation to be adequately prepared to respond to the growing range and scale of environmental and governance challenges around Australia's periphery.

International Ties

Building on the Australia-ASEAN Special Summit of 2018,[9] Australia should strengthen and deepen ties with ASEAN member states, notably Indonesia, as well as others beyond that are willing to work closely with Australia to bolster regional security and stability. This already includes regional counter terrorism initiatives[10] but it should also involve elements of the ADF being involved in a much greater level of language study and cultural awareness training. Additional opportunities to work collaboratively with neighbours on benign activities such as humanitarian assistance and disaster relief training scenarios should be vigorously pursued with Indonesia, the FPDA partners (notably Singapore and Malaysia) and other Southeast Asian and Pacific neighbours.[11]

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9   See Frank Frost, 'The ASEAN-Australia Special Summit, Sydney, March 2018: Issues and Implications', Parliament of Australia, 1 March 2018, <www.aph.gov.au/About_Parliament/Parliamentary_Departments/ Parliamentary_Library/pubs/rp/rp1718/ASEANSummit> [Accessed 13 September 2019].

10   See Department of Defence, 'Inaugural Sub-Regional Defence Ministers' Meeting on Counter-Terrorism', *Annual Report 2017-18*, <www.defence.gov.au/annualreports/17-18/Features/RegionalMtg.asp> [Accessed 14 September 2019].

11   This is largely what is argued for here John Blaxland, 'LHDs: Game Changing in the Indo-Pacific'', *Australian Naval Review*, 25 August 2019, The Australian Naval Institute, <navalinstitute.com.au/lhds-game-changing-in-indo-pacific/#more-12997> [Accessed 14 September 2019].

Tying in Indonesia more closely with Australia's other close Southeast Asian regional partners Singapore and Malaysia, may well be achieved if a regional maritime cooperation forum could be developed for 'sweet' or MANIS, ties. Malaysia, Australia, New Zealand, Indonesia and Singapore have many reasons to foster closer, sweeter ties.[12]

Ties with partners in the Pacific should be strengthened further as well. Beyond the Pacific 'step-up',[13] a compact of association with South Pacific countries is needed for shared governance, akin to the treaty arrangements the United States and New Zealand have with several Pacific micro-states. In return for residency rights, Australia, along with New Zealand, should respectfully offer closer partnering arrangements to assist with management, security and governance of territorial and maritime domains. Pacific islanders should be encouraged to join Australia's defence and national security institutions in return for additional benefits including Australian citizenship.[14]

Australia should maintain and strengthen its economic and security ties with the United States and other closely aligned states. Utilising its trusted access,[15] Australia should counsel against adventurous US initiatives that undermine international institutions, but support initiatives that reinforce the rules-based order. Australia's US engagement has a demonstration effect in the region, being closely scrutinised by the neighbours.

The North Atlantic Treaty Organisation (NATO) is not necessarily a significant international body in the Indo-Pacific, but it is one with which Australia shares common values and overlapping interests.[16] Several NATO member states, the United Kingdom and France, for instance, appear interested in engaging with Australia. France has a military presence based in New Caledonia. It makes sense for the ADF to cooperate judiciously on France's Pacific initiatives. Australia also should encourage Britain to engage in Australia's neighbourhood, but must remain alert to the fact that Britain's power is limited and its interests varied. In the meantime, while Germany's trade and economic influence has little of the hard-power edge of France and Britain, its economic and industrial weight is significant. Closer cooperation could work well. Then there is Australia's 'strategic cousin' in Canada, another NATO member country and close US ally, and also a Pacific power with shared interests in the Asia-Pacific region.[17] Australia should look to capitalise on ties and shared interests, including security interests and requirements for air, sea and land capabilities. The NATO connections may appear distant, but in an increasingly connected world, distance is of reduced concern and such ties can prove of considerable utility.

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12   For an elaboration on the rationale and concept, see John Blaxland 'MANIS: Time for a New Forum to Sweeten Regional Cooperation', *Centre of Gravity* series, no. 26 (Canberra: Strategic and Defence Studies Centre, ANU, June 2016), <sdsc.bellschool.anu.edu.au/sites/default/files/publications/attachments/2018-01/cog_26-john-blaxland.pdf> [Accessed 14 September 2019].

13   See Department of Foreign Affairs and Trade, 'Australia's Pacific Engagement', <dfat.gov.au/geo/pacific/engagement/Pages/stepping-up-australias-pacific-engagement.aspx> [Accessed 14 September 2019].

14   See John Blaxland, 'John Blaxland on Developing a Grand Compact for the Pacific' in 'The Fix: Solving Australia's foreign affairs challenges' in *Australian Foreign Affairs*, Edition 8, February 2020, 91-98.

15   See Peter Dean, Stephan Frühling and Brendan Taylor (eds), *Australia's American Alliance*, (Carlton, Vic.: Melbourne University Press, 2016).

16   Stephan Fruhling, "Key to the Defense of the Free World": The Past, Present and Future Relevance of NATO for US Allies in the Asia-Pacific', *Journal of Transatlantic Studies*, doi.org/10.1057/s42738-019-00014-0.

17   See John Blaxland, *Strategic Cousins: Australian and Canadian Expeditionary Forces and the British and American Empires* (Montreal: McGill-Queens University Press, 2006).

An Australian Universal Scheme for National and Community Service (AUSNACS)

Critics of the argument made so far would contend that the proposed expansion of capabilities is fanciful. As it stands, Australia's newly upgraded Anzac class ship, HMAS *Perth*, is up on stilts in Fremantle, having been put there due to crew shortfalls. Similarly, army and air force units struggle to recruit and retain sufficient personnel to maintain critical capabilities. There is a way, however, to address these shortfalls that could make a significant difference to the security and stability of the nation and the region—a scheme enlisting the support of young Australians from all of the nation's multicultural walks of life.

Given chronic personnel shortfalls and a wide array of agencies that could benefit from extra people involved, an expansive and inclusive Australian Universal National and Community Service Scheme (AUSNACS)[18] should be considered through which all young Australians could contribute.[19] There might even be significant societal side benefits as such a scheme would draw in young people from all walks of life across the nation.

Critics may look to discount the utility of such a scheme, arguing Defence does not need that many extra people and that training them would drain resources from operational capabilities. That is valid, to a point, but the need for extra personnel applies not just to the armed services. If introduced as a national and community service initiative, the personnel involved could be shared access state and federal police forces, border force, state emergency services, rural fire services, state health services and DFAT's Australian Aid akin to the US 'Peace Corps'. Others may hark back to the societal tensions of the Vietnam War era. This scheme would look to negate such concerns by ensuring a wide range of choices for Australia's young people to consider. Benefits that could accrue for AUSNACS participants could include concessional loans or reduced higher education contributions.

Proximity and Risk Management

The analysis outlined in this article points towards the need for Australia to focus more attention on its region, to bolster its capabilities considerably, and to be more self-reliant. In my book *The Australian Army: From Whitlam to Howard*,[20] I identified a number of determinants of government expectations concerning the efficacy of use of military force. In large part, these revolve around three things: proximity to Australia versus necessity of participation, alliance management, and the government's risk tolerance. Australia has spent almost a generation providing niche military and aid contributions far away while inconsistently engaging on major issues of concern in its own neighbourhood. Yet close to home the nation faces a future where it may have to commit considerable resources

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18   John Blaxland, 'Expert Makes Case for Return of National Service', Drive program, ABC, 10 June 2019, <www.abc.net.au/radio/programs/south-queensland- drive/national-service/11196538>

19   John Blaxland, 'Where Have All the Soldiers Gone?',The Signal program, ABC, 17 June 2019, <www.abc.net.au/radio/programs/the-signal/%20defence-recruitment-national-service/11187992>

20   John Blaxland, *The Australian Army from Whitlam to Howard* (Melbourne: Cambridge University Press, 2014).

to lead a coalition of participating forces, organisations, agencies and countries with whom Australian authorities are not experienced at leading or even working alongside. This could be in response to an environmental catastrophe, a regional crisis or other issues generating calls for an Australian response, collaborating, for instance, with, say, Indonesia, Papua New Guinea or Malaysia. Should the requirement be for something involving an adversarial state with advanced weapon systems, Australia's defence force lacks the resilience or size to be able to absorb a significant blow—and that prospect appears more likely than in previous or recent generations.

What this means is that the ADF needs to be better positioned to address the spectrum of emergent challenges. Perhaps for the first time in more than half a century, it needs to grow beyond its standard three regular-force combat brigades, 100 combat aircraft and a dozen or so warships, to include a surge in AI-enabled equipment, unmanned vehicles and sensors, and enhanced space and cyber capabilities.

Funding

There is a truism that states strategy without funding is not a strategy. This article has outlined an ambitious plan to expand capabilities across a range of domains; for it to be realised, there is no question that a detailed costing would be required before plans could be confirmed to see the proposals outlined here come to fruition. There is a broad consensus emerging amongst defence, strategy and security pundits, however, that Australia will need to significantly increase its expenditure in defence of the nation and its interests across a range of domains. In broad terms, that likely will see the need to double down on the budget, increasing expenditure from 2 per cent of GDP to between 3 and 4 per cent. Such a high level of expenditure on defence has not been experienced for several decades but it has been done before, notably during the Vietnam War, the Korean War and during the period of defence build-up in the late 1930s. For this to be politically acceptable, the Australian people will need to come to an understanding of the scale and scope of the security challenges that are looming. For that, the government has to lead.

Conclusion

This article started by revisiting a Geostrategic SWOT Analysis for Australia. It pointed to the need for an awakening concerning the spectrum of modern conflict and the possible demands for the use of armed force, including a range of plausible contingencies which could arise at short notice. This indicates the current boutique ADF is inadequately resourced for a range of looming challenges. The article then argued for a national institute for net assessment and, specifically for the defence and security purposes, the need to develop a new Plan B for the ADF, bolstering naval, air, space, cyber and land forces, as well as domestic security and border forces. International ties also need to be refreshed and expanded, including with ASEAN member states, the FPDA countries, the potential MANIS forum, the Pacific partners, the United States and other NATO member countries.

To do all this, the current ADF is not big or strong enough. An Australian Universal Scheme for National and Community Service (AUSNACS) is required. The proximity of these challenges and the heightened risk of them materialising without adequate preparation indicates the Australian Government must find the funds to make it happen. It must also engage in a conversation with the Australian people to explain how it plans to respond and why a new Plan B is necessary.

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A Plan B for Australia? Hard Truths and Political Realities in Canberra's Strategic Policy Debate

Cam Hawker

When Coral Bell looked back at the attitudes and outlook of defence policymakers facing great change and uncertainty in Australia's strategic landscape in the late 1960s and early 1970s she concluded that they were

> Like a group of lost explorers marooned on an ice flow; the frozen surface was visibly breaking up all around them while they were insisting loudly that nothing really much was happening.[1]

At that time, Canberra was facing the reality of the British withdrawal 'East of Suez' and the announcement by Richard Nixon that henceforth Washington would look to regional allies to play a greater role in their own defence.

In some respects, the last decade or so of Australia's strategic policy debate has echoed this period. We have, and are, witnessing, a profound transition as the world's centre of gravity shifts east. China has become rich and is increasingly inclined to flaunt that wealth in the form of military spending and carefully targeted foreign infrastructure ventures such as the Belt and Road Initiative. It has also become more assertive, diplomatically, militarily, and in more covert forms. At the same time, the United States has wavered in its regional leadership as talk becomes less centred on Washington's capacity to maintain regional dominance and more focused on its will to do so.

Like the late 1960s and early 1970s to which Bell alluded, the last decade has featured denial and denialism. As the assumptions on which Australia has so long based strategic policy have become increasingly challenged by the emergence of China, and its quest to convert its economic heft into the hard currency of power, and an associated relative decline in American primacy that has become apparent, the loudest voices have often been those insisting that nothing much needs to change. In these circles, it has until very recently been accepted that Australia could enjoy its security relationship with its reliable and preponderant ally in Washington, and continue to grow rich in its dealing with its now major trading partner in Beijing. This argument has been maintained even as the relationship between those two has evolved and soured.

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1   Coral Bell, *Dependent Ally: A Study of Australia's Relations with the United States and the United Kingdom Since the Fall of Singapore* (Canberra: Department of International Relations, The Australian National University, 1984), p. 138.

The 2016 Defence White Paper was based on the assumption that the United States

> will remain the pre-eminent global military power over the next two decades. It
> will continue to be Australia's most important strategic partner through our long-
> standing alliance, and the active presence of the United States will continue to
> underpin the stability of our region.[2]

It argues that China

> will not match the global strategic weight of the United States, the growth of China's
> national power, including its military modernisation, means China's policies and
> actions will have a major impact on the stability of the Indo-Pacific to 2035.[3]

The assumption that the United States would remain engaged in the region, at least in
terms we have traditionally understood it, as the hub of so many spokes, was challenged
almost immediately after the publication of the 2016 Defence White Paper with the
election of Donald Trump and the ill-defined 'America First' strategy. However, it would
be a mistake to see Trump as a cause of Washington's strategic malaise when he is rather
a symptom of a broader American political crisis and of a country still searching for a
post-Cold War identity when signs of this have been apparent for years.

The initial period of the Trump presidency saw a degree of apprehension from
Washington's allies and partners, including Canberra, as they attempted to quantify
this unknown quantity. An early view was that the presidency would change Trump
much more than he would change the presidency.[4] Much of this thinking rested on the
presence of experienced figures like Jim Mattis (Secretary of Defense) H. R. McMaster
(National Security Adviser) and John Kelly (Chief of Staff) and the view that they would
restrain Trump's more extreme impulses and socialise him into the responsibilities of
his office. However, by mid-2018 these figures had been sidelined. By the following
year all had departed. Trump, meanwhile, had stunned allies with a series of actions
and pronouncements too numerous to catalogue here. However, his July 2018 remarks
that characterised the European Union as a "foe", ahead of Russia and China, rankled
many.[5] While closer to home, a 2017 leaked phone call between Trump and Prime Minister
Malcolm Turnbull suggested that the relationship was delicate.

A Not So Sudden Change in the Weather

In July 2018, a new chapter Australia's strategic policy debate was opened by the Executive
Director of the Australian Strategic Policy Institute (ASPI) when he argued that the time
had come for Canberra to formulate a Plan B for its defence policy.[6] Jennings located

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2   Department of Defence, *2016 Defence White Paper* (Canberra: Commonwealth of Australia, 2016),
    <www.defence.gov.au/WhitePaper/Docs/2016-Defence-White-Paper.pdf> [Accessed 21 October 2019].

3   Ibid.

4   Greg Sheridan, 'The Baffling Contrary and Crazy Presidency of Trump', *The Australian*, 4 November 2017,
    <www.theaustralian.com.au/nation/inquirer/the-baffling-contrary-and-crazy-presidency-of-trump/news-
    story/478bf503a0f40e1298bd7c182e83869a> [Accessed 21 October 2019].

5   CBS News, '"I Think the European Union Is a Foe," Trump Says Ahead of Putin Meeting in Helsinki', 15 July
    2018, <www.cbsnews.com/news/donald-trump-interview-cbs-news-european-union-is-a-foe-ahead-of-
    putin-meeting-in-helsinki-jeff-glor/> .

6   Peter Jennings, 'Trump Means We Need a Plan B for Defence', *Opinion*, Australian Strategic Policy Institute
    (ASPI), 21 July 2018, <www.aspi.org.au/opinion/trump-means-we-need-plan-b-defence> [Accessed
    22 October 2019].

his argument firmly in the context of the Trump presidency. Since then, a variety of contributors, some of them great luminaries, have endorsed, weighed in on, or disputed Jennings's contention.

The key advocates of a Plan B for defence have started from the excellent premise that the ANZUS alliance cannot be taken for granted and that it cannot be assumed that Trump is an aberration. Therefore, it is prudent to plan around and mitigate the effects of a region in which the United States is less actively involved.

However, a number of flaws immediately undermine this approach. Firstly, many, though not all, advocates of the Plan B approach make the mistake of seeing Trump as a cause of crisis rather than a symptom of it. Therefore, they do little to engage with the underlying issues of Washington's changing position in the regional order. With a few exceptions, calls for the adoption of a Plan B do not advocate anything that is truly new. Most assessments rest on the assumption that a continued US presence in the region can either be expected, or sought, by greatly increased defence spending and adopting a more forward leaning force structure.[7] This leads to a fractured kind of logic that asserts that certain big ticket power projection platforms such as long range bombers and submarines are desirable because US protection is uncertain, but that the acquisition of these platforms will also help keep the United States engaged in the region.

Most, though not all,[8] advocates of Plan B speak of it as though defence policy exists in a vacuum and is not intrinsically linked to foreign policy and trade policy, and the broader realities of government and budgeting. Few, if any, of those who have mooted or evaluated Plan B have done so with serious consideration of the attitudes and priorities of policymakers, and by policymakers it is useful to consider not just entrenched officials at Russell, but their elected masters across Lake Burley Griffin.

Before we assess Plan B, it is useful to consider Plan A, which is probably best understood as the arrangements that Australia has enjoyed, with some modification, since Federation. The country's security has been largely, but not entirely underwritten by a preponderant maritime power with which it shares strong cultural and values-based ties. In 1901 that power was Britain, though it is less useful to think of Australia's relationship with Britain at that time as being one of allies than as a relationship between imperial master and newly minted dominion. While the Commonwealth of Australia was self-governing, its foreign policy was subject to London's veto and would not be fully emancipated until the Second World War.

At the same time, Australia's economic prosperity has, since 1901, been assured by the custom of either the security guarantor or a power aligned to it. Until 1942 that was Britain. Following the fall of Singapore, Australia famously turned to the United States. However, it would be wrong to think that Britain no longer factored in Australia's strategic calculations from that point. As Bell has noted, when Menzies spoke of "Great and Powerful Friends" he did so in the plural.[9] Britain remained a key trading partner and an important part of Australia's security architecture until well after the war, but the relationship with

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7   Paul Dibb, 'Why We Need a Radically New Defence Policy', *The Strategist*, ASPI, 29 September 2018, <www.aspistrategist.org.au/why-we-need-a-radically-new-defence-policy/> [Accessed 22 October 2019].

8   Anthony Milner, 'Australia's Plan B: Time for Some Tough Realism', *The Strategist*, ASPI, 2 August 2018, <www.aspistrategist.org.au/australias-plan-b-time-for-some-tough-realism/> [Accessed 22 October 2019].

9   Bell, *Dependent Ally*, p. 62.

Washington and the associated alliance soon became dominant. In this period, American-aligned Japan became Australia's largest trading partner following the establishment of the 1957 Commerce Agreement. Although Canberra did not recognise the People's Republic of China (PRC) until 1972, a strong trade in non-strategic goods existed from the 1950s. This became a source of some frustration for Washington over the years. The fact that it continued is an indication of a pragmatic approach to the region.

In retrospect, the back-to-back addresses made by US President George W. Bush and China's President Hu Jintao to the Australian Parliament in October 2003 represent an extraordinary moment. Such duality would be impossible today. It took place in an era when Prime Minister John Howard made the assurance that Australia did not have to "choose geography or history".[10]

By 2007, the same year that Howard left office, China became Australia's largest trading partner. For the first time, Australia looked to powers that were not only unaligned, but increasingly in competition with each other for our security and prosperity. Plan A ended there. Everything since has been strategic drift.

Today Canberra faces a strategic landscape where its largest trading partner is a state that it increasingly regards to be a threat to its security, yet remains indispensable to its economic prosperity. At the same time, Australia is allied to a state in a deep and likely prolonged political crisis. One led by a president who appears at best to be ambivalent towards the concept of a liberal rules-based order. At times, he is openly hostile to the idea of alliances and has voiced this hostility directly to certain partner states.

Assessing Plan B

The allure of Plan B is that it is a seemingly tangible response to a tangible problem. At the heart of it is the sensible point that ANZUS is of enduring value to Australia and that it cannot be taken for granted. As Jennings notes, Trump's leadership is "increasingly bizarre".[11] He is right to point out that "the 2016 defence white paper shows that the current Plan B is even more of the alliance's Plan A".[12] Yet his Plan B offers little that is truly different in respect to the alliance or strategic planning.

At the core of Plan B is an argument for increasing the defence budget from its current rate of just under 2 per cent of GDP to somewhere between 3 and 4 per cent.[13] Jennings has also argued for a lift in personnel numbers from 58,000 to about 90,000. What would this money be spent on, and how would these personnel be used? Jennings advocates an enhanced conventional force including nuclear powered submarines, capable of long range operations. Richard Menhinick laments our lack of ability to "impose our will and deter adversaries at a distance across the Indo-Pacific".[14] Paul Dibb argues the need for

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10   John Howard, 'Address to the Asia Society, "Australia and Asia: An Enduring Engagement"', 8 May 1997, <pmtranscripts.pmc.gov.au/release/transcript-10335> [Accessed 22 October 2019].

11   Jennings, 'Trump Means We Need a Plan B for Defence'.

12   Ibid.

13   Ibid.

14   Richard Menhinick, 'Australia Must Double Defence Spending to Address Worsening Strategic Outlook', *The Strategist*, ASPI, 11 October 2018, <www.aspistrategist.org.au/australia-must-double-defence-spending-to-address-worsening-strategic-outlook/> [Accessed 21 October 2019].

a "radically new defence policy".[15] But there is nothing radical or new in the author of the 1987 Defence White Paper's call for a regional focus and self-reliance within the alliance.

It is notable that several advocates of a defence Plan B noted above envisage a force designed for forward operations with a strong emphasis on Sea Control. While Plan B is predicated on the idea that US leadership in the region cannot be taken for granted, it also appears to assume that the ADF will be deployed in areas of operation made secure by the United States and will continue to operate alongside US assets. Assuming that increased military spending and forward deployments will prove Canberra's mettle and worth as an ally to Washington is nothing new. It is a classic play from the Australian manual of alliance management echoing the era of Forward Defence.

Jennings also calls for the establishment of formal alliances with Britain, France and Japan. It is hard to see what advantage the first two would offer. One wonders if anyone remembers SEATO. As Mike Scrafton points out, an alliance with Japan is likely to provoke China.[16] Such an alliance might well risk entrapping Canberra in a Sino-Japanese conflict without offering any tangible benefit in return.

Some broader thinking on the Plan B proposal have come from Tony Milner who argues the importance of a "diplomatic and political strategy" as a driver of defence planning.[17] Mike Scrafton questions the assumption that Australia is materially capable of altering the course of events in the region. He points out that the mooted 3-4 per cent of GDP spent on defence translates roughly to an increase from 6 to 9 per cent in overall government spending for defence, something that it is unlikely to politically palatable.[18]

Another questionable assumption at the heart of most Plan B proposals is the idea that conventional military force can act as a credible deterrent against a nuclear power. When we consider that this may be taking place without the umbrella of US extended nuclear deterrence, the assumption becomes even more questionable. It is worth asking in what circumstances do we imagine a beefed up, but conventionally armed, forward deployed ADF operating against China without US support?

A more robust set of arguments is made by Hugh White and Rod Lyon. In White's 2019 book *How to Defend Australia*, he soberly makes the case that we ought to revisit a discussion last had in the early 1970s, and consider if the development of a nuclear weapons capability is in the national interest.[19] The fact that White is advocating the discussion, rather than championing nuclear acquisition, has to some extent been lost in the public discourse. Rod Lyon takes us a step back in a recent piece for ASPI in which he points out that the development of an indigenous nuclear weapons program would take at least 15 years and that it would be prudent for us to act now to minimise that lead time in order to be better placed to make the decision.[20]

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15   Dibb, 2018.

16   Mike Scrafton, 'Australia's Plan B: Increasing Defence Spending Will Only Provoke China', *The Strategist*, ASPI, 3 August 2018, <www.aspistrategist.org.au/planning-australias-plan-b-increasing-defence-spending-will-only-provoke-china/> [Accessed 22 October 2019].

17   Milner, 'Australia's Plan B: Time for Some Tough Realism'.

18   Scrafton, 'Australia's Plan B: Increasing Defence Spending Will Only Provoke China'.

19   Hugh White, *How to Defend Australia* (Carlton, Vic.: Black Inc., 2019), p. 231.

20   Rod Lyon, 'Should Australia Build Its Own Nuclear Arsenal?' *The Strategist*, ASPI, 24 October 2018, <www.aspistrategist.org.au/should-australia-build-its-own-nuclear-arsenal/> [Accessed 22 October 2019].

A sub-argument of some Plan B discussion has centred on Australia's perceived over exposure to the Chinese market. Dibb contends that Canberra should "consciously diversify (our) trade, investment, tourism and international student businesses with other countries. These should include Japan, South Korea, India, Vietnam and Indonesia—as well as Europe".[21]

Diversification is happening in niche areas such as defence related technology and rare earth minerals. This is sensible and will continue. However, broader divestment is both unrealistic and undesirable. While our tourism, education and resources sector will no doubt continue to seek out new markets, no single market or indeed combination of existing markets, is going to replace China from its dominant position in the foreseeable future.

It is Australia's dilemma that while it has become increasingly wary of China's growing power, and rightly regards a China that seeks to overturn the prevailing order as being contrary to its interests, a weak China is not in its interests either. Australia needs China to be rich in order to trade with us and to be constructively engaged in the global economy. It is now trade, and differing approaches to trade, that is emerging as a key point of difference between Canberra and Washington in their attitudes and approaches towards China.

The (Increasingly Hawkish) View from Washington

In a series of speeches over the last year or so, US Vice President Mike Pence and Secretary of State Mike Pompeo have laid out the prevailing Washington view on China. In a speech delivered at the 2018 APEC Summit in Port Moresby, Pence pledged Washington's commitment to a "free and open Indo Pacific" while ending what he characterised as an era of Chinese exploitation of the United States.[22] He expanded on these themes in remarks to the Wilson Centre in October 2019.[23] Here Pence lamented the failure of economic engagement in transforming China into a "free and open society". Although Pence explicitly rejected the idea of economic "decoupling" and denied that Washington seeks to contain Beijing, he made it clear that acceptable Chinese development is that which takes place on Washington's terms.

In an extraordinary speech to the Hudson Institute in the same month, Mike Pompeo characterised China as a "strategic competitor at best" and praised the Quadrilateral Security Dialogue as a mechanism for ensuring that it "retains only its proper place in the world".[24] In a more recent speech, Pompeo spoke of US "accommodation" of China that had been made in the hope that the country would become "more free, more market driven, and ultimately, hopefully more democratic".[25] Pompeo also appeared to question

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21 Dibb, 'Why We Need a Radically New Defence Strategy'.

22 Mike Pence, 'Vice President's remarks at the APEC CEO Summit, Port Moresby, Papua New Guinea', 16 November 2018, <www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-2018-apec-ceo-summit-port-moresby-papua-new-guinea/> [Accessed 23 October 2019].

23 Mike Pence, 'Vice President's remarks at the Fredric V. Malek Memorial Lecture', Washington DC, 24 October 2019, <www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-frederic-v-malek-memorial-lecture/> [Accessed 28 October 2019].

24 Mike Pompeo, 'Trump Administration Diplomacy: The Untold Story', Speech at Heritage Foundation President's Club Meeting, Washington DC, 22 October 2019, <www.state.gov/trump-administration-diplomacy-the-untold-story/> [Accessed 28 October 2019].

25 Mike Pompeo, 'The China Challenge', Speech at Hudson Institute's Herman Kahn Award Gala, New York, 30 October 2019, <www.state.gov/the-china-challenge/> [Accessed 31 October 2019].

the wisdom of Washington's decision to end its recognition of the Republic of China in the 1970s. This is a radical suggestion as it criticises the diplomacy that laid the foundations for a period of peace and prosperity that underwrote the final quarter of the twentieth century in Asia and greatly benefited the region, including Australia.

An American hope that economic engagement with China and China's integration into the global economy would in turn lead to political liberalisation and perhaps even the end of the CCP state is not new. It is after all an articulation of liberalism itself. According to liberalism, free markets and free societies are intrinsically linked. Some forty years since China began its market liberalisation, and thirty years since Tiananmen, Washington has apparently decided that the jury is in on Beijing's progress towards enlightenment. All this raises the question of what sort of China is acceptable to Washington. If the answer is only a democratic one, Australia is faced with a dilemma.

The View from Parliament House, Canberra

Traditionally there has been a broad consensus among Australia's political class in support of Plan A, with some differences on tone and prioritisation. ANZUS has certainly enjoyed long and strong bipartisan support, with opposition from the Left of the Australian Labor Party being confined to the fringe since the Hawke era.

The ANU academic Andrew Carr has made a thoughtful contribution to this under-examined area by pointing out that a strategic policy debate that is not contested in a political context is at risk of growing stale and that bipartisanship in this area is not necessarily a good thing.[26]

However, in the post–Plan A world of today the major differences that exist within the political class on strategic policy are more evident within the major parties than between them. So far, these differences are more pronounced around China than they are in relation to the American alliance, though events and Donald Trump could change this. Within the Liberal-National Party Government differences on China can be observed along portfolio lines. Trade Minister Simon Birmingham will emphasise the importance of China to Australia's economy, while Defence Minister Linda Reynolds and Foreign Minister Marise Payne will tend to focus on the challenge that China poses to the existing order.

These differences are far starker when we observe the Cabinet in contrast to the government's backbench. Here we find evidence of far more hawkish views on China. Of course, within our system it quite usual for backbench Members of Parliament (MP) to speak out on issues that concern them, even if this places them against the Cabinet. From time to time the back bench will exert real influence over the Cabinet. It is rare for this to happen on matters relating to Defence or Foreign Affairs. However, we now know that prominent backbenchers Tim Wilson and Andrew Hastie (among others) pressured the government to drop plans to sign an extradition treaty with China in 2017.[27]

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26 See Andrew Carr, 'I'm Here for an Argument: Why Bipartisanship on Security Makes Australia Less Safe', *The Australia Institute*, Canberra, August 2017, <www.tai.org.au/content/i%E2%80%99m-here-argument-why-bipartisanship-security-makes-australia-less-safe> [Accessed 22 October 2019].

27 David Crowe, 'China Test Looms for Australia over Hong Kong', *Sydney Morning Herald*, 5 October 2019, <www.smh.com.au/politics/federal/china-test-looms-for-australia-over-hong-kong-free-trade-agreement-20190905-p52ob0.html> [Accessed 22 October 2019].

More recently, Wilson has emerged as a vocal supporter of the rights of the people of Hong Kong. Hastie, often spoken of as a future party leader, has utilised his position as Chair of the Parliamentary Joint Committee on Intelligence and Security to raise his concerns over growing Chinese influence within Australian institutions.

Opposition attitudes are harder to assess. At the time of writing, the parliamentary Labor Party remains in state of disarray following its unexpected defeat in the May 2019 election. On one hand, Shadow Foreign Minister Penny Wong continues to map out sensible policy vision. At the same time, Shadow Defence Minister Richard Marles appears to be out of his depth. Opposition Leader Anthony Albanese has said little on strategic policy thus far.

So far, we have seen little real disagreement either within or between the major parties on the alliance. Differences have been internal and have tended to focus on Trump and the apparent dysfunction of his White House. The hollowing out of the State Department and management issues within the Pentagon have also been causes for concern. A second Trump term, or some disagreement that places us in divergence with him, could bring those differences into focus.

Canberra's Trump strategy has been to personalise the relationship to a high degree. We have done this ever since we used golfing legend Greg Norman as an intermediary. As Director of the Lowy Institute Michael Fullilove has noted, Trump "likes people who like him".[28] In this spirit, we have used the '100 years of mateship' campaign to socialise Trump into the history of the alliance and liberally applied flattery to lubricate the process.

It is a potentially high reward, but also very high risk approach. So far, the rewards have been more apparent. Australia is now one of few liberal western nations to be on truly good terms with the Trump administration. Australia was exempted from steel tariffs in 2018. To continue the metallic theme, Prime Minister Morrison was recently celebrated at the White House as a "man of titanium".[29] But beneath all the bonhomie and talk of the second century of mateship the points of difference are apparent. Recently, US Ambassador Arthur Culvahouse gave a speech urging Australia to display more confidence and suggested that taking part in freedom of navigation operations in the South China Sea might be an ideal way to do so.[30] The invitation was not taken up by the Morrison government. The government was also quick to end speculation that it would agree to host US intermediate range ballistic missiles (IRBMs).

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28 Michael Fullilove quoted in Matthew Knott, 'Why Scott Morrison's Dinner with Trump is a Diplomatic Victory', *Sydney Morning Herald*, 20 September 2019, <www.smh.com.au/world/north-america/why-scott-morrison-s-dinner-with-donald-trump-is-a-diplomatic-victory-20190920-p52t65.html> [Accessed 22 October 2019].

29 David Crowe, 'Trump Lauds Scott Morrison as a "Man of Titanium"' *The Sydney Morning Herald*, 21 September 2019, <www.smh.com.au/politics/federal/donald-trump-lauds-scott-morrison-as-a-man-of-titanium-20190921-p52tio.html> [Accessed 22 October 2019].

30 Phillip Coorey, 'Show Backbone against China or Risk New Cold War: US Ambassador', *Australian Financial Review*, 14 September 2019, <www.afr.com/politics/federal/stand-up-to-china-or-risk-cold-war-20190912-p52qsp>

A risk for Canberra may be that Trump feels he has made certain allowances for Australia over tariff exemptions and matters such as the so-called 'people swap deal' and that he is therefore owed favours in kind. We possibly saw something of this thinking when Trump reportedly requested that Canberra assist in the investigation by US Attorney-General William Barr into the Mueller inquiry.[31] However, this request is very little in terms of what might be asked.

The Prime Minister's Dilemma

At the centre of all this sits the Prime Minister himself. To a large degree, it his view, more than any other single view that matters. The views which he chooses to listen to are consequently of great importance. On the surface, Scott Morrison is a values driven man. He recently spoke strongly on the plight of the persecuted Uighur people within China. Yet a closer examination of the Prime Minister, particularly a reading of his speeches, suggests something more pragmatic. There can be no doubt of Morrison's commitment to ANZUS. Indeed, his emotional attachment to its ideal and the history behind it appears strong. However, Morrison also speaks unapologetically of the benefits to Australia of a strong trade relationship with China.[32]

Like Menzies before him, Morrison appears to think of Australia's "Great and Powerful Friends" in the plural. Though unlike Menzies, Morrison's embrace is broad enough to include a range of regional partners as diverse as the United States, Indonesia, Japan and China.[33] Morrison's dilemma is that some ten years or so since Plan A lapsed he has inherited a situation in which he is reacting to events without much in the way of a strategic framework. And he is doing so at a time when Canberra's great security ally and its major trading partner are increasingly opposed and increasingly demanding of it. Australia has long attempted to avoid 'choosing' between Washington and Beijing because it is essentially the choice between security and prosperity. It now finds itself making choices on a daily basis.

Advocates of a Plan B for defence would do well to recall that Morrison was Treasurer before becoming Prime Minister. Of the many departments jostling for his ear, it is invariably Treasury which he listens to first and last. Money is after all the alpha and omega of the policy process. Although we may question the necessity of reaching and maintaining a budget surplus, we would be foolish to dismiss the importance which the government places on it. They believe that their delivery of, an albeit, small surplus ahead of the election was central to their victory and that the loss of that surplus will likely mean the loss of the next election. They are therefore unlikely to adopt policies that would do this. Nor are they likely to raise taxes, even in areas as broadly popular as defence.

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31 Jacob Greber and Phillip Coorey, 'Morrison Confirms Trump Call, "Readiness" to Help with Mueller Probe', *Australian Financial Review*, 1 October 2019, <www.afr.com/world/north-america/trump-pressed-morrison-in-call-over-australia-s-mueller-probe-links-20191001-p52wfj> [Accessed 22 October 2019].

32 Scott Morrison, 'Speech: McCormick Foundation', Chicago, 23 September 2019, <www.pm.gov.au/media/chicago-council-global-affairs> [Accessed 22 October 2019].

33 Ibid.

Conclusion

A renewed approach to Australian strategic planning is necessary after more than a decade of drift. However, such an approach must not limit itself to defence, with a focus solely on capability, without a firm understanding of the strategic purpose of those capabilities. A renewed approach to strategic planning must also include foreign policy and the proper resourcing of diplomacy. It must include trade and the recognition that free trade is not only vital to prosperity but fuses interests and promotes peace. It will require policymakers to make difficult decisions on budgeting and resource allocation. All this demands that Canberra addresses the core assumptions on which it makes strategic planning assessments. Inevitably this will mean addressing hard truths and questions of prioritisation. Sir Arthur Tange is well known for saying "until you're talking dollars, you're not talking strategy". We should not lose sight of this. However, strategy is also about ends. It concerns means as a method of obtaining them. A frank assessment of Canberra's desired strategic ends in a landscape that was already changing when Donald Trump was a mere reality TV star, must be the basis of any Plan B.

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Is Australia's Defence Policy Right for the Times?

Rita Parker

This paper seeks to identify some of strategic issues that need to be considered in reassessing Australia's defence policy. While past Defence White Papers identified several such issues, these need to be re-evaluated in the context of a dynamic and complex global strategic environment. This will enable policymakers to ensure that defence policy is relevant to the future geostrategic environment and that Australia's defence forces are sufficiently prepared for contemporary and future challenges. Currently defence policy reflects a degree of institutional bias founded on past force structure models based on Cold War precepts and a war-fighting basis. There is a pressing imperative for defence policy to be reframed to reflect the way conflict has changed, factors that have influenced that change, and the resulting contemporary non-geographic transnational security challenges that often arise from non-military sources.

Security policy in the twenty-first century has altered, partly because the nature of conflict has changed. Competition between the United States and China, Russia's activities in and since its annexation of Crimea, North Korea's refusal to abandon its nuclear program, the Syrian conflict—its humanitarian crisis and shifting power alliances—grey-zone conflicts, and actions by non-state actors all highlight that the notion of security has changed. Security is no longer confined to the conventional military dimension of a nation-state and inter-state relations or confined to strategic balance of power issues. The situation is further compounded by complex trade relationships and dependencies, energy supplies and vulnerabilities, new complex non-geographic threats, as well as changes in the population mix due to regular and irregular migration flows, infectious diseases and the fragility of nation-states. Large numbers of displaced people are driven by conflict, climate change and natural disasters that affect food and water supplies as well as secure places to live.[1] Many of these issues also affect and shape the geostrategic environment and the operational space of Australia's defence personnel. All of these factors underscore the challenges for defence policymakers and the need to improve Australia's defence preparation, as well as the imperative to reassess the strategic underpinning of the 2016 Defence White Paper, its strategic defence interests and objectives.

Wars were generally short during the eighteenth and nineteenth centuries—they lasted only for about two years between the declaration of war and the signing of the peace treaty.[2] There were further changes in the nature of conflict following the experience of the two world wars. Cross-border wars were primarily a "small- or medium-power activity",[3] which meant the attention of great powers was focused on other types of

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1   Rita Parker, 'Unregulated Population Migration and Other Future Drivers of Instability in the Pacific', Analysis, Lowy Institute, 13 July 2018, <www.lowyinstitute.org/publications/unregulated-population-migration-and-other-future-drivers-instability-pacific>.

2   Stephen E. Sachs, 'The Changing Definition of Security', 2003, <www.stevesachs.com/papers/paper_security.html>

3   K. J. Holsti, *The State, War, and the State of War* (Cambridge: Cambridge University Press, 1996), p. 25.

conflicts. In the period from 1946 to 1991 there was political discord, military tension and a series of proxy wars—where third parties were substitutes for opposing powers fighting each other directly.

The Cold War period involved several conflicts, the most notable were the Berlin Blockade in the late 1940s (1948–49), the Korean War in the 1950s (1950–53), and in the 1960s there was the Berlin Crisis (1961) and the Cuban Missile Crisis (1962). The Vietnam or 'American' War, as it is known in Vietnam, which lasted sixteen years to 1975, was followed in 1979 by the Soviet War in Afghanistan which lasted a decade. During the Cold War period Australian defence forces were involved in several conflicts at the behest of Australia's allies. These included the Korean War (1950-53), the Malayan Emergency (1950-60), the Borneo Confrontation (1962-66), the Vietnam War (1965-73) and the Gulf War (1990-91).

Most of the armed conflicts during the Cold War period were between states; by contrast, since 1989 the majority of conflicts have been internal.[4] During the Cold War period there were enemy states and errant leaders. Hostile states were often treated from a realist's perspective as rational actors who could, sometimes, be dissuaded from hostile intent through explicit deterrence measures. It was a period in which game theory, brinkmanship and nuclear strategy were at the forefront of much decision-making. During this time, wars were often conducted 'unofficially'; that is, without formal declarations of their beginning or end, such as the Greek civil war in the late 1940s. Other conflicts could be described as a war in all but name, such as in Northern Ireland which lasted for decades until the historic Good Friday Agreement in 1998.[5]

With the break-up of the Soviet Union at the end of the twentieth century, the political and intellectual climate changed[6] but many policy analysts, scholars and security specialists were uncertain how to interpret the consequences of change. The geostrategic environment could no longer solely be defined in terms of sovereignty or territorial defence. The growing range of issues included within the security agenda challenged the traditional realist concept of security and compelled development of a different perspective to view and to frame the security environment to take account of ongoing change.[7] This included analysis of security in the context of public policy and, separately, the reshaping and reframing of national security policy with implications not only for security policy but also for defence policy, its force structure, and capabilities. At the end of the last century, this debate was characterised as "a contest between traditionalists, who would like to maintain the field's focus on military conflict, and 'wideners' who believe that security in the modern world involves economic, environmental, and social issues as much as guns and bombs".[8] Since that time, there has been a greater awareness of the imperative to accept that security encompasses wider issues and it is not just about great power rivalry

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4   A. Dupont, *East Asia Imperilled* (Cambridge: Cambridge University Press, 2001).

5   The Good Friday Agreement 1998 (also called the Belfast Agreement) established a devolved power-sharing administration, and created new institutions for cross-border cooperation and structures for improved relations between the British and Irish governments.

6   P. J. Katzenstein (ed.), *The Culture of National Security: Norms and Identity in World Politics* (New York: Columbia University Press, 1996), pp. 8-9.

7   D. Caldwell and J. R. E. Williams, *Seeking Security in an Insecure World* (Maryland: Rowman & Littlefield Publishers, 2006), pp. 8-10.

8   B. Finel, 'What is Security? Why the Debate Matters', *National Security Studies Quarterly*, vol. 4, no. 4 (1999), pp. 1-18.

and military conflict. But there remain elements of institutional resistance that influence defence policy and associated spending through a prism based on military dominance focused on conflict and war scenarios within a national security context.

A New Cold War?

In recent times the notion of a return to the Cold War era or 'new' Cold War has surfaced. While this might be a form of shorthand to refer to posturing by certain nation-states and their bellicose leaders, it does not reflect those times which were a period of tense nuclear stand-offs, proxy wars, internal repression and which were ideologically grounded— basically communism versus democracy.

Conflict continues in Afghanistan with an increased mix of actors, and Russia and China have both behaved in a much more assertive and threatening manner in recent years. Yet their behaviour, the ongoing Afghan conflict and the humanitarian tragedy in Syria do not constitute a return to the great power clash of the Second World War or subsequent existential risks of the Cold War period. Nor do they reflect the reality of today's geostrategic environment. Talk of a new Cold War and that way of thinking is "imprecise at best, dangerous at worst".[9]

Our world is vastly different from the Cold War of the last century. Today, there is no single 'threat', instead the threat is multidimensional. The strategic order and the nature of conflict have changed, the world is a place of geostrategic complexity and dynamic change, and globalisation underscores that such changes occur in an interlinked way. This is not to diminish the challenges posed by China's global economic ambition and expanding soft power or Russia's influence over its neighbours, its engagement with the West and involvement in regional conflicts, but to highlight that other factors and actors require attention.

Also, Australia and its role are vastly different now from that of the Cold War era of last century. Such differences need to be reflected and strengthened in Australia's defence policies; the shift in priorities by Australia's allies also must be recognised. For example, the concept of securing allied support through the contribution of armed forces has long endured within Australia's strategic thinking and been reflected in past Defence White Papers. But this support can no longer be guaranteed and any such future contributions by Australia must be reassessed critically and objectively. The shift in priorities by Australia's most prominent ally is set out in US Defense policy regarding the Indo-Pacific.[10] To some extent that policy document is based on the former US administration's 'pivot' or 'rebalance' to Asia initiated by President Obama. Of particular significance is that the policy also emphasises a change in relationship by the United States with its allies. It highlights burden-sharing in the pursuit of Indo-Pacific security noting "the U.S. offers strategic partnerships, not strategic dependence".

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9   Michael E. O'Hanlon and Sean Zeigler, 'Order From Chaos: No We Aren't on the Brink of a New Cold War with Russia and China', Brookings Institution, 2019, <www.brookings.edu/blog/order-from-chaos/2019/07/13/no-we-arent-on-the-brink-of-a-new-cold-war-with-russia-and-china/>.

10   US Department of Defense, *Indo-Pacific Strategy Report*, RefID: 0-1C9F36A, Washington DC, 1 June 2019.

Shifting Norms

In the twenty-first century, evolving transnational norms demand a broader conceptual framework than that offered by the realist definition of security which by itself is too limited to analyse or assess novel security issues. Further, the realist approach does not allow for appropriate consideration of gender or human rights perspectives which are relevant to critical security. Much of Australia's defence policy has been based on the realist approach which favours a military perspective and accompanying big spend on equipment. Notwithstanding that Australia is committed to maintaining a credible hard power deterrent, a narrow realist approach is not a justifiable basis to analyse risks and threats in the geostrategic environment faced by Australia today.

Institutional norms and assumptions have been based on what our ancestral history has prepared us to fear: what we cannot control; the immediate; and what is most readily available in memory.[11] If this continues as the foundational basis for security and defence policy, it means that in the current and future geostrategic environment Australia is at risk of selecting particular risks for attention with the result that some risks are "exaggerated or minimised according to the social, cultural, and moral acceptability of the underlying activities".[12] In the past, those underlying activities were the ones that suited preconceived notions about security policy that preferenced defence capabilities and equipment. That approach is not relevant for any planning about future capabilities and force structure because it does not include sufficient capacity to deal with contemporary transnational security challenges and non-geographic threats that fall outside conventional war fighting doctrine.

As subnational agencies, Australia's defence organisations effectively use soft power rather than relying solely on coercive means. Australia's defence forces have a well-established reputation regarding the work done, particularly in military to military education and training, the provision of humanitarian aid and disaster relief, and its peacekeeping efforts. But within an institutional defence context, these roles are not generally seen as 'core' business. This bias needs to be counteracted so that appropriate weighting is given to these important activities that enhance Australia's ability to influence.

Australia's defence forces have become and continue to be involved in these 'soft' or tangential areas. Correspondingly, there has also been a shift in norms where the use of military hard power and their coercive effects have also been applied outside state-on-state conflict. Such hard power has been utilised in areas outside traditional military engagement to achieve political objectives, such as irregular migration.

Irregular Migration

For several decades irregular population migration has been increasingly identified as a security issue for Australia and used for political leverage. Since the beginning of the twenty-first century, irregular population migration has incrementally shifted from a domestic policy issue and been reframed as one of national security and sovereign defence, resulting in

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11   D. G. Myers, 'Do We Fear the Right Things?', *APS Observer*, vol. 14, no. 1 (2011).

12   V. T. Covello, 'The Social and Cultural Construction of Risk: Issues, Methods, and Case Studies', in B. B. Johnson and V. T. Covello (eds), *The Social and Cultural Construction of Risk* (Dordrecht: D. Reidel Publishing Co., 1987).

the involvement of military personnel and equipment. In 2001 the Australian Government introduced its Border Protection Act, the Prime Minister arguing that the legislation was focused not only on preventing refugees entering Australian territorial waters but also on protection of sovereignty. In support of his argument, Prime Minister Howard stated, in part, that the legislation was "essential to the maintenance of Australian sovereignty, including our sovereign right to determine who will enter and reside in Australia".[13] Although the Bill was defeated and the Opposition challenged the government's approach, which it described as alarmist, the government of the day framed the issue in a way that both responded to, and played on, public perceptions of uncertainty and fear of asylum seekers. That fear was generated by the events which preceded the proposed legislation with the rescue of asylum-seekers by a Norwegian cargo ship, the *Tampa*, in late August 2001. In the subsequent months leading up to the Australian federal election in November 2001, the government continued to exploit and to frame the subjective perceptions of risk and uncertainty associated with prospective asylum seekers. The statement "we will decide who comes to this country and the circumstances in which they come",[14] was used by Prime Minister Howard in his election campaign launch speech and it was a main campaign platform for the government, which was subsequently re-elected.

The apparent success of framing the issue of refugees and asylum seekers in this way was used again in the lead-up to the 2013 federal election. Then Leader of the Opposition, the Hon Tony Abbott, announced sweeping plans to fast-track the deportation of unsuccessful asylum seekers and declared, "this is our country and we determine who comes here. That was the position under the last Coalition government, that will be the position under any future Coalition government".[15] The Coalition was duly elected to government by framing the issue as a security one which demanded military involvement as part of the response to the perceived threat. The elected government subsequently introduced 'Operation Sovereign Borders'—a military-run, border security operation led by a three-star general aimed at stopping maritime arrivals of asylum seekers to Australia.[16]

This example demonstrates the way perceptions of risk, together with risk's implied uncertainty and association with threat, are influencing factors that shape public policy across a spectrum of issues including broader security ones. It also demonstrates the way in which certain risks are downplayed while other perceived risks are emphasised as a means of maintaining and controlling the group—in this case, the voting public. Further, it demonstrates the way an issue is reframed from a domestic policy one to a security one, and then reframed further to demand military involvement. Such reframing in 2013 held implications for the future role of the military and associated defence capabilities and force structure. Today, Australian military forces and other agencies continue to be involved in migration issues because it has been framed as a defence and security matter. Indeed, the 2016 Defence White Paper used 'Operation Sovereign Borders' as a platform to acquire more offshore patrol vessels for its maritime surveillance capabilities including manned and unmanned aircraft.[17]

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13   John Howard, *Commonwealth Parliamentary Debates*, House of Representatives, Canberra, 29 August 2001, p. 30570.

14   John Howard, *Election Policy Launch Speech: John Howard, Prime Minister*, delivered on 28 October 2001, in Sydney, NSW, p. 9.

15   Tony Abbott, Press Conference Statement, Liberal Party headquarters, Melbourne, 16 August 2013.

16   Department of Home Affairs, 'Operation Sovereign Borders', n.d., <osb.homeaffairs.gov.au/>.

17   Department of Defence, *2016 Defence White Paper* (Canberra: Commonwealth of Australia, 2016), pp. 53-54.

Framing

The framing process is a critical, if invisible, element of the policy process influenced by several different actors and changing variables, and it is particularly important in the development and implementation of security and defence policies. The way issues are framed and reframed is not value-neutral; rather, the way an issue is framed reflects cultural contexts and the socio-political construction of security issues. The way issues are framed can also change because there is rarely just one way of stating a problem, examining it, or working out its resolution—although governments are often reluctant to consider options that do not support or promote their political agenda.

The policy and security environments since the end of the Cold War have been reframed, and that has led to the development of different ways to analyse defence and security. This reframing extends to overarching global and national security policy where security, economics, trade, technology and human rights are interwoven, and which influence and shape Australia's geostrategic environment. But the way these issues are weighted often reflects inherent biases that are perpetuated in government policies.

The framing of risks, threats, problems, their causes, and potential solutions is of vital importance in policy decision-making. Australia's defence personnel are well versed in risk analysis, using it daily to assess every aspect of procedural, tactical and operational engagement and in other areas of their responsibilities. Yet, within a policy context oversimplification and mischaracterisation can lead to poor quality policy.[18] The equal weighting of the three Strategic Defence Objectives set out in the 2016 Defence White Paper could be cited as such an example. Those objectives do not adequately reflect the risks and threats posed by new, complex non-geographic security challenges arising from non-state actors or from non-human sources.

An added challenge found in inherent bias is that risks and threats can be framed to fit a set of predetermined constructs or issues—including institutional concepts of force structure and capability. This is particularly evident when past actions and institutional biases lean towards continuing the status quo. For example, in the past, the military dimension was used to differentiate between defence and security activities. In many instances that approach continues to be used to distinguish between perceived traditional risks and threats and those arising from contemporary non-traditional sources. Yet that distinction is not always mutually exclusive as demonstrated through the military-led border security operation where irregular migration is being addressed with a military response.

Infectious Diseases

The use of rape in war to spread infectious disease links a non-traditional security issue—infectious disease—with a traditional security issue—war. This reframing was recognised by the United Nations Security Council which voted unanimously for a resolution describing rape as a tactic of war and a threat to international security.[19]

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18 Adam Gorlick, 'Is Crime a Virus or a Beast? When Describing Crime, Stanford Study Shows the Word You Pick Can Frame the Debate on How to Fight It', *Stanford Report,* Stanford University, 23 February 2011, <news.stanford.edu/news/2011/february/metaphors-crime-study-022311.html>.

19 United Nations Human Rights Office of the Commissioner, 'Rape: Weapon of War', n.d., <www.ohchr.org/en/newsevents/pages/rapeweaponwar.aspx>.

This example further demonstrates an important distinction about global and national security today which has been reframed to include non-traditional contemporary risks and threats of a transnational nature—namely, infectious diseases. Such shifts in focus at a global level hold implications for defence priorities and its spending at a national level.

The nexus between disease and security is founded in the relationship between disease and warfare.[20] Disease among armies has long been a contributing factor to military outcomes,[21] and warfare has contributed to the spread of disease. Infectious diseases have the potential to be existential risks to a nation-state and the well-being of its civil-society and therefore affect the levels of resilience and human security. Australian defence policy does, to some extent, recognise the significance of risks arising from non-human sources, such as infectious diseases, but usually in the context of the effect of health on military success. For example, discoveries made near the turn of the twentieth century, including the tracing of the natural history of diseases such as yellow fever and malaria were studied initially in an effort to protect military forces.[22]

The end of the twentieth century saw increased momentum to reframe infectious diseases from purely public health issues to those of security concern. These related to the spread of new and existing infectious diseases, the continued growth of the HIV/AIDS pandemic, and bioterrorism. It has been argued that three viruses—HIV, SARS and H5N1—have "done most over the past decade to place infectious disease issues firmly on the international security agenda".[23] Infectious diseases do not recognise sovereign borders and a traditional military response would be futile. These factors and others were relevant and continue to be relevant to defence personnel and demand explicit action within future defence policy.

While the inclusion of non-traditional risks and threats may not suit those commentators and proponents eager to engage in a quasi-Cold War scenario, it is a more accurate reflection of the contemporary geostrategic environment. Today's scenario is one where Australia's future defence must work on the assumption that it will have to do more for its own security—including dealing with contemporary transnational risks and threats which were referred to as "problems without passports" by former UN Secretary-General Kofi Annan.[24] In the current and future geostrategic environment, Australia as a middle power, has a role to play supporting its Indo-Pacific partners and neighbours to maintain security and harmony in the region by addressing these problems directly. This also includes maintaining democratic principles and the rules based international order. This scenario which includes contemporary security challenges does not necessarily equate to, or indeed justify, the purchase of more military equipment.

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20   M. R. Smallman-Raynor and A. D. Cliff, 'Impact of Infectious Diseases on War', *Infectious Disease Clinics of North America*, vol. 18, no. 2 (2004), pp. 341-68.

21   R. A. Gabriel and K. S. Metz, *A History of Military Medicine*, 2 vols (New York: Greenwood Publishing Group, 1992).

22   G. Berlinguer, 'The Interchange of Disease and Health Between the Old and New Worlds', *American Journal of Public Health*, vol. 82 (October 1992), pp. 1407-13.

23   S. Elbe, 'Pandemics on the Radar Screen: Health security, Infectious Disease and the Medicalisation of Insecurity', *Political Studies*, vol. 59, no. 44 (2011), pp. 848-66.

24   Kofi A. Annan, 'Problems Without Passports', *Foreign Policy* Special Report, 9 November 2009, <foreignpolicy.com/2009/11/09/problems-without-passports/>.

Climate Change

Among the most pressing challenges that have security as well as social, economic and political implications is climate change. It also has global, regional and national consequences that affect Australia, including its ability to exert influence and shape the region. Climate change is a strategic issue that must be a critical factor in reassessing Australia's defence and security policies in the context of its geostrategic position and relationships with neighbours and allies.

The 2018 Pacific Islands Forum's Boe Declaration on Regional Security[25] identified climate change as the number one existential threat to the region, yet Australia has yet to acknowledge explicitly or consistently that climate change and Australia's national security are inextricably linked. As a result, Australia has a diminished reputation globally, and particularly in the Indo-Pacific region because of perceived climate change inaction, and this is reflected in the strained relationships with its regional neighbours.

Australia has recognised, but has not always acted on, climate change as a threat multiplier notwithstanding that there have been occasional reference and some public policy rhetoric about climate change in past Defence White Papers. In 2007 Chief of Defence Force, Air Chief Marshal Angus Houston, noted that the Australian Defence Force faced security challenges that it had not previously considered, naming climate change as one such challenge.[26] This was at a time when the United Nations Security Council held its first debate on the impact of climate change on peace and security. Over fifty delegates spoke on the issue including a representative from the Pacific Islands Forum who noted that the Pacific Islands were already impacted by climate change citing the example of Cyclone Heta that had left one-fifth of the population of Niue homeless in 2004.[27]

The 2009 Defence White Paper optimistically mentioned that the likely strategic consequences of climate change would not be felt until 2030. Consequently, the White Paper did not include explicit policy action. The 2013 Defence White Paper was widely regarded as a continuation of the 2009 Defence White Paper, while the National Security Strategy 2013 noted climate change was part of "broader global challenges with national security implications".[28]

There was some progress in the subsequent 2016 Defence White Paper; it acknowledged climate change related disaster relief will increase demand on Defence resources particularly in the area of humanitarian assistance and disaster relief (HADR), but this was set within the context that the force is not structured around such tasks. That is, HADR is not identified as core business for the ADF because its primary role is conducting military operations. It is noteworthy that in August 2018, the Australian Chief of Army,

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25 Pacific Islands Forum Secretariat, *Boe Declaration on Regional Security*, 2018, at <www.forumsec.org/boe-declaration-on-regional-security/>.

26 A. Houston, Speech to RUSI Conference, 16 May 2007. Media Release CPA 70515/07 Department of Defence, 2007-05-16.

27 United Nations Security Council, 'Security Council Holds First-Ever Debate on Impact of Climate Change on Peace, Security, Hearing over 50 Speakers', Press Release, SC/9000, 17 April 2007, <www.un.org/press/en/2007/sc9000.doc.htm>.

28 Department of the Prime Minister and Cabinet, *Strong and Secure: A Strategy for Australia's National Security* (Canberra: Commonwealth of Australia, 2013).

Lieutenant General Rick Burr, issued his futures statement entitled 'Accelerate Warfare'[29] focused on how the Army should prepare for war.[30]

The 2016 White Paper identified the risk that climate change would drive natural disasters and political instability in the Pacific. It further acknowledged that a rise in global temperatures would likely put more pressure on the Australian Defence Force's ability to respond. While HADR is not warfare, it can be argued that HADR responses contribute to Australia's strategic environment which is subject to natural disasters—with associated food and water shortages and displaced people urgently in need of assistance. As the Indo-Pacific region is one of the worst affected by natural disasters, the capacity to respond to regional disasters is a key role in how Australia influences the region. This is of particular importance given the increased attention the Indo-Pacific region is receiving from other nation-states and from non-state actors. There are implications for Australia, including its ability to provide support and aid during times of duress for its neighbours. These developments in the Indo-Pacific are of key strategic importance to Australia and are compounded because the region is among the worst affected both directly and indirectly by climate change. As such, Australia has the opportunity to extend its existing activities and engagement to support its regional neighbours.

Australia itself is experiencing increased climate related natural disasters in the form of cyclones, bushfires and flooding. As the numbers of disasters increase, so does the number of disaster relief missions that are likely to involve the Australian Defence Force. In fact, there have been occasion when more defence personnel have been deployed to assist with disaster relief missions than deployed at its height to Afghanistan. For example, Australia despatched 1,000 troops to support Operation Fiji Assist in 2016, about 1,600 to help after Cyclone Debbie hit Queensland in 2017, and almost 3,000 to help North Queensland clean up after floods in early 2019.[31] But, HADR is not seen as core business within defence and security policies although its effect is extensive.

Climate change itself does not cause conflict, yet extreme weather damage to electricity transmission infrastructure, transportation, communication and offshore installations not only impact affected communities but also are areas where Australia's defence and security are vulnerable. Climate change also puts pressure on natural resources which are critical to human survival. Food and water become scarce, basic health and shelter are jeopardised, populations migrate in search of safety and security, and conflict can occur as people struggle for limited resources. Such factors can drive political, economic, trade and cultural instability.

As noted above, climate change can act as a threat multiplier and can lead to transnational security risks and threats. It is directly linked to drivers of instability and strains already weak institutions, undermining post-conflict recovery and peacebuilding efforts[32].

29 Chief of Army, 'Accelerated Warfare: Futures Statement', *Army*, statement released 8 August 2018, <www.army.gov.au/our-work/from-the-chief-of-army/accelerated-warfare>.

30 Zac von Bertouch, 'Humanitarian Assistance and Disaster Relief: Trialling Accelerated Warfare Part 1', Army, 2 April 2019, <www.army.gov.au/our-future/blog/strategy/humanitarian-assistance-and-disaster-relief-trialling-accelerated-warfare>.

31 Pat Conroy, 'Climate Change is a National Security Issue', *The Interpreter*, Lowy Institute, 7 August 2019, <www.lowyinstitute.org/the-interpreter/climate-change-national-security-issue>.

32 C. Barrie, 'Climate Change Poses a "Direct Threat" to Australia's National Security. It Must Be a Political Priority', *The Conversation*, 8 October 2019, <theconversation.com/climate-change-poses-a-direct-threat-to-australias-national-security-it-must-be-a-political-priority-123264>.

While there has been some acknowledgement in the 2016 Defence White Paper of some effects of climate change, more explicit recognition of the risks associated with climate change is imperative. These factors need to be central considerations of future defence policy.

Problems without Passports

The 2016 Defence White Paper recognises that Australia's first basic strategic Defence Interest could be subject to "unexpected shocks, whether natural or man-made" and there is a need to be resilient to them. While the supporting Strategic Defence Objective notes terrorism in its various forms, other types of natural and man-made risks and threats are not identified.[33]

Contemporary security challenges can take several different forms: they are transnational in effect; often occur with short lead-times; and their effects are not always immediate. Consequently, they are "more intimidating than the traditional ones",[34] and generally negate the use of a traditional military response. Many such issues can move along a continuum from one requiring priority attention to a tipping point where they become a matter of security concern and subsequent drivers of instability. This stretches the options available to deal with these forms of risks and threats, and it challenges the effectiveness of traditional decision-making and the role of defence personnel and resources. Transnational risks and threats are novel in the way they are perceived and therefore framed and treated as issues requiring security attention by nation-states and international institutions.[35]

Myriad issues have been identified under the broad umbrella of transnational challenges to security, and to a large extent they reflect and have been framed by the changing geopolitical environment. Changing environmental and climatic conditions, disaster management, food and water scarcity, unreliable energy, and the spread of infectious diseases can all contribute to instability and conflict. Other factors include man-made stresses such as civil conflict, fragile and unstable governments, growing interest from external actors, and organised crime. Where several factors converge, they act as a multiplier causing instability among nation-states as affected populations seek other sources of food, resources, stability or safety.[36] All these factors must be included as part of any strategic analysis of Australia's operational environment.

In policy terms, contemporary transnational non-traditional security challenges tend to be considered as outlier issues that do not demand immediate policy attention. However, such issues do not occur in isolation, instead they are interconnected and demand attention in future defence policies. In a region like the Indo-Pacific, a lack of understanding of the interrelationships of specific drivers of instability can lead to poorly constructed policy responses and wasted resources.

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33 Department of Defence, *2016 Defence White Paper* (Canberra: Commonwealth of Australia, 2016), pp. 69-73 paras 3.6-3.19.

34 S. Chaudhuri, *Defining Non-Traditional Security Threats* (New Delhi: Global India Foundation, 2011).

35 D. Caldwell and R. E. Williams, *Seeking Security in an Insecure World* (MD: Rowman & Littlefield Publishers, 2006).

36 Parker,' Unregulated Population Migration'.

As noted above, many contemporary risks and threats arise from non-military sources; that is, non-state actors and non-human sources. Identification of the source of a contemporary non-traditional security threat or risk in this way distinguishes it from traditional ones—which are usually responded to militarily—and this helps to clarify the target or referent object. Many of these threats such as terrorism and cyber-attacks by non-state actors threaten a nation's sovereignty. For countries like Australia, these are real threats to the liberal democratic model and rules based international order. But these transnational threats are not in a mould best suited to a traditional military response. Instead, to address these issues Australia needs to reconsider a whole-of-government approach that will support it playing a stronger leadership role in the region, without relying on the US alliance to effect action against contemporary security challenges. Addressing these issues is more relevant to Australia's future strategic role as a middle power than attempts to become involved in a pseudo-Cold War environment at the behest of traditional allies.

Conclusion

As noted at the outset, security policy has changed from the Cold War era of the last century and so too has Australia's role. It is now a middle power in a strategically significant part of the globe. As noted by the Minister for Defence, Senator the Hon Linda Reynolds, "the Indo-Pacific is dynamic, evolving, growing, prospering. It is at the heart of the global economy. It is home to more than half the world's population". She also noted that while the opportunities are great, so are the challenges that have "brought uncertainty and complexity to our region".[37] There are now more challenges arising from non-state actors such as terrorism and violent extremism, and attempts by non-state actors to undermine sovereign interests have become more prominent as the century progresses. Transnational issues that do not recognise sovereign borders such as infectious diseases and irregular population migration also present geostrategic challenges. Actions by state actors operating in the Indo-Pacific also now require Australia to manage growing strategic competition for influence where democracy and the rules based international order are being challenged.

Australia's contested strategic environment requires different thinking and ways to address and counter challenges arising from non-state actors and natural sources. As noted by the Minister for Defence, "The Indo-Pacific is being contested in ways that go well beyond the conventional military terms".[38] While Australia is committed to maintaining a credible hard power deterrent, its future defence policies need to reflect that hard power is not always the most appropriate response for all future challenges, particularly those arising from non-state actors, nature, and complex high-tech conflicts.

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37 Linda Reynolds, 'ASPI-FPCI 1.5 Track Dialogue 2019', Speech by Minister for Defence, 23 July 2019, Department of Defence, <www.minister.defence.gov.au/minister/lreynolds/speeches/aspi-fpci-15-track-dialogue-2019>.

38 Linda Reynolds, 'Keynote Address, Hudson Institute, Washington DC', 2 November 2019, Department of Defence, Canberra, <www.minister.defence.gov.au/minister/lreynolds/transcripts/keynote-address-hudson-institute-washington-dc-0>.

Defence policies also need to reflect accurately the changing nature of alliances, particularly relating to developments of strategic concern in the region, as well as the concerns of neighbours and partners in the region. Explicit account of regional sovereign aspirations and interests is vital for Australia's ongoing relationships and future in the region. Australia's future defence must be based on the assumption that it will have to do more for its own security based on strategic partnerships including with regional neighbours.

To meet the contemporary and likely future geostrategic environment, it is imperative that future policies address entrenched institutional norms and assumptions that have previously shaped past capability investment. To some extent these inherent and often unintentional biases continue to frame policy formation and perceptions of the appropriate future role of Australia. There is an urgent need for an integrated and strategic perspective to achieve comprehensive and cohesive policymaking and implementation to enhance security and stability as a strategic priority for Australia. Such an approach needs to recognise that deliberate actions that aim to bring about change in a specific area often lead to unanticipated and potentially unwanted consequences elsewhere. This has been keenly demonstrated by Australia's past overall climate change inaction and reduction in development aid in the Pacific region which has led to tensions between Australia and its neighbours and partners. An unexpected result of Australia's inaction has enabled other nation-states to fill the void.

From a defence perspective, climate change can affect how it operates with changing threats and missions, particularly in geographic environments subject to more severe aspects of climatic conditions. The impact of sea level rises and flooding, ocean acidification, increase in extreme temperatures and extreme weather events directly impact Defence capabilities, personnel and equipment. A secondary level consideration to be taken into account is the impact Australia's defence operations have on the climate through deployment decisions and the use of its equipment and personnel. The impact of climate change on defence force structure is a necessity whereby decisions reflect environmental considerations as well as producing benefits in terms of cost and capability. Therefore there is an imperative for environmental costs to be given more emphasis during the policy development and decision-making phase as well as in the subsequent design, procurement and operation of equipment, and decisions concerning deployment.

Australia has an opportunity to focus on, and to be a leader in, environmental security associated with the climate related impact on national and regional security. Demonstrable actions of leadership include acting to mitigate climate change by ensuring the Paris Treaty is implemented properly so that real efforts are made to limit global warming. The effects of climate change in the Indo-Pacific have a real potential to destabilise the region. As such, the impacts of climate change need to be factored at the highest level—that is, in its strategic defence interests and objectives, as well as in all future military plans as part of core business, not only in the context of HADR. Future defence policy should reflect strategies that recognise climate change and utilise technologies that support mitigation strategies.

While Australia has an established record of humanitarian assistance and disaster relief in the Indo-Pacific, there is a growing requirement for it to increase its capacity to assist before, as well as during, times of duress. This includes increasing existing actions that assist island nations develop capacity and capabilities to strengthen their resilience.

During times of duress the provision of timely food, water, and shelter as well as access to other resources and infrastructure will minimise the need for affected communities to seek these elsewhere.

Australia's leadership and reliable assistance in this way will alleviate pressure on communities, reduce the likelihood of conflict and lead to increased stability and resilience thereby enhancing security in the region. While Australia has an established role in HADR, and welcomes other nations providing assistance, it needs to ensure its position and role are not diminished by other nations seeking to replace it as an ally of Indo-Pacific neighbours. This can be achieved by maintaining and expanding defence cooperation with regional countries, through capacity building, infrastructure development, and support for governance arrangements that enhance the rules based international order and economic growth.

Australia's defence personnel are well positioned to maintain good relations with our neighbours but policy actions in these areas must be supported by a whole-of-government approach and not be the sole responsibility of defence. A holistic and integrated policy approach would facilitate overall security and stability in the region, an area of strategic importance to Australia and its allies. These issues and the changing geopolitical challenges in the Indo-Pacific region require Australian defence and security policymakers to focus jointly on drivers of instability and actions by powers outside the region. This broader policy approach will ensure defence capabilities are adequate to address these challenges, and Australia's role as a middle power is meaningful. A comprehensive national security strategy that moves beyond tactical and operational issues, and takes a holistic and whole-of-government view, is necessary now more than ever.

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Better ways to defend Australia

Stephen Bartos

Australia's national security conversation is often framed around Defence procurement. At the most basic level, such discussions might address the merits of different platforms; at a higher level, the debate might be about the relative merits of different sorts of capability or the best mix of capabilities to acquire. Rarely, however, is security discussed more broadly in the context of economic, cultural, trade or other national policy considerations. This leads to significant gaps in our thinking, and perpetuates ineffective policy responses. As Joyobroto Sanyal recently noted,

> while defence of territorial sovereignty is fundamental to national security, it is not sufficient … it is worth asking if a somewhat exclusive focus on hard security makes the country exposed to greater strategic vulnerabilities and also stands in the way of deeper strategic international engagement.[1]

A recent contribution to the security debate, *How to Defend Australia*,[2] while covering a wide scope, nonetheless errs on the side of the hardware rather than the more comprehensive social and economic perspective on security. Its author, Hugh White, a former Defence Department deputy secretary and now Emeritus Professor of Strategic Studies at ANU, is an influential voice in Australia's national security policy community. He argues that Australia faces a choice: without a very large increase in Defence spending our future will be less secure. It is a contestable position.

Indeed, given White believes Australia should have more extensive and rigorous debate on the issues, it is possible some of the argument (including a speculative chapter about Australia acquiring nuclear weapons) is deliberately provocative precisely for the purpose of engendering debate.

In that spirit, this article questions the proposals advanced and their underlying assumptions. Many of the propositions advanced by White are well founded and important. They include an assessment that the international environment in which Australia is located poses significant security challenges, and a case following logically from this proposition that current spending is not consonant with meeting these challenges. There are suggestions as to how existing Defence spending programs could be cut back. To this point the propositions are consistent. The weakness is the presumption that if current spending is not working, additional spending (far more than that which it replaces) will improve Australia's national security; and the specific items White proposes be purchased from the increased spend are themselves highly questionable.

1   Joyobroto Sanyal, 'Shaping Australian Foreign Policy in the 21st Century: Thoughts on a Reflective Framework of Analysis', *Security Challenges*, vol. 15, no.1 (2019).
2   Hugh White, *How to Defend Australia* (Carlton, Vic.: La Trobe University Press with Black Inc., 2019).

If Australia does face a choice about future security, there is a prospect that a more effective choice would be to cash in the savings proposed by White (primarily, a significant reduction in the number of surface ships and a different type of army) without substituting new spending in the form of the expensive alternatives he proposes. These savings would be available for other more strategic uses. For example, they could potentially deliver more effective security improvements if applied to initiatives in connectivity, cyber security, regional linkages and Pacific alliances.

This article takes an economic perspective rather than the Defence or international relations view. French President Clemenceau is reputed to have said war is too important to be left to the military. Whether or not apocryphal, the saying continues to have resonance with democratic governments worldwide. National security requires wider perspectives than those from Defence. Defence, intelligence and international relations are of course important, but contributions to the discussion from economic, infrastructure, information technology and industry policy positions are equally relevant and need to be considered.

Real Options

Economics asks key questions about security: does our national investment represent value for money, and is it maximising national welfare. In addressing these questions, new analytical tools have the potential to provide more thorough answers than a simple tabular approach ranking cost against capacity. Traditional discounted cash flow analysis, or analysis of a project's or portfolio of projects' net present value, are poor aids to decision-making under uncertainty.[3] Faced with an uncertain future, creation of options—allowing future investments to be adjusted to meet future needs, which may not be known or even foreseeable at present—is a better approach. Applying this to Defence, investments in large and complex platforms (generally, ones that require a long lead-time and heavy up-front commitments) are less preferable to smaller investments or investments staggered over time and flexible in commitments—these create options, and options have values that can be measured and analysed.

Real options[4] theory has developed over the past two decades in finance and economics. It has immediate application to the security environment. Real options related to security could be physical assets such as specific platforms, collections of assets and supporting infrastructure, or more broadly the capacity to take action in the future. Real options are particularly applicable to capability. As Kulgat and Kulakilata note, "capabilities, or core competencies, are strategic options that provide platforms for the exploration of market opportunities … Investments in these capabilities have an irreversible character because of the complex interdependencies among organizational and technological elements".[5] Substitute 'strategic opportunities' (or 'strategic challenges') for "market opportunities" and the article could as easily have been written about national security.

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3   Pindyk Dixit, *Investment Under Uncertainty* (Princeton, NJ: Princeton University Press, 1994).

4   Termed 'real' because the options relate to tangible things (assets, construction projects, staff capabilities and so on) as distinct from put or call options in finance markets.

5   Kulakilata Kogut, 'Capabilities as Real Options', *Organization Science*, vol. 12, no. 6 (2001), pp. 744-58.

An analysis of the proposed White options and alternatives based on real options would be possible, albeit that such work would require extensive data collection. The advantage would be a firmer base on which to make an informed choice. What discussion there has been to date on *How to Defend Australia* has been in essence about questions of judgement. For example, a critique from the head of the Australian Strategic Policy Institute notes the book is "fundamentally wrong on just about every judgement it contains"—acknowledging that the difference in perspective is one of judgement rather than data.[6] One judgement, White's eagerness to write off the United States and its capacity to remain engaged with Asia, seems strikingly at odds with the United States's ability, demonstrated repeatedly over history, to rejuvenate and innovate. Jennings effectively skewers two central planks of the White thesis—arguments for the inevitability of China's rise and America's fall—as lacking evidence; those arguments will therefore not be canvassed here. Notably though, Jennings's contribution does highlight that a prevailing feature of this debate is lack of evidence: suggesting a concerted effort to build the evidence base would be desirable.

Despite its prima facie applicability to security questions, there are few instances in the public domain of application of real options theory to Defence questions. This is possibly because they can be conceptually challenging; it may also be due to lack of data. In practice, development of real options is a data hungry process, and may require computational techniques such as Monte Carlo simulation to make sense of the data. As an article in the *Harvard Business Review* observes, "many companies hesitate to apply options theory to initiatives such as R&D and geographic expansion, partly because these 'real' options are highly complex".[7] A real options approach is also significantly different to other forms of analysis, in that it can be used to construct a portfolio of different options so as to create future value at lower risk—that is, options are considered interactively rather than in isolation. While a more strategically useful approach, it is again more difficult, which is perhaps why it has not been widely applied.

There is, however, one notable example of use of real options in the Defence context, a report prepared for the Australian Industry Group on naval shipbuilding.[8] The report drew on real options theory, amongst other things, to recommend continuous build and identified the option value in naval patrol boats that could be shared with Pacific neighbours. It also identified the large option value provided by Australian-based sustainment of naval capability, noting that the value of options changes according to circumstances. The report observed that although in most years repairs, maintenance and refits could be performed more cheaply and quickly overseas, the time when it would be most needed (wartime) coincides with the circumstances in which access to overseas ports would most likely be to be compromised.

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6   Peter Jennings, 'How Not to Defend Australia', *The Strategist*, Australian Strategic Policy Institute, July 2019, <www.aspistrategist.org.au> [Accessed 12 August 2019].

7   T. Copland and P. Tufano, 'A Real World Way to Manage Real Options', *Harvard Business Review*, 1 March 2004.

8   ACIL Allen Consulting, *Naval Shipbuilding & Through Life Support, Economic Value to Australia*, ACIL Allen report to Australian Industry Group, December 2013, cited in Senate Economics References Committee, *Future of Australia's Naval Shipbuilding Industry: Final Report* (Canberra: Commonwealth of Australia 2018).

How to Defend Australia (or Not)

The options considered in *How to Defend Australia* are of a different kind. The discussion is not about creating a portfolio of options values but whether some kinds of expenditure are better than others: a traditional and not particularly accurate way of determining future spending, given its reliance on judgement over data.

White observes that current spending on new, large warships is likely a mistake: they are "very vulnerable and very expensive … we cannot rely on them in a major conflict".[9] His alternative is much greater investment in submarines. Despite their limitations ("slow … less versatile and flexible than warships … complex to build and very demanding to operate")[10] their advantage lies in their stealth, which gives them superior capacity to support "sea denial"—that is, the ability to prevent a possible enemy from landing forces in Australia. He argues for a fleet of twenty-four or thirty-two,[11] based on an updated version of the design of Australia's current Collins class submarines, to be built in Australia. At present the plan for future submarines is for an Australian-built fleet of twelve based on a French design. A French nuclear design, the Barracuda, is to be modified for conventional power and known as the Shortfin Barracuda. As White points out, this modification itself involves considerable technical challenges, creating the largest and most expensive conventionally powered submarine anywhere in the world. The project is fraught with risk. The Hugh White alternative does however involve its own project and delivery risks, given the scale of build he envisages.

It is open for any future Australian government to examine whether an updated Collins design or the Shortfin Barracuda best meets our needs. At that point, the relevant frame for analysis is not the investment already made in the French design, but future costs and benefits. Sunk costs are not relevant to the analysis—that is, no matter how many billions have at the time of the analysis been spent on the current project, the key question is future costs (and in consideration of the benefits, as discussed previously, what kinds of option values an alternative could create). Nevertheless, awareness of the sunk cost fallacy should not bias analysis in favour of rejecting the current project out of hand. Insofar as previous spending may make the future acquisition cheaper than any alternative, it can affect future costs and benefits. That is, analysis should be based not on the total cost of a project since inception but the future costs, compared to the future alternative: comparing like with like. The longer it takes analysts to get to asking the question, the more likely it will be that a current project will have lower future costs (even if much higher historical costs) than the alternative.

Before we get to the point of such analysis, however, we need to consider whether Australia needs a very large number of additional submarines, and the very real question of whether we could find crews for them should we decide on such an investment. Submarines are old

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9   White, *How to Defend Australia*, p. 171.

10   Ibid., p. 177.

11   ibid., pp. 187-89. The fleet size calculation in multiples of four is based on an assumption only a quarter of the fleet could be on station at any one time, with others in maintenance, transit or being used for training. While multiples of four is perhaps a logical metric in a fleet of only four or eight submarines, the larger the fleet the less a multiple of four makes sense: with a larger fleet fewer would be required for training at any one time, the amount of maintenance would be determined more by the capacity of port facilities, and so on.

technology, arguably already less relevant even for the purpose that White envisages, sea denial, than options such as drones and missiles. As an article in the *The Strategist* notes,

> technology is changing, and manned submarines are no longer as important … small unmanned surface vessels (USVs) like Boeing's Liquid Robotics Wave Glider and Ocius's Bluebottle are perfectly capable of transiting to, and then keeping watch for months at a time over, submarine and surface ship routes.[12]

Cheap and operationally effective unmanned underwater vessels are both feasible and available. White himself notes (p. 189) missiles and anti-ship mines are a much cheaper way to achieve sea denial. White estimates "a thirty-two boat fleet would cost a total of $64 billion to build …[and maintenance] would cost $5.4 billion a year" (p. 188 xx). A combination of missiles and drones (both air and underwater) would deliver a different but comparable capability at fraction of that cost.

Just as importantly, if Australia were to invest in a much larger submarine fleet, could it find the crew? White dismisses this problem without evidence or analysis. He observes that we have a population larger than the crew required, asserts "it cannot be impossible to find 480 of them willing to serve in submarines, if the pay and conditions are appealing" and concludes "if Australia cannot crew the submarines we need, it will simply be a failure of management" (p. 189). This is a cavalier and mistaken conclusion. Labour markets are unlike other markets for goods or products. It is sometimes, but by no means always, the case that labour shortages can be solved simply by better pay and conditions. There are some jobs to which job seekers are not attracted no matter what the wages. Conceivably even if submariners were paid more than the Chief of Navy (and the Chief of Navy might have some objection to this) there could still be a shortfall in crew numbers. If pay and conditions were the only variables, the current problems with finding submariners would have been solved long ago.

A useful comparison is Australia's efforts to find doctors for rural areas. Australia has experienced labour shortages with rural medical practitioners for many decades—it has proven extremely difficult for health systems to find doctors prepared to move to small rural towns (and even more difficult for remote areas). The reasons are highly complex.[13] The Australian Government's Health department has under successive governments of all persuasions introduced a variety of regulatory and monetary incentive measures[14] to try to address the problem, including special visas for overseas trained doctors prepared to work in rural Australia, bonds, payments, encouragement of medical graduates from rural backgrounds, restrictions on licences and many others. There remain problem areas, and the Health department continues to work on policy to improve the situation. In some ways the labour market for submariners is similar: requiring highly trained people with strong technical and personal skills. Such people generally can (like doctors) find alternative high paid employment elsewhere. Some doctors are not motivated by

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12   Geoff Slocombe, 'Hugh White Needs to Revisit His Submarine Numbers', The Strategist, Australian Strategic Policy Institute, 2 August 2019, <aspistrategist.org.au> [Accessed 28 August 2019].

13   Hays, RB, Veitch, PC, Cheers, B, Crossland L. Why doctors leave rural practice. Australian Journal of Rural Health 1997;5:198-203

14   For a recent iteration of policy changes in this area see Department of Health, 'Stronger Rural Health Strategy: Overseas Trained Doctors in Areas of Doctor Shortage', <www.health.gov.au> [Accessed 3 September 2018].

financial incentives—they prefer a rural to a city practice. Similarly, some people will have an inherent attraction to becoming a submariner and will undertake the intensive training required and then serve as a submariner out of their love for the job. These are people for whom the level of pay (provided it is commensurate with the training and skills involved) is not the main concern. For others, no level of pay would compensate for the dangers and difficulty of serving underwater. There are some in between for whom pay is important but is balanced against other considerations. Finally, a minority, are job seekers motivated solely by dollars. The labour market issues involved are not as simple as better pay and conditions.

It is thus by no means clear that the difficulty the Australian Navy has experienced in finding crews for submarines is simply "a failure of management". Determining what would be required to attract more applicants to crewing either the current fleet or a larger fleet in the future will require better data, to enable analysis of not only on what factors attracted successful applicants (a cohort to which the Defence department has access and from which it can obtain data relatively easily) but also on what deters people who might otherwise be qualified from applying in the first place. Gathering data from that latter group is more difficult, but not impossible. Until that data has been assembled and analysed, it would be irresponsible for Australia to commit to a large fleet of submarines destined to sit idle for want of crews. Moreover, while in port a submarine is particularly vulnerable, losing all its stealth advantages and making that home port a more attractive target for a possible adversary—a further reason why it would be foolish to invest in a large number of additional submarines unless we were certain we had properly researched the labour market for their crews.

White does not depart as radically from current planning in relation to the army and is almost status quo in relation to the air force. He (rightly) notes the impossibility of Australia mounting high-intensity expeditionary operations against major Asian powers (p. 197), leaving the army today in a difficult position. His alternative is a large light army able to "undertake peacekeeping and stabilisation in the immediate neighbourhood …[and] fight invading forces on our own territory" (p. 198). It is not clear what White considers the neighbourhood. If it is South-East Asia, Australia will not be welcome interventionists in an emerging future where Indonesia, Malaysia, Thailand and Vietnam are all larger and more capable than Australia. This scenario is close. Indonesia already has a larger economy, measured in terms of purchasing power parity, than Australia, and Vietnam has a vastly larger army. If the neighbourhood is the Indian Ocean, the obvious country to undertake stabilisation operations is India. If the neighbourhood is the South Pacific, then a much smaller and more flexible army is appropriate given the size of other countries in this neighbourhood (ruling out the extraordinarily remote possibility Australia would seek to undertake stabilisation in New Zealand). In the event of civil unrest in a Pacific nation it is far from obvious that Australia would or should intervene; but if it did, stabilisation operations can be undertaken more effectively by police forces, trained in civilian policing. It is also worth noting that a force capable of "peacekeeping and stabilisation" is much more likely to be seen regionally as a force prepared for aggressive war fighting and territorial encroachment.

There is a strong argument that prevention is preferable to intervention. A key means of ensuring that the neighbourhood is peaceful is through integration of military and civilian capabilities directed to the common good. A current example is how Australian Defence forces can assist with integration in the neighbourhood by sharing small, light patrol boats with a shallow draught, used interchangeably with Pacific countries for operations such as enforcement of fishing rights or prevention of smuggling.

On the second half of the equation, fighting invading forces, White concludes "the best and perhaps only way to disrupt an adversary's landing would be air or missile strikes rather than land operations" (p. 204)—which, peacekeeping aside, suggests we need a much smaller army than at present.

In relation to the air force, White thinks current capabilities are "not badly matched to Australia's operational priorities" (p. 225), although arguing for a large increase in purchases based on comparisons with the "number of aircraft that a major power like China could credibly bring to bear against us" (p. 226). It is a stretch: if China were to launch major hostilities in earnest against Australia, air defence would be the least of our troubles. More interestingly, White notes all aircraft are vulnerable, and identifies the possibility that any future investment in aircraft is a poor bet compared with surveillance and surface to air missiles.

A striking gap in the White analysis is cyber capability. It is considered briefly, then dismissed. Although White admits that asking whether the new domain of conflict is cyber is a "reasonable question" (p. 27) he assertively rejects it, arguing that attack is relatively easy and defence very hard—which seems precisely the reason why it will become predominant—and a cyber attack would not work strategically because societies would "keep calm and carry on" (p. 28). This seems implausible: populations are unlikely to remain calm when deprived of food (contemporary food supply chains are highly dependent on IT), water and electricity (utilities likewise are vulnerable), communications, transport, or entertainment. Notably, in the cyber realm the sorts of capabilities which help preparedness in a military context are equally helpful in dealing with other day-to-day threats such as hacking or viruses—which gives them a much better option value than purely military hardware capabilities. Conversely, countries with a strong coding workforce are extraordinarily well placed to dominate in any cyber conflict. The millions (literally) of coders employed in the major Chinese internet firms such as Baidu, Tencent, Alibaba or Xiaomi are a strategic strength. They are subject to Chinese security laws,[15] and in extremis would be able to redirect resources to assisting the state in a conflict (or, given the Chinese system, could be directed to do so). Australia has nothing remotely approaching that capability; we could, however, with appropriate investments, create a capability sufficient to protect against major threats for a long enough period to retaliate and cause significant damage to any potential cyber adversary: that is, create a plausible deterrent capability. If we are looking for security investments to create options at relatively low cost, then cyber capabilities fit the bill precisely.

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15   See Danielle Cave, Samantha Hoffman, Alex Joske, Fergus Ryan and Elise Thomas, Mapping China's Tech Giants, ASPI Report No. 15/2019 (Canberra: Australian Strategic Policy Institute, 2019) <www.aspi.org.au/report/mapping-chinas-tech-giants> [Accessed 18 August 2019].

The Nuclear Fallacy

The most disappointing aspect of the White thesis is the section on nuclear weapons. He argues, without evidence and without naming the countries concerned, that there are likely to be more nuclear powers in Asia in the years ahead. Which are they? China and India are not going anywhere; North Korea is more likely to be induced to leave the nuclear club than to expand; Pakistan possesses nuclear weapons only due to its rivalry with India,[16] and could conceivably abandon them in future should India offer concessions (noting there is an alternative scenario of escalation, a worrying prospect outside the scope of this article). Among other Asian countries, the ones most likely to seek to acquire nuclear weapons in future would be those threatened by Australia doing so. Notably, Indonesia would undoubtedly see development of an Australian nuclear capability as a direct threat and seek to develop a retaliatory capability; White does acknowledge this as a likely consequence. In other words, acquisition of nuclear weapons would significantly reduce Australian security in the region, not enhance it.

Then there is the question of cost. White suggests the cost of Australia acquiring a nuclear capability "could very easily be $20 billion a year". That represents the cost of a stockpile of nuclear weapons and a platform on which to deploy them—that is, direct costs. The full costs would almost certainly be more than double the direct costs. Nuclear weapons need to be transported and stored; the costs associated with security measures around transport and storage would be higher than any other weapons Australia might acquire by several multiples (how many depends on the location chosen at which to base the weapons). Once acquired, nuclear weapons need to be managed over the whole of their life up to and including decommissioning. A Brookings Institution study found the costs of decommissioning and clean up comes close to equalling the costs of acquiring the weapons in the first place (with the proviso that secrecy around costs of nuclear weapons and clean up made this of necessity a rough estimate).[17] Add to that figure further unknowns: possible costs in the event of an accident,[18] recovery costs should a nuclear weapon be stolen or mislaid, loss of opportunities with countries reluctant to trade with a nuclear power, and the costs of conducting a national debate around such an unpalatable policy. Relations with Pacific neighbours, not always friendly, would become much more difficult should Australia acquire nuclear weapons—for historical reasons, nuclear weapons are highly unpopular among the island nations of the Pacific.

Finally, should Australia acquire nuclear weapons it would also need a platform on which to deploy such weapons. White argues this would at a minimum require "a fleet of at least four ballistic missile-firing submarines (which would have to be nuclear-powered to ensure their survival)" (p. 245). This is in direct contradiction to his section in an earlier chapter which effectively demolishes the case for Australia to acquire nuclear-powered submarines: cost, technical difficulty, and the risk that were we to rely on America or France for support our capability would be hostage to their strategic priorities (p. 186).

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16   Lowell Dittmer (ed.), *South Asia's Nuclear Security Dilemma: India, Pakistan and China* (London: Routledge, 2015).

17   Stephen Schwartz, *Atomic Audit: The Costs and Consequences of U.S. Nuclear Weapons Since 1940* (Washington DC: Brookings Institution Press, 1998).

18   Shaun Gregory, *The Hidden Costs of Deterrence: Nuclear Weapons Accidents* (Washington DC: Potomac Press, 1990).

Due to their technical complexity it would be prohibitively expensive to acquire a domestic capability to undertake major maintenance or rebuilding of nuclear submarines. As can be deduced from the ACIL Allen study mentioned previously, this would imply a huge real options cost.[19] At the time we most need maintenance—wartime—an overseas country would have other priorities and our access to ports in distant countries likely to be barred. Nuclear powered submarines thus make neither strategic nor economic sense. White recognises this in his chapter on submarines only to forget it when it comes to the chapter on nuclear weapons.

As with conventional submarines, we would still face the challenge of finding crew for nuclear submarines. If crewing remained a problem, nuclear submarines would spend more time docked—making them an obvious target for any future adversary and putting nearby Australians at risk not only of direct damage from conventional weapons but of radioactive contamination from nuclear submarine wreckage.

Better Ways to Improve Security

In the modern world economic links are more important guarantors of security than military hardware. It is no coincidence that the nations of Western Europe experienced war of some sort, in some location or other, on an almost continuous basis in the period from the birth of the nation-state up until economic union—and have had none since. The European Union, with free movement of goods, people, ideas and cultures, and integration of national economies, has made war in Western Europe inconceivable.

A holistic approach to national security, seeing trade, education and communications as fundamental components, delivers better results than focusing on Defence alone. Timing of the next Defence White Paper is not certain. The Defence Department's website indicates: "The development of a new Defence White Paper has commenced and will be finalised by mid 2015."—obviously not a current notification.[20] Whenever it happens, the next Defence White Paper should include perspectives from outside Defence—economists, international relations, social policy or trade expertise. Trade-offs and alternatives outside of traditional Defence spending can then be considered and analysed properly.

One of the most important issues to be considered in that analysis is the importance of regional linkages in ensuring security. One of Australia's closest geographical neighbours is also one of the world's largest by population and soon to become one of the largest economies: namely, Indonesia. It already has an economy twice the size of Australia's measured in purchasing power parity terms[21] and is in all probability, due to population and ongoing economic growth, destined to become the world's fifth largest economy within the next twenty years. It is a vibrant democracy, conducting fair and free elections

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19   ACIL Allen Consulting, *Naval Shipbuilding*.

20   Department of Defence, 'Defence's Priorities', <www.defence.gov.au/Priorities.asp> [Accessed 19 August 2019]. Many Australian government departments have trouble keeping their websites up to date, Defence should not attract criticism for that; the key observation to be made is that there is no firm date for the next White Paper.

21   CIA World Factbook, 2019, <www.cia.gov/library/publications/the-world-factbook> [Accessed 19 August 2019].

regularly since the end of the Suharto regime in 1998 at both national and provincial level. Australia should have close ties with Indonesia but inexplicably has kept itself at a distance. It is one of the most popular tourist destinations for young Australians, but according to a report prepared for the Department of Foreign Affairs, a third of Australians did not know Bali is part of Indonesia[22]. Teaching of Bahasa Indonesia has been in decline in Australian schools and universities for many years.[23]

In strategic terms Indonesia is vital to Australian interests. Hugh White's essay in *Australian Foreign Affairs* makes a solid case for why Indonesia can and should be a powerful ally: "[Australian] perception of Indonesia as a potential danger has not been offset by any real sense that it could also be a major strategic asset to Australia, helping to shield us from more-distant threats".[24] In any future conflict with a larger power like China or India, unlikely as that is, a combined Australian and Indonesian force would be likely to prevail against any conceivable military incursion into our region. Alliances do not flow easily from military cooperation (although that is a helpful adjunct to other ties, as is the current strategic partnership agreement).[25] Past Defence White Paper assertions that Indonesia is already an important strategic partner do not stack up against the evidence of low levels of trade and technological cooperation; as an Indonesia based strategic researcher observes, "these indicators suggest that Australia has more important security partners than Indonesia".[26]

As the European experience shows, enduring cooperation arises through social, cultural and economic interaction. In the case of Indonesia, this will require a considerable expansion of people-to-people contacts outside of tourism, greater business ties including joint ventures and shared Australian/Indonesian ownership of leading corporations, and cultural understanding. We have not demonstrated to date much understanding of the potential of Indonesia as an ally. A case in point was a decision to lease the port of Darwin (one of the closest major ports to Indonesia, and therefore a logical trading hub) to Chinese interests. White asserts "a well-armed Australia would be both a more formidable adversary, and more valued ally for Indonesia" (p. 45). This seems improbable. The kinds of forces White proposes would be highly unlikely to be seen by Indonesia as anything other than hostile and aggressive.

Similar considerations apply throughout South Asia and the Pacific. Although Australia has had a tradition of cleaving to a single great power ally, first Britain and then the United States, multiple relationships will serve us better in the future. The 'great power' notion derived from European expansionism in the nineteenth century. It was specifically enunciated at the 1814-15 Congress of Vienna,[27] which set the scene for the next two

22   Newspoll, *Australian attitudes towards Indonesia, Report,* May 2013

23   Michelle Kohler and Phillip Mahnken, *The Current State of Indonesian Language Education in Australian Schools*, Report prepared for the Department of Education (Carlton, Vic.: Education Services Australia Ltd, 2010).

24   Hugh White, 'The Jakarta Switch: Why Australia Needs to Pin Its Hopes (Not Fears) on a Great and Powerful Indonesia', *Australian Foreign Affairs*, no. 3 (July 2018).

25   Joint Declaration on a Comprehensive Strategic Partnership between Australia and the Republic of Indonesia, 31 August 2018, <dfat.gov.au> [Accessed 29 August 2019].

26   Evan Laksmana, 'Is Indonesia Australia's "Most Important" Security Partner?' *The Strategist*, Australian Strategic Policy Institute, 15 October 2018, <aspistrategist.org.au> [Accessed 25 September 2019].

27   Mark Jarrett, *The Congress of Vienna and Its Legacy: War and Great Power Diplomacy after Napoleon* (London: I.B. Tauris, 2013).

centuries of great power diplomacy. Today, the notion of what constitutes a great or a small power is rather murkier; and the notion of a 'middle' power (something White, p. 297, argues Australia should endeavour to remain) is not only undefined and unrecognised internationally, it is arguably irrelevant in a world where some non-state actors, including large corporations, have as much economic and political power as countries in the middle. In a multi-polar world, Australia does not need a military capable of 'standing up' to a great power. Our interests would be better served by economic, social, and cultural integration with neighbouring countries. There is a real trade-off. Expanding traditional military power will discourage that kind of engagement. From an economic perspective, the advantages of better social and trading links are self-evident; but from a strategic perspective they also create better real options, and therefore deliver greater strategic value.

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Strategy at Sea: A Plan B for Australian Maritime Security?

Rebecca Strating

In 2004, a Joint Standing Committee on Foreign Affairs, Defence and Trade inquiry report into Australia's Maritime Strategy recommended the Australian Defence Force (ADF) implement a "modern maritime strategy". Chairman of the Defence sub-committee, Bruce Scott, wrote that the committee was "convinced that an effective maritime strategy will be the foundation of Australia's military strategy, and serve Australia well, into the 21st century".[1] Written at a time when the focus of the ADF was on the 'war on terror' and the proliferation of Weapons of Mass Destruction, the 151 page report highlighted gaps in Australia's maritime strategic thinking. Defining maritime strategy as one that involves "air, sea and land forces operating jointly to influence events in the littoral together with traditional blue water maritime concepts of sea denial and sea control", the report listed three elements: sea denial, sea control, and power projection.[2] Experts argued that Australia's existing strategy constituted mere 'sea denial'—effectively a continentalist approach with maritime dimensions, designed primarily to prevent adversaries from attacking territory.[3]

More than a decade later, little appears to have changed. The 2013 Defence White Paper, for example, summarised Australia's maritime strategy in one page.[4] It stated that "Australia's geography requires a maritime strategy for deterring and defeating attacks against Australia and contributing to the security of our immediate neighbourhood and the wider region".[5] Defending Australia required: deterring attacks and coercion against Australia from adversaries; achieving and maintaining air and sea control; protecting key sea lines of communication (SLOC); denying access to forward operating bases by adversaries; and deploying joint task forces in support of the operations of regional partners and projection objectives. It emphasised the role of conventional land forces in controlling approaches, protecting bases, defeating incursions and securing offshore territories and facilities. The summary did not, for example, reveal how sea power would be mobilised in the defence of Australia's national interests. Nor did it grapple with the full suite of interests that may be encompassed by the term 'maritime security'. More recently, in the 2016 Australian Defence White Paper the term 'maritime strategy' did not appear despite a strong focus on modernising maritime capabilities, and the procurement of submarines and other naval surface combatants.[6]

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1 Cited in Parliament of the Commonwealth of Australia, *Australia's Maritime Strategy* (Canberra: Joint Standing Committee on Foreign Affairs, Defence and Trade, June 2004).

2 Ibid., p. 8.

3 Ibid., pp. 48-49.

4 Department of Defence, *2013 Defence White Paper* (Canberra: Commonwealth of Australia, 2013), pp. 29-30.

5 Ibid., p. 28.

6 Department of Defence, *2016 Defence White Paper* (Canberra: Commonwealth of Australia, 2016), p. 19.

The maritime domain is increasingly at the frontline of emerging challenges to Australia's national interests, regional stability and the liberal international order that successive governments have sought to defend. In particular, the oceans have become an important theatre for emergent great power rivalry between the United States (US) and a rising People's Republic of China (PRC). Australia needs to develop, as Dean, Frühling and Taylor put it, "a new strategic policy for a world in which Britannia and its offspring cease to rule the waves".[7] As part of a more independent approach to defence and foreign policy, this paper argues that Australia needs to develop a coherent maritime strategy that can effectively cope with traditional and emerging maritime security challenges.

Developing a maritime strategy requires a clear-eyed assessment of Australia's maritime security interests. As Rothwell and Klein note, 'maritime security' in law of the sea has conventionally been understood through a "national" lens, primarily concentrating "upon the protection and integrity of the nation state and the repelling of hostile states such that territorial integrity was maintained and that maritime threats were capable of being thwarted at sea".[8] However, new threats from non-state actors—such as piracy, terrorism and illegal fishing—have necessitated the broadening of traditional maritime security concepts. Royal Australian Navy (RAN) Commander Alistair Cooper usefully distinguishes between *national* maritime strategy and *military* maritime strategy:

> National maritime strategy incorporates all arms of government and is usually focused on marine areas out to the edge of the exclusive economic zone or the seabed boundary. Military maritime strategy denotes the involvement of all arms—sea, land and air—which can influence operations or activities in the marine environment. That strategy is concerned more with the implementation of government policy wherever it is deemed that Australia's interests lie: for example, in waters adjacent to Australia, throughout the region or indeed throughout the world.[9]

Such an expansive concept of national maritime security incorporates a vast array of interests and actors from a range of Commonwealth and state departments, including the Royal Australian Navy, the ADF, Australian Federal Police, Australian Border Force and customs.

This article focuses on contemporary challenges to maritime order and the implications for an Australian national maritime security strategy. Maritime re-ordering dynamics cut across traditional and non-traditional security concerns, involving as they do changing patterns of power and relative capabilities, shifting alignments among states, and, in some cases, the use of military and civilian actors in the articulation and defence of national interests. Australian strategic thinking tends to employ a conventional security lens, yet non-traditional maritime security threats—particularly to resources such as fish, and oil and gas—are prominent in current contests over the seas. It first examines contemporary challenges to the maritime order. It then articulates what is at stake for a middle-sized power such as Australia that has vast oceanic resource entitlements under

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7   Peter J. Dean, Stephan Frühling and Brendan Taylor, 'Introduction', in P. J. Dean, S. Frühling and B Taylor (eds), *After American Primacy: Imagining the Future of Australia's Defence* (Carlton, Vic.: Melbourne University Press, 2019), p. 5.

8   Donald R. Rothwell and Natalie Klein, 'Maritime Security and the Law of the Sea', in N. Klein, J. Mossop and D. R. Rothwell (eds), *Maritime Security: International Law and Policy Perspectives from Australia and New Zealand* (London and New York: Routledge, 2009), p. 22.

9   Cited in Parliament of the Commonwealth of Australia, *Australia's Maritime Strategy*, p. 11.

international law. Finally, it argues that as it is surrounded by three oceans—the Pacific, Indian and Southern—an Australian maritime strategy needs to more fully account for the rapid transformations of power in the region, and how power is exerted in traditional and non-traditional domains.

Challenges to Maritime Order

Australia's region is increasingly unsettled. A new period of explicit competition between the United States and China has emerged, necessitating new thinking about Australia's efforts to negotiate complex relationships with and between the great powers. Viewing the PRC as a "revisionist power", the 2018 US National Defense Strategy argued that "[w]e are facing increased global disorder, characterized by decline in the long-standing rules-based international order", with great power competition replacing terrorism as the preeminent concern for national security.[10] The adoption of the maritime 'Indo-Pacific' construct by a number of regional states including the so-called 'Quad'[11] states—US, Australia, Japan and India—is emblematic of the growing significance of the maritime domain in the changing regional security order. According to the 2019 US Indo-Pacific strategy report, high profile maritime disputes, for example in the South China Sea, provide evidence of Beijing's desire to "reorder the region".[12] These 'reordering' dynamics are evident in the changing naval balance of power, strategic efforts to control sea space and access denial capabilities, normative contestation and challenges to international law, and the pursuit of military and economic influence in other regional states through bilateral and multilateral means, such as the Belt and Road Initiative (BRI). Despite a rapidly changing landscape, Australia's strategic orientation—including its maritime thinking—has remained geared towards the US alliance, relying upon a belief that the US will continue to be present and engaged in the region. While debates exist around the contours of engagement—such as whether the US should contain China or constrain its influence—there is little doubt that key actors increasingly view rising powers as a threat to the post-World War Two liberal international order. At the same time, the Trump administration has undermined US credibility through a transactional approach to international affairs that has emphasised the primacy of US sovereignty at the expense of key international rules and norms.

The maritime domain has become a primary theatre of great power rivalry. Historically, this is not surprising given that control of the seas—through naval supremacy and capacity to ensure maritime commerce—is an enduring source of state power. As Bekkevold and Till argue, the sea has long been viewed by naval strategists thinkers as a "medium of dominion": it "is a strategic highroad, a medium by which one group of people can come to dominate the affairs of another".[13] Control of the seas has been critical for the

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10   Mattis cited in United States of America, *Summary of the 2018 National Defense Strategy of the United States of America* (Washington DC: Department of Defense, 2018), p. 1.

11   Abbreviated from the Quadrilateral Security Dialogue.

12   Shanahan cited in United States of America, *Indo-Pacific Strategy Report* (Washington DC: Department of Defense, 2019).

13   Jo Inge Bekkevold and Geoffrey Till, 'International Order at Sea: What It Is. How It Is Challenged. How It Is Maintained', in J. I. Bekkevold and G. Till (eds), *International Order at Sea: What It Is. How It Is Challenged. How It Is Maintained* (London: Palgrave McMillan, 2016), p. 4.

creation of empires, for changing international political orders and enabling the rise of new powers to supplant the old. It is little wonder, then, that the PRC has engaged an ambitious strategy to become a naval power. In 2012, President Xi Jinping declared the PRC's intentions to become a great maritime power by developing "a large and effective coast guard; a world-class merchant marine and fishing fleet; a globally recognized shipbuilding capacity; and an ability to harvest or extract economically important maritime resources, especially fish".[14] It is not just the PRC that has been embarking on a problem of naval power enhancement; in the region more generally, naval militarisation projects have been advancing over the past decade, including in Australia. Naval supremacy and sea control are hence key sites in the changing balance of power in Asia.

In contemporary maritime disputes in Southeast and Northeast Asia, disputes tend to revolve around three centres of control: the first pertains to strategic control of sea lanes. In the South China Sea (SCS), for example, the PRC has rapidly built its naval capability and anti-access/area denial (A2/AD) systems, raising concerns that this crucial strategic waterway has or will become a 'Chinese lake'. China's territorial and maritime claims and the 'grey zone' tactics used to defend them has raised considerable consternation in the West among strategists and international lawyers alike. China's strategic primacy in this domain has been asserted through artificial island building, naval militarisation and the rapid increase of the number of blue and white hulls (maritime militia and coastguard) active within the first island chain. While some view China's strategy as defensive, with military installations used primarily for surveillance and patrolling purposes, others view the militarisation efforts as signifying its desire to pursue regional hegemony by pushing the United States out of maritime Southeast Asia and providing a base for projecting power elsewhere in the region. The geostrategic value of the SCS lies in its potential to transform into a deep-sea bastion for basing nuclear-attack submarines capable of launching missiles with nuclear warheads, and useful for forward deployments into other areas, such as the Indian Ocean. There are widespread concerns that China's sea control in the SCS threatens freedom of navigation (FON) in terms of the transit rights of warships, acceptable military activities in Exclusive Economic Zones (EEZs) and the commercial passage of merchant ships. In this example, the critical interest of the United States and allies such as Australia are expressed in ensuring FON because it is vital for open, maritime trading nations.

The second centre of control in contemporary maritime dispute is sovereignty over land features, particularly in the East and South China Seas. While material factors provide potential flash points for conflict, sovereignty claims over islands, rocks and low-lying elevations have become linked to historical grievance and ideational 'symbolic' politics that link national identity, status and prestige to the defence of maritime possessions.[15] What these features are and who possesses them matters for determining maritime jurisdictions over such territorial seas and EEZs, and can have implications for the capacities of states to exercise their (limited) rights to strategic control in maritime areas.

The third centre of control is of maritime resources, particularly in terms of fish and oil and gas. Under UNCLOS (United Nations Convention on the Law of the Sea), the land determines sea, which means the issue of maritime entitlements can be tied to recognition of sovereignty of land features. As important is the classification of land

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14   Michael McDevitt, *Becoming a Great 'Maritime Power': A Chinese Dream* (Washington DC: Center for Naval Analysis, 2006), p. iii.

15   Rebecca Strating, 'Maritime Disputes, Sovereignty and the Rules-Based Order in East Asia', *Australian Journal of Politics and History,* vol. 63, issue 3 (2019), p. 449.

features: whether they are islands, rocks or low-lying features determines rights to maritime zones, including whether states receive a 12 nautical mile territorial zone and/ or 200 nautical mile EEZ. Given that maritime boundaries are yet to be determined in some crucial waterways, contests over maritime resources, and activities such as illegal, unregulated and unreported fishing (IUU), are straining the capacities of the international rules to establish maritime order.

In the legal domain, the seas are increasingly subject to 'norm contestation', which refers to struggles between actors to define the rules and norms that govern interactions and behaviours. Some Chinese policy analysts consider these "sea domains under Chinese jurisdiction … [as] the overlaying area of China's national sovereignty".[16] In the South China Sea, for example, a key puzzle is whether China views its 'near seas' as unique or a testing ground for revisionism on a broader scale. There have been a number of positive outcomes with respect to the role of UNCLOS in resolving maritime disputes, including in the Timor Sea dispute between Australia and Timor-Leste, and the India and Bangladesh maritime boundary dispute in 2014. In both cases, the bigger 'powers'— Australia and India—participated in the processes in good faith, with Australia negotiating an acceptable deal with its smaller neighbour in the world-first United Nations Compulsory Conciliation processes under annex VII of UNCLOS, and India accepting the decision of a tribunal of the Permanent Court of Arbitration that largely favoured Bangladesh. These examples demonstrate that the UNCLOS-led maritime order is by no means dead. However, the concern that other disputes raise is how the PRC, as an emergent great power, has used its growing power to defend its interests and cast aside UNCLOS, what this might mean for how it will seek to project its rising naval power in other domains, and consequences for smaller powers in the Indo-Pacific.

What's at Stake for Australia?

Challenges to international law and maritime order in the Indo-Pacific have potential security implications for regional states, including Australia. In 2017, former Chief of Navy Vice Admiral Tim Barrett argued that, owing to "the increasingly aggressive actions taken by some nations to assert their claims over disputed maritime boundaries, there is the increased risk of a regional maritime dispute escalating and the potential for armed confrontations at sea".[17] Historically, Australia's maritime security interests have been framed around defence of territory and the security and safety of maritime trading routes, given its economic reliance on seaborne exports. At the same time, destabilising conditions in the Asian maritime domain are viewed as inimical to open and secure SLOCs, which as a trading nation, Australia has vital interests in maintaining. Indeed, successive defence white papers have identified maritime security and unfettered access to shipping lanes as integral to Australian security and prosperity.[18] SLOCs are vitally important

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16   Weng Shumei, Shi Jiazhu and Xu Mingshun cited in Peter Dutton, 'Three Disputes and Three Objectives— China and the South China Sea', *Naval War College Review*, vol. 64, no. 4 (2011), p. 4.

17   Tim Barrett, Chief of Navy Address to Law of the Sea Convention Conference hosted by the Australian National University, Centre for Military and Security Law and the United Services Institute of the ACT, Canberra, 22 August 2017.

18   Department of Defence, *2013 Defence White Paper*, p. 82; Department of Defence, *2016 Defence White Paper*, p. 70.

for Australian security and prosperity as it relies upon the sea for over 98 per cent of exports by volume (more than 75 per cent by value) and 95 per cent of data is transmitted through undersea cables.[19] It adopts a similar position to the United States on freedom of navigation, and global threats to commercial transit, particularly in crucial Southeast Asian chokepoints connected to Australia's northern maritime approaches, or legitimate navigation of warships are also viewed as antithetical to Australia's security interests.

Australia's geography renders maritime security a crucial interest. Surrounded by three oceans, it has one of the largest coastlines in the world with more coast per capita than any other continent.[20] Australia is a largely coastal society: over 85 per cent of the population live within 50 kilometres of the coastline.[21] With vast entitlements generated under international law, Australia has one of the largest maritime jurisdictions in the world. In accordance with UNCLOS, Australia claims an EEZ of over 10 million square kilometres, the world's third largest. Offshore territories—Heard and McDonald Islands, Macquarie Island, Christmas Island and Norfolk Island—generate maritime jurisdictional entitlements of more than 400,000 square km, and the contentious EEZ claimed off Australian Antarctic Territory (AAT) adds over 2 million square kilometres to the 8 million square kilometres generated by the mainland. In 2008, the Commission on the Limits of the Continental Shelf confirmed its rights to an extended continental shelf (beyond 200 nauticla miles) of 2.56 million square kilometres—larger than the size of Western Australia—taking its continental shelf to over 12 million square kilometres.[22] Australia's maritime search and rescue area under the SOLAS convention[23] stretches out across continental Australia, the Indian, Pacific and Southern oceans and Australian Antarctic territories, constituting around 53 million square kilometres or around one-tenth of the Earth's surface.[24] As Rothwell and Moore argue, these new maritime zones established "new resource rights for Australia but also carried with it new responsibilities such as environmental management".[25] The legitimacy of international law—primarily UNCLOS—is important for the preservation of the regime of maritime jurisdictions and the sovereign rights that flow from it, particularly for middle- and smaller-sized states.

Despite these sea-bound geographical realities, culturally, land forces have tended to feature more prominently in Australia's national war psyche than the Royal Australian Navy. For example, while Gallipoli and Kokoda are central to Australian national mythology, the battle of Coral Sea—fought off the north-east coast near Papua New Guinea during World War Two—receives less recognition. It is often observed that land forces have

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19 Brett Biddington, *Girt by Sea: Understanding Australia's Maritime Domains in a Networked World*, Kokoda Foundation, no. 20, (Canberra: Kokoda Foundation, 2017), p. 6.

20 R. E. Galloway and M. E. Bahr, 'What is the Length of the Australian Coast?', *Australian Geographer*, vol. 14 (1979).

21 Australian Bureau of Statistics, 'How Many People Live in Australia's Coastal Areas?' 1301.0—Year Book Australia, 2004, <www.abs.gov.au/Ausstats/abs@.nsf/Previousproducts/1301.0Feature%20Article32004>

22 Australian Geoscience,' Ocean and Seas', <www.ga.gov.au/scientific-topics/national-location-information/dimensions/oceans-and-seas>

23 The International Convention for the Safety of Life at Sea

24 Australian Maritime Safety Authority, 'Australia Search and Rescue Region', updated 2 December 2019, <www.amsa.gov.au/safety-navigation/search-and-rescue/australias-search-and-rescue-region>

25 Donald Rothwell and Cameron Moore, 'Australia's Traditional Maritime Security Concerns and Post-9/11 Perspectives Maritime Security: International Law and Policy Perspectives from Australia and New Zealand', in N. Klein, J. Mossop and D. R. Rothwell (eds), *Maritime Security: International Law and Policy Perspectives from Australia and New Zealand* (London and New York: Routledge, 2009), p. 37.

tended to capture the national imagination more than the navy. Australia's forward operations since Federation have largely been land-based, deployed to support a favourable international order. This has led some to remark that Australia is "not culturally a maritime nation".[26] While attack and invasion are embedded in Australia's strategic culture, contemporary maritime disputes highlight emerging trends in non-conventional threats and challenges to international law that run contrary to Australia's material and legal sea-based interests and its vision of a favourable international order.

What's Plan A?

Unlike other regional states, Australia does not produce a standalone maritime strategy document.[27] While specific issues, such as the purchase of submarines or the political role of shipbuilding, receive attention in public and policy discussions and federal parliament, these rarely provide a broader concept of maritime strategy. As Andrew Carr points out, while the 2016 Defence White Paper articulated Australia's future submarine project and the costs of these acquisitions,

> little public strategic justification has been provided for this decision since it was first announced in 2009. Submarines are of course very important for an island nation. But why 12? Why diesel? Where does Australia want them to go? And most importantly, what does Australia actually want them to do?[28]

In the scholarly and policy literature, various models of maritime strategy are offered, including sea denial and those driven by technological capabilities. As Peter Layton argues, there are "several alternative maritime strategies in play", but more thinking is required to link a coherent maritime strategy to an overarching grand strategy.[29]

Despite rapid transformations of the regional security environment, the alliance with the United States remains central to Australia's approach to maritime security. Rod Lyon observes that Australia is more a "strategy-taker than a strategy-maker".[30] Historically, it has been the case that Australia has come to depend upon US naval might for its own security. Rothwell and Moore suggest that World War Two and the fall of Singapore had a significant impact on Australia's strategic outlook when it came to maritime vulnerabilities, encouraging it to adopt an alliance with a great naval power, an arrangement "which has

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26 Alex Tewes, Laura Rayner and Kelly Kavanaugh, 'A Foundation Paper on Australia's Maritime Strategy', prepared for Joint Standing Committee on Foreign Affairs, Defence and Trade Inquiry into Australia's Maritime Strategy, Canberra, 2004.

27 The US Department of Defense, for example, released its *Asia Pacific Maritime Security Strategy* in 2015. In the same year, India's Navy released its *Ensuring Secure Seas: Indian Maritime Security Strategy* report. In contrast, Australia has the 2010 *Australian Maritime Doctrine* which explains foundational theory and key concepts behind strategic maritime thinking.

28 Andrew Carr, 'No Longer a Middle Power: Australia's Strategy in the 21st Century', *Focus Strategique*, No. 92, Ifri, September 2019, 35.

29 Peter Layton, 'Australia's Many "Maritime Strategies"', *The Strategist*, Australian Strategic Policy Institute, 28 March 2013.

30 Rod Lyon, 'Nuclear Weapons and the Defence of Australia', in P. J. Dean, S. Frühling and B. Taylor (eds), *After American Primacy: Imagining the Future of Australia's Defence* (Carlton, Vic.: Melbourne University Press, 2019), p. 63.

remained steadfast ever since".[31] Australia's commitment to the US alliance is reinforced in the political rhetoric around the continuing importance of ANZUS as the 'cornerstone' of Australian foreign policy. This reliance is also observable in spending and policy initiatives. Recent policy initiatives, such as the Pacific 'step-up', have seen Australia undertake a number of specific actions in conjunction with the US, including plans to reopen the Lombrum naval base in Papua New Guinea. The US is critical to Australia's defence capabilities in the maritime domain, even when RAN vessels are not sourced from the US. For instance, Brabin-Smith argues that "Australia relies very heavily on the United States to maintain its capability edge, with the overwhelming majority of Australia's high-end maritime equipment being American in origin" including AP-3C Orion and AP-8A Poseidon maritime patrol aircraft.[32]

Conventional debates in Australian defence policy have centred around the balance between two paradigmatic positions: the 'Defence of Australia' policy that focused on defending continental Australia—including protecting Australia's northern maritime approaches (the 'sea-air gap') from external attack—and the policy of forward defence requiring a force capable of deploying overseas that defined Australia's defence engagements in the 1950s and 1960s. Such decisions have consequences for maritime strategy, including the 'ways and means' required for achieving objectives. This is evident in debates about naval procurements. Australia's adoption of the Indo-Pacific concept signifies that policymakers conceive of Australia's primary strategic domain as maritime, and Canberra has invested significantly in the high-profile procurement of naval assets. The 2016 Defence White Paper outlines Australia's biggest asset regeneration plan since World War Two, providing for twelve new submarines, and nine frigates and patrol vessels. The purchase of two Landing Helicopter Docks and the Australian Army's 2011 restructure—Plan Bersheeba—further developing amphibious capability; for example, by the establishment of specialist amphibious infantry battalion.[33] Yet there is still an awareness among strategic experts that Australia's air and naval forces remain too small, particularly given technological developments in land-attack cruise missiles and the potential need to respond to nuclear submarines in its maritime approaches.[34] There are concerns that Australia remains 'undergunned' in surface warfare capabilities as the technological capabilities of the rising powers grows in areas such as supersonic and hypersonic speed and greater range.[35] The time is ripe for developing a coherent and long-term maritime strategy that addresses contemporary sea-based challenges and those that are likely to become more prominent in an increasingly contested security order that can no longer rely upon American primacy.

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31 Rothwell and Moore, 'Australia's Traditional Maritime Security Concerns', p. 38.

32 Richard Brabin Smith, 'Maintaining a Capability Edge', in P. J. Dean, S. Frühling and B Taylor (eds), *After American Primacy: Imagining the Future of Australia's Defence* (Carlton, Vic.: Melbourne University Press, 2019), p. 47.

33 Australian Department of Defence, 'Army Delivers Final Component of Plan Beersheba', Defence News, 28 October 2017, <news.defence.gov.au/media/media-releases/army-delivers-final-component-plan-beersheba>

34 Stephan Frühling, 'The Defence of Australia: From Lucky Country to Uncomfortable Normality', in P. J. Dean, S. Frühling and B. Taylor (eds), *After American Primacy: Imagining the Future of Australia's Defence* (Carlton, Vic.: Melbourne University Press, 2019), p. 19.

35 Malcolm Davis, 'Australia's Navy Is Undergunned for Denying Long-Range Attackers', *The Strategist*, Australian Strategic Policy Institute, 11 October 2019.

Maritime Strategy and Contemporary Security Challenges

Much of conventional strategic thinking positions China as a threat to the defence of Australia. Hugh White's recent contribution, *How to Defend Australia*, is critical of Australia's reliance on the United States in the context of a changing order:

> our political leaders and policymakers have more frankly acknowledged both China's ambitions and America's uncertain response, and the need for Australia to do something about it. But the consensus response has been to double down on our support for, and dependence on, America.[36]

Essentially employing an updated Defence of Australia (DoA) policy, White suggests that Australia needs to invest much more in defence—including significant spends on naval procurements such as submarines—in order to become self-reliant. This 'plan B' remains tied to a sea denial approach to maritime strategy, however there are other challenges that threaten Australian maritime security as it is broadly conceived.

Conventional thinking of maritime security account less for new non-conventional security challenges. Much of the contemporary concern with the PRC's actions in the South China Sea, for example, is over the use of 'grey zone' tactics: operations short of war that employ non-naval vessels to intimidate and harass other maritime actors. These tactics are aimed at preventing smaller Southeast Asian states accessing and exploiting maritime resources, such as fish, oil and gas, that they are entitled to under international law. These are not abstract concerns for Australia. Joanna Vince, for example, has written about IUU fishing activities in the region, stating that in 2005 alone, 13,018 illegal fishing vessels were sighted in the northern part of Australia's Fishing Zone (AFZ), with only 600 apprehended.[37] Jade Lindley, Sarah Percy and Erika Techera demonstrate in the Australian context how illegal fishing activities overlaps with other non-conventional security threats, including drug and human trafficking, piracy and irregular maritime arrivals.[38] These issues should be integral to an Australian maritime security strategy, particularly as UNCLOS—which provides these entitlements—is coming under challenge in other areas.

As Sarah Percy convincingly argues, the deep focus of defence thinkers on conventional war in Asia "assumes that the threats Australia faces are primarily conventional in nature … [yet] the vast majority of day-to-day activity by Australia's military, particularly the navy, focuses on unconventional threats".[39] This is a key problem with a maritime strategy that is primarily engaged with sea denial. Non-traditional maritime security threats encompass a range of different areas: transitional crime, such as the importation of illegal substances via seaborne vessels; environmental and climate change dilemmas, including effects of rising sea levels on international legal entitlements; maritime piracy;

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36   Hugh White, *How to Defend Australia* (Melbourne: La Trobe University Press, 2019).

37   Joanna Vince, 'Policy Responses to IUU Fishing in Northern Australian Waters', *Ocean and Coastal Management*, vol. 50 (2007), p. 685.

38   Jade Lindley, Sarah Percy and Erika Techera, 'Illegal Fishing and Australian Security', *Australian Journal of International Affairs*, vol. 73, issue 1 (2019), pp. 82-99.

39   Sarah Percy, 'A World Transformed: A Need for New Defence Approaches?', in P. J. Dean, S. Frühling and B Taylor (eds), *After American Primacy: Imagining the Future of Australia's Defence* (Carlton, Vic.: Melbourne University Press, 2019), p. 213.

IUU fishing; emergent, technological developments; and the growing importance of deep seabed mining. The challenges to UNCLOS in the South China Sea, for example, have potential implications for the application of international law in other domains, such as the Indian and Southern Oceans. Domestically, the 2019-2020 bushfire season raised new questions about the contemporary nature of 'threats' and whether climate change should be considered a security issue. If so, to what extent does or should the military – including the navy - have responsibilities to protect communities and how should scarce resources be allocated and deployed? Several naval vessels – including HMAS Choules and MV Sycamore – as well as RAN helicopters, were used to rescue people stranded on the beaches of Australia's southeast coast and to support firefighting crews on the ground. This highlights the challenges in developing a twenty-first-century maritime strategy fit for a middle-sized power that can address the full complement of traditional and non-traditional security threats.

Contemporary maritime challenges also provide opportunities for cooperation with regional states.[52] Australia could take the lead on coordinating instruments that could work on developing collective interpretation of specific laws among 'like-minded' regional states, conducting joint patrols in contested areas, and concentrating on capacity building and partnerships, particularly in areas like fishing and maritime domain awareness. Indeed, over recent years, foreign and defence policy initiatives have emerged to address regional maritime security issues. These speak to the importance of the maritime domain in Australia's international affairs, but they also reflect the ongoing significance of sub-regions within the overarching Indo-Pacific construct. These include Australia's Pacific Maritime Security Program (PMSP), which emphasises regional cooperation to support the stability and security of the South West Pacific. In 2017, the Australian Government initiated the PMSP, a $2 billion commitment over 30 years to provide twenty-one Guardian class patrol vessels to assist Pacific Island states to protect their sovereign rights and maritime security. The program also includes Integrated Aerial Surveillance, training and advisory support, and regional coordination efforts.[41] It succeeded the Pacific Patrol Boats Program that was implemented in the 1980s following the establishment of EEZs of Pacific Island states, which presented new maritime security requirements for the region. The focus of the new program is largely on non-traditional threats, particularly IUU fishing, but it also accords with Australia's Pacific step-up program which has been implemented in response to China's growing influence in the region. In 2010, for example, it was reported that the Pacific loses around A$1.7 billion a year worth of fish due to IUU fishing.[42] Fishing is a significant industry and source of food security for Pacific Island societies, which also renders it an area of vulnerability.

Arguably the most significant undertaking as part of Australia Indo-Pacific concept has been the Indo-Pacific Endeavour (IPE), a defence diplomacy initiative. Beginning in 2017, the defence activity has seen a joint task force command a naval flotilla that has travelled each year to selected partner states in the Indo-Pacific for several months to conduct security cooperation activities. The first (2017) and third (2019) centred largely

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52   Ibid.

41   Australian Department of Defence, *Annual Report 2017-2018* (Canberra: Commonwealth of Australia, 2018). <www.defence.gov.au/annualreports/17-18/Features/Maritime.asp>

42   Linda McCann, *The Future of Australia's Pacific Patrol Boat Program: The Pacific Maritime Security Program*, (Canberra: Centre for Defence and Strategic Studies, 2013).

upon Southeast Asia, including transit through the South China Sea, while the second (2018) travelled to the South Pacific. In 2019, US Marine Rotational Forces stationed at the Darwin base joined HMAS *Canberra* for part of the transit. Australian Defence Personnel worked alongside "partner security forces to support the development of regional maritime security capacity" and "rules-based global security".[43] The IPE has focused on military-to-military and governmental relations, grassroots engagement and public diplomacy, presenting Australia as a 'partner of choice' in the region. It is concerned with upholding maritime rules, including the 'rules of the road', more formally known as the International Regulations for Preventing Collisions at Sea (COLREGs). As the heart of Australia's Indo-Pacific strategy, it highlights the importance of the maritime domain for Australia's sense of regional order, and Australia's efforts to defend the rules-based status quo.

While the Indo-Pacific is a maritime concept, it is not a maritime strategy. It does not reveal much about which maritime theatres Australia is likely to prioritise, how this feeds into the balance between DoA and forward defence objectives (including defending a favourable international order), or the specific choices that Australia must make about how to deploy its naval assets. Australia's announcement of its limited contribution (one frigate and a P-8A Poseidon) to the US-led 'International Maritime Security Construct' operating in the Strait of Hormuz is a pertinent example. This mission purports to defend freedom of navigation in the Gulf region. According to Australia's Prime Minister, 15 per cent of crude oil and 30 per cent of refined oil destined for Australia transits the Strait, which means "destabilising behaviour is a threat" to Australian interests.[44] This issue is reflective of Australia's broader issues with fuel supplies. A Department of Environment and Energy report recently revealed that Australia had net fuel imports in reserve of fifty-three days, far less than the International Energy Agency (IEA) obligations of ninety days.[45] It also demonstrated that while Australia's biggest sources of refined products are Korea, Singapore, Japan, Malaysia and China, these states rely heavily on oil from the Middle East. Yet, the only other states to join the United States is the United Kingdom (who originally supported Gibraltar in the seizure of an Iranian tanker believed to be headed towards Syria) and Bahrain. How does this fit operations with Australia's Indo-Pacific emphasis? The Strait of Hormuz does not fall within Australian and US conceptions of the boundaries of the Indo-Pacific, essentially framed as 'Hollywood to Bollywood', or 'Asia-Pacific plus India'. Some strategists have criticised the operation as being beyond Australia's Indo-Pacific strategic purview. It should instead be scaling back its commitments in the Middle East and focusing on the Indo-Pacific as America's regional edge is in decline and has it "ill-prepared for a confrontation with China".[46] What it does highlight is Australia's preparedness to conduct operations in support of alliance burden sharing *outside* the

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43   Australian Department of Defence, *Annual Report 2017-2018*, p. 20.

44   Sarah Martin and Ben Doherty, 'Australia to Join US Military Effort to Protect Shipping in the Strait of Hormuz', *The Guardian*, 21 August 2019, <www.theguardian.com/australia-news/2019/aug/21/australia-to-join-us-led-defence-effort-to-protect-shipping-in-the-strait-of-hormuz>

45   Andrew Robertson, 'Australia's Fuel Supplies Vulnerable if Middle East Conflict Cuts Supply', *ABC News*, 19 September 2019, <www.abc.net.au/news/2019-09-19/australia-remains-vulnerable-to-running-out-of-fuel/11527492>

46   Lisa Murray, 'Australia Exposed as US Defence Strategy in Crisis: New Report', *Australian Financial Review*, 19 August 2019, <www.afr.com/policy/foreign-affairs/australia-exposed-as-us-defence-strategy-in-crisis-new-report-20190815-p52hfk>

Indo-Pacific, but not always *within* it. Compare this example with Australia's reluctance to conduct Freedom of Navigation Operations (FONOPs) within 12 nautical miles of Chinese claimed features in the South China Sea. This reticence is at least partly driven by an unwillingness to risk Beijing's disapprobation. Yet, these challenges to freedom of navigation, and to the rules protecting and the rights of smaller states, are critical drivers of the increasingly contested character of the Indo-Pacific.

Evans and Bibbington emphasise the need for a maritime strategy narrative.[47] Indeed, central to Australian defence and foreign policy discourse over recent years has been the 'rules-based order', a term employed fifty-six times in the 2016 Defence White Paper. This rhetorical commitment to the 'rules-based order' serves as a proxy for a US-led order.[48] Yet, even if the meaning of the phrase is accepted on face value, Australia's own compliance with maritime law has been questioned in a number of settings, undermining its legitimacy as a defender of the UNCLOS-led maritime rules-based order. One of the most visible examples of Australia's *realpolitik* approach to international law of the sea was its maritime boundary with Timor-Leste in the Timor Sea. Ultimately, public pressure coupled with Canberra's own rules-based rhetoric—specifically its criticisms of the PRC's rejection of the 2016 arbitral tribunal ruling in the case against the Philippines— led Australia to alter nearly five decades of foreign policy on the Timor Sea. There are other examples: following the September 11 terrorist attacks, the Howard government announced a controversial 'Maritime Identification Zone' extending up to 1,000 nautical miles from Australia's coastline, in which the government would institute a 'surveillance or interception zone' that would run into the maritime zones of its neighbours.[49] The proposal raised compliance issues with law of the sea, and despite adjusting the policy after complaints, the replacement 'Australian Maritime Identification System' (AMIS) was also problematic in terms of legal consistency and its own attempts to limit the freedom of navigation of other states.[50] Australia's compulsory pilotage system over the Torres Strait in 2005 also raised questions about Australia's compliance with international law.[51] Given these issues with interpretation of law and potentially excessive maritime claims across a number of fronts, developing an Australian maritime strategy narrative requires more than a rhetorical appeal to the rules; it requires a deeper commitment to the international laws and conventions that underpin maritime order. A coherent, whole of government maritime strategy must connect the rhetoric with operations, policies, behaviours and relations.

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47 Michael Evans, 'Maritime Strategy and Australia's Future in an Asia-Pacific Century', *United Service*, vol. 68, no. 1 (2017); Biddington, *Girt by Sea*.

48 Nick Bisley and Benjamin Schreer, 'Australia and the Rules-Based Order in Asia', *Asian Survey*, vol. 58, no. 2 (March/April 2018), pp. 302-19.

49 Rothwell and Moore, 'Australia's Traditional Maritime Security Concerns', p. 43.

50 Natalie Klein, 'Legal Limitations on Ensuring Australia's Maritime Security', *Melbourne Journal of International Law*, vol. 7 (2006), pp. 306-38.

51 Rothwell and Moore, 'Australia's Traditional Maritime Security Concerns', p. 45.

Conclusion

In Australia, maritime security is typically enmeshed within broader conversations about defence and security interests. It is suggestive of the physical and geographical realities that as an island continent 'girt by sea', reliant on sea-borne trade and faraway great and powerful friends, the maritime cannot easily be bracketed out from broader defence interests and objectives. One interpretation for Australia's approach to maritime strategic thinking is that the naval dominance of Britain and the United States in the nineteenth and twentieth centuries led to a "two century long adolescence in appreciating the significance of the ocean in strategy".[52] Yet, an approach that privileges the continental over maritime defence diminishes the importance of developing a coherent strategy to protect against the broad range of maritime security challenges Australia, as a middle-sized Indo-Pacific country, faces.

Australia has a military strategy with maritime dimensions. In an age where great power rivalry, and challenges to regional stability and rules in the maritime domain are contributing to a rapidly transforming regional security order, it is time for Australia develop a standalone maritime strategy. A national maritime strategy requires not just defending territory, but recognising the broad sweep of Australia's maritime security interests, and building on opportunities for regional partnerships and cooperation in the maritime domain. Further, it requires adopting a more flexible and independent stance that befits its status as a 'regional power'. Currently, Australia's 'rules-based order' rhetoric is more about power than rules, as it serves as a proxy for its desire to uphold the US-led 'status quo'. However, there already is a new status quo in Asia, and it is defined by dynamism, uncertainty and revisionism, particularly in the maritime domain, and the decline of US power. This is not a security environment that is viewed as amenable to Australian interests, so it is understandable that policymakers remain bent on defending the dying vestiges of an outmoded order. Nevertheless, that the maritime domain is frontline of the revision of rules raises new dilemmas for regional states and presents new challenges for foreign and defence policy. How should Australia apply bigger questions about Asia's power shift to the maritime domain? Should it, for example, double-down on the existing maritime 'rules-based order', or accommodate the great power prerogatives of rising powers in developing new norms, rules and patterns of behaviour? Given UNCLOS provides Australia such vast marine entitlements, maritime strategic thinking requires grappling with how regional, middle-sized states can employ all elements of statecraft to defend maritime order and the international law that supports it. Further, maritime strategy encompasses more than sea denial and continentalist thinking: it requires a systemic, whole of government approach to the full range of traditional and non-traditional security threats that emanate in and from the seas.

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52   Evans, 'Maritime Strategy and Australia's Future', p. 21.

Pursuing the Total Force: Strategic Guidance for the Australian Defence Force Reserves in Defence White Papers since 1976

Mark Armstrong

Recent events including the re-election of the Morrison government in July 2019 and speeches from the new Minister of Defence, Senator Linda Reynolds, and the Chief of the Defence Force, General Angus Campbell, have added to the discussion on a new Australian Defence White Paper (DWP)[1]. Proponents argue that a new DWP is required for reasons including a changing strategic situation, emerging interstate conflict short of war (called grey zone operations), great power tensions and the diminishing power of the United States. Furthermore, new technology including Artificial Intelligence, autonomous systems, hypersonic missiles and cyber weapons may change the character of the next war from those fought in the past. These factors support a rethink on Defence policy and the force structure and capability development priorities that flow from it.

A significant portion of the uniformed personnel serving in the Australian Defence Force (ADF) are part-time, traditionally referred to as 'Reserves'. These personnel serve the three Services—the Royal Australian Navy (RAN), Army and Royal Australian Air Force (RAAF)—in several different or 'less than full-time' arrangements, now known as Service Categories. Australia has a rich history of citizens participating in part-time military service, particularly the Army which was, prior to 1948, predominantly part-time, apart from the World War periods when large volunteer expeditionary forces were raised separately and served overseas. Part-time force elements remain in most Western defence forces due to cost effectiveness and the strategic flexibility they can provide. Since 1999 Australian Reserves have been utilised at an unprecedented level to support the ADF's operational deployments; about 18 per cent of ADF forces on operations have been Reservists.

Despite the recent prominent employment of Reservists at home and overseas, and their excellent performance, the number of Reservists declined to an all-time low in 2016 due to slackening recruitment and high turnover. These trends suggest that Defence is not according sufficient priority to the Reserves. There is also evidence that Defence is uncertain about the utility of the Reserves. For example, the most recent Army Research Development Plan poses the question: "Are the Reserves being used efficiently? Is the existence of Reserves contrary to the notion of military professionalism?"[2] Implicit in this two-part research question is a condescending attitude to the Reserves.

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1   From this point in the article 'Defence White Paper' will be abbreviated to 'DWP' and followed by the year of issue where relevant. So 'Defence White Paper 1976' will be abbreviated to 'DWP 1976'.

2   Australian Army, *Army Research and Development Plan: Arts and Humanities* (Canberra: Department of Defence, 2016), pp. 14-17.

Strategic guidance should specify employment and set priorities for generic force preparation of the Reserves. This paper examines contemporary strategic guidance in DWP 2016 and analyses earlier DWPs to discern the nature and character of present and past guidance. The purpose is to discover if there are legacies and lessons from past and contemporary strategic guidance that impact on Australia getting the best from its Reserves.

The paper makes a number of telling observations. These include: strategic guidance related to the Reserves has shifted over time; paradoxically more has been demanded from the Reserves in every DWP as resources for the Reserves have dwindled; the Reserves content in DWPs peaked in DWP 1994 and has steadily diminished to its lowest level in the most recent DWP in 2016. What are the implications of shifting guidance? Is there an explanation for the peak of Reserves content in DWP 1994 and then a steady decline in guidance for the Reserves over the next twenty years? How might future strategic guidance for Reserves be recast to optimise the contribution Reserves can make to the defence of Australia and its national interests?

The paper will discuss strategic guidance provided for the ADF Reserves in the seven DWPs since 1976, with emphasis on the most recent, DWP 2016. It will conclude by making some observations about how the Reserves might be better represented in the next DWP.

Intentions of DWPs

Since 1976, Australian governments have developed and published seven DWPs to explain Australia's rationale and priorities for the defence of Australian sovereignty and national interests.[3] Typically, DWPs articulate each government's strategic assessments based on an analysis of international relations, and derive three priorities for Defence, namely, national sovereignty, regional security and supporting a rules-based global order. Prominence is given to the US-Australian alliance as well as aspirations for self-reliance. Each DWP is used to justify capability development and major military equipment acquisitions; usually acquisitions focus on principal weapons platforms such as naval vessels for RAN, armoured vehicles and artillery for Army and aircraft for RAAF. These platforms are a major determinant of the composition of Australia's military forces.[4]

DWPs are not the definitive source or basis of all military force structure decisions. As Defence Minister Linda Reynolds noted in 2015, Defence and the ADF conduct frequent institutional reviews that drive changes to force structures, resource allocation and priorities.[5] History also reveals that federal, state and territory politics play significant roles in the location of military bases, Army Reserve depots, shipbuilding, small arms and spare parts manufacture and other capability development projects.

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3   Australian Government, *The Strategy Framework* (Canberra: Department of Defence, 2017), p. 5.

4   N. Brangwin, N. Church, S. Dyer and D. Watt, *Defending Australia: A History of Australia's Defence White Papers*, Parliamentary Library Research Paper (Canberra: Department of Parliamentary Services, 2015), p. 5.

5   L. Reynolds, 'The Department of Defence: Fundamental Problems Require Transformational Solutions', Dissertation, Deakin University, Geelong, 2015, p. 20.

Frequency

DWPs are intended to be timely and responsive. Accordingly, there is no set cycle for developing and publishing them. In 2009 the Rudd government did propose a five-year cycle, but this did not last beyond the following DWP.[6] One or more factors have triggered the timings of their development: a change of government, a significant change in the economic outlook, a significant shift in strategic circumstances and/or the need for a large-scale capability investment (such as a new submarine fleet or aircraft type). In the forty years between DWP 1976 and DWP 2016 the average time was 5.7 years but was greater in the earlier years and more frequent since 2009.

Content

In simple terms, the better the strategic guidance from government the better Defence understands what it is expected to be ready to do. Taken together, DWPs should show how capability development and force structure decisions, as well as expenditure estimates, connect to strategic objectives.[7] DWPs should also guide levels of force preparedness, training regimes and force generation cycles.[8]

In order to achieve their objectives, each DWP generally consists of four core sections, although these may consist of multiple chapters. The first is an assessment of the national strategic context with a focus on international relations; the second is an overview of Australian military strategy; the third section provides a framework of a future force structure; while the final section relates to funding.[9]

The Place of Reserves in DWPs

This paper will focus on the Army Reserve. The Army Reserve make up the largest proportion of ADF Reserves. RAN and RAAF Reserves have a different model of service compared to the Army Reserve. Both are small and are less likely to be a significant expansion base for either Service. They consist predominately of ex-regular personal and specialists, as opposed to the Army Reserve for which the majority are career part-time members.

For several reasons, the Army Reserve features independently in every DWP. The first reason is cultural. There is a deep culture of part-time military service in Australia dating back to Federation as well as to earlier colonial times. Contemporary land force reserve units maintain traditional historical and close ties with urban and rural communities and can be conduits for recruitment to regular forces. The second reason is that the Reserves are a core mobilisation force for national defence. They are comprised of uniformed, trained military personnel available for call up for full-time military service.

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6   Brangwin et al., *Defending Australia*, p. 58.

7   Ibid.

8   RAND, *Comprehensive Analysis of Strategic Force Generation Challenges in the Australian Army* (Santa Monica: RAND Corporation, 2018), p. xi.

9   Andrew Davis, 'A New DWP Wouldn't Be Worth the White Paper It's Written On', *The Strategist*, Australian Strategic Policy Institute, 19 June 2019, <https://www.aspistrategist.org.au/a-new-dwp-wouldnt-be-worth-the-white-paper-its-written-on/>

They also contain pools of specialists, such as engineers, logisticians, surgeons, doctors and anaesthetists. Though there is an ongoing debate, Reserves are a cost-effective supplement and expansion base for Australia's military capabilities and capacities.[10] Typically, DWPs highlight territorial and infrastructure defence including home guard and disaster relief roles and mobilisation that includes supplementation of regular units and augmentation through provision of specialists.

In anticipation of a strategic or operational emergency or at the onset of a strategic surprise or disaster, the Reserves can accelerate the specific force preparation of existing and newly formed units, mainly land forces, and release regular land force elements for immediate employment while raising and mobilising follow-on forces for rotation to and from theatres of operation. Reserves can be deployed immediately to defend important infrastructure and/or population centres with well-led personnel trained in the disciplined use of weapons. For partial mobilisation to meet specific threats, Reserves can supplement regular forces to bring them up to strength and form a reinforcement echelon for replacing casualties in regular forces. In practice these contributions to Australia's military capabilities and capacity can overlap and are often made simultaneously, interchangeably or are implied. No DWP has ruled out the traditional immediate supplementation or anticipatory mobilisation roles for the Reserves.

The Strategic Guidance for the Army Reserve Over Time

Overview

The table in Figure 1 summarises the number of references to Reserves in each DWP,[11] the number of paragraphs dedicated to Reserves,[12] percentage change since the last DWP,[13] number of references to RAN/RAAF Reserves and key strategic guidance for Reserves.[14]

This table reveals a number of trends. The first is that while the length of DWPs have increased over time, the number of references to the Reserves peaked in 1994 and has decreased for every subsequent DWP. Specific mention of RAN and RAAF Reserves disappeared in 2013. The number of paragraphs focused on the Reserves has followed the same trends as single references to the Reserves.

Figure 2 summarises the elements of strategic guidance contained in DWPs categorised according the traditional roles outlined above.

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10 M. Smith, 'Focusing the Army Reserve: Force Structuring as an Operational rather than Strategic Reserve', *Australian Defence Force Journal*, no. 193 (2014), p. 44.

11 'Reserve' mentions count includes all the text including table of contents. Excludes 'reserve' in non-military staff context (e.g. petroleum reserves) and when a part of another word (e.g. preserves).

12 Includes paragraphs where the content is principally devoted to Reserves.

13 Sum of 'reserve' and 'part-time' mentions compared as a percentage to the previous DWP.

14 This is a judgment of the DWP statement that best encapsulates the strategic guidance for Reserves.

Figure 1: Textual Analysis of DWPs 1976-2016

	Total number of pages	Reserve mentions (military staff)	Part time mentions (military staff)	Paragraphs dedicated to Reserves	% Changes in mention since last DWP	% Changes in dedicated para since last DWP	Mentions specific to Navy/ Air Force Reserves	Primary Reserve Strategic Role Statement
DWP 1976	38	25	0	4	NA	NA	3	No discernible specific statement
DWP 1987	65	51	0	8	104%	100%	9	...major roles in northern defence, logistic support, surveillance, protection of key installations, and maintenance of expansion base skills in armour, artillery, air transport, and mine countermeasures. ..... Reserves to play the fullest possible role in the defence of Australia by enabling them to be used in the sort of low level threat which could emerge with relatively little warning. pp. 92-93)
DWP 1994	93	229	13	47	375%	488%	39 (2 x para for Navy 5 x para for Air Force)	Reserves now have specific roles in defending Australia in short-warning conflict, both as individuals and as formed units. In peace, they perform a number of essential tasks on a permanent part-time basis. (p. 73)
DWP 2000	142	58	3	20	-75%	-57%	0	Henceforth their (Reserves) clear priority will be to provide fully-trained personnel to our ready frontline forces deployed on operations (p. 84)
DWP 2009	144	21	33	11	-11%	-45%	7 (1 x full para each)	(main aim) improve the Army's overall ability to sustain prolonged operational deployments and to provide additional capability when the regular Army is facing concurrency challenges. (p.75)
DWP 2013	148	30	2	8	-41%	-27%	0	Operational reserve (p. 40) Typically, Reserves provide lower-end and longer lead-time capabilities, and those that are related to the civilian skills of reservists. (p. 45)
DWP 2016	191	12	0	4	-63%	-50%	0	...deliver defence capability (p. 148)

Figure 2: Summary analysis of strategic guidance for DWP 1976-2016

	Mobilisation/ expansion base	Territorial Defence	Round out/ Supplement	Specialists	Link with the community	Complementary capability	Domestic Support
DWP 1976	ME (p. 30)	X	P (p. 33)	X	X	X	P (p. 33)
DWP 1987	SE (p. 27)	ME (p. 92-93)	SE (p.60)	X	X	SE (p. 38)	X
DWP 1994	SE (p.33)	ME (p.48)	SE (p.48)	SE (p.55)	SE (p. 136)	SE (p.74)	P (p. 81)
DWP 2000	SE (P. 65)	X	ME (p. 84)	SE (P. 65)	SE (p. 71)	SE (P. 65)	SE (p. 53)
DWP 2009	SE (p. 75)	X	ME (p. 75)	SE (p. 91)	SE (p. 75)	SE (p. 75)	SE (p. 91)
DWP 2013	SE (p.46)	X	ME (p. 40)	SE (p. 45)	X	SE (p. 46)	X
DWP 2016	X	X	ME (p. 148)	SE (p. 148)	X	X	X

Legend	ME- Main Effort	SE - Supporting Effort	P - Potential	R - Ruled out	X - No specific mention	

Strategic guidance in DWPs for the traditional roles for the Reserves is fragmented and imprecise. There is no primary or consistent guidance except for highlighting supporting efforts for the Reserves in mobilisation. This guidance disappeared in DWP 2016. The subordination of the Reserves as an immediate supplement to top up regular units is a strong trend after the turn of the century. However, DWP 2016 mentions this role as an afterthought late in the text.

More specifically, guidance changes over time. The Reserves were mentioned explicitly and primarily in DWP 1976 as an expansion base for mobilisation with potential for supplementation. From DWP 2000 until DWP 2016 supplementation of Regular forces becomes the main effort for the Reserves. A couple of categories for employment disappeared after DWP 2009, namely domestic support operations and maintaining traditional military-community links. More broadly, the Reserves appear to have been dismissed as a unique contributor to Australia's military capabilities and capacities and demoted to be a source of supplementation for Regular forces.

Alan Dupont, an expert in the analysis of DWPs, points out that they have failed to articulate strategic guidance more generally and that the Reserves should not assess that they are the only component of Australia's defence structure that receives fragmentary and imprecise guidance:

> Given the number of defence white papers that have been published since the first appeared in 1976, finding a clear statement of Australia's defence strategy would seem a straightforward task … Even the most determined and forensically inclined reader will struggle to find a simple, clear statement of Australia's defence strategy and objectives. They frequently must be inferred, or extracted piecemeal, from the voluminous pages of recent white papers.[15]

Mindful of Dupont's dismal assessment, discussion will now turn to discussing each DWP individually in order to identify trends in guidance for the Reserves in more detail.

DWP 1976—Australian Defence

The Fraser government tabled the first DWP in 1976. Previously, Defence had issued a document entitled, 'Australian Defence Review' in 1972 as a way of articulating strategic guidance. DWP 1976 came in the aftermath of the end of the Second Indochina War, a strategic humiliation for Australia's major ally, the United States, and the recognition of China in 1972. The Whitlam government had ended national service for Australia's participation in operations in Vietnam in 1972. Since taking office in controversial circumstances in 1975, the Fraser government had conducted a number of Defence reviews that informed DWP 1976. By this time controversial former diplomat and Defence bureaucrat Arthur Tange had spearheaded a restructure of the higher management of Defence that disempowered the Services in order to facilitate civilian control of capability development.[16]

For the Army Reserve the key review before DWP 1976 was the 'Committee of Inquiry into the Citizen Military Forces'. This report, known as the 'Millar Report', made a series of recommendations designed to be implemented over the following ten years.[17] Essentially, the strategic rationale proposed was one of a 'Total Force' with the renamed Army Reserve (ARES) performing the role of an expansion base that would be structured and employed in the same way as the Regular Army (ARA) but on longer

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15   Alan Dupont, *Full Spectrum Defence: Re-thinking the Fundamentals of Australian Defence Strategy*, Analysis (Sydney: Lowy Institute for International Policy, March 2015), p. 2.

16   Jeffrey Grey, *The Australian Army: A History* (Melbourne: Cambridge University Press, 1999), pp. 248-50.

17   T. B. Millar, *Committee of Inquiry into the Citizen Military Forces: Report* (Canberra: Australian Government Publishing Services, 1974), p. 2.

lead times for specific force preparation for operational employment. The Millar Report recommended the disestablishment of traditional but now obsolete complementary capabilities such as Forestry, Water Resource and Railway operations. Other significant recommendations included the amalgamation of some ARES units and amendment of the Call Out legislation to allow call out of Reserves without a new Act of parliament.[18]

Amalgamations, more streamlined call-out arrangements and an emphasis on self-reliance did not prompt specific guidance for the Reserves. The strategic threat concerns were the reduction of US and British forces in Australia's near region, an increase in Russian military activity and potential instability in the Pacific Islands. There was a focus on $12 billion for major acquisitions for the three Services, theoretically in response to these strategic trends, namely, new RAN frigates, new Army battle tanks and new RAAF PC3 long range surveillance aircraft.

DWP 1976 mentioned Reserves twenty-four times and devoted four paragraphs to discussion of roles for Reserves. The Millar Review in 1974 gave the ARES context for DWP 1976. However, it contained little specific strategic guidance. One theme was the desirability of a greater peacetime role for Reserves in the context of one Total Force. The emphasis moved from employment of Reserves for war or in a defence emergency, to employment during "international situations" or for "short-term assistance to the civil authorities during a natural disaster".[19]

Without a connection to strategic guidance, DWP 1976 forecast an increase of 5,000 ARES personnel from a current strength of about 20,500 over the next five years and longer-term relocations and rebuilds of ARES depots after wide consultations.[20] Within one year the disconnect between promised DWP 1976 funding and acquisition targets was apparent.[21]

DWP 1987—The Defence of Australia

The Dibb Review released in 1986 strongly influenced DWP 1987.[22] Paul Dibb, a senior Defence official, was critical of many parts of the ADF's force structure, including the Reserves for which he could not identify the official strategic rationale for a 30,000-strong Army Reserve. It also did not reference an Army review of the ARES that identified a decline in capacity and capability since 1974 as a result of ageing facilities, understaffed units and recruiting deficiencies.[23]

DWP 1987 reaffirmed the focus on self-reliance and eschewed forward defence, favouring the notion of a defence in depth of an area of strategic interest 'radiating' in circles around Australia. The strategic plan was for the RAN and RAAF to engage forces intent on invading Australia in the 'air-sea gap' forward of the Australian homeland. The Army's

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18   Ibid., p. 130.

19   Department of Defence, *Australian Defence* (Canberra: Commonwealth of Australia, 1976); (DWP 1976), p. 33.

20   Ibid.. pp. 38-46.

21   Peter Jennings, *The Politics and Practicalities of Designing Australia's Force Structure*, in Desmond Ball and Sheryn Lee (eds), Geography, Power, Strategy and Defence Policy, (Canberra: ANU Press, 2016), Chapter 9, <press-files.anu.edu.au/downloads/press/p346293/pdf/ch09.pdf> [Accessed 25 July 2019].

22   Paul Dibb, *Review of Defence Capabilities* (Canberra: Australian Government, 1986), p. vi.

23   J. M. Sanderson, *Report on the Structure and Tasks of the Army Reserve* (Canberra: Australian Army, 1986).

role was to deploy to defend key infrastructure and defeat enemy raiders in the north and north-western areas of the Australian mainland. Without explicitly mentioning Reserves, DWP 1987 called for a better balance of forces and the development of Australian defence industry.[24]

DWP 1987 mentions Reserves fifty-one times and devotes eight paragraphs to discussion of roles, a 100 per cent increase on DWP 1976. Guidance was vague and possibly patronising. The ARES would be "required to contribute to operations which might arise in the shorter term as part of the total Army, at a level commensurate with achievable degrees of training and readiness".[25] The ARES was assigned the principal role of 'vital asset protection' within the context of 'Territorial Defence' thus freeing up ARA combat units for mobile offensive operations.[26] The separate ARES role of Territorial Defence was a departure from the Total Force concept articulated in the Millar Report and reemphasised in DWP 1976.[27] Instead of being employed in a similar way to the ARA, the bulk of the ARES would conduct specific but limited tasks separate from the ARA.

In some ways DWP 1987 created unrealistic expectations and made a number of imprecise generalisations. Repeating DWP 1976, there was mention of the ARES as an expansion base that included an unrealistic possibility of the ARES being issued battle tanks.[28] Another unrealistic expectation was advice that ARES units would 'integrate' with 1st Division and the Logistic Support Force.[29] A commitment to legislation for a restricted call out of Reservists for full-time service was not attended to until 1988, fourteen years after the Millar Report and commitments in DWP 1976.[30] Aspirations for 6th and 7th Brigades to provide individuals and groups to 'round out' 'higher priority elements' of the ARA was fanciful. In contradiction, DWP 1987 offered that other ARES formations than the theoretical "higher priority elements would be staffed and equipped at a level suitable for training but not operations". They would be 'rounded out' by another element of the ARES if mobilised.[31] Once again, without connection to strategic guidance, DWP 1987 stated there would be an increase of ARES strength to 26,000.[32]

In a rather disingenuous way DWP 1987 declared that its prescriptions, "will make our Reserves a much more effective element in a self-reliant Australian defence force". The end of the Cold War made DWP 1987 obsolete, but its prescriptions echoed through the 1990s as Australian governments once again renewed strategic traditions and despatched land forces overseas to support a rules-based global order. Australia committed relatively significant forces to peace support operations in Namibia, Cambodia, Somalia and Rwanda. DWP 1987 also contributed to increasing risk. The organisational muscle groups for force projection were neglected. An ADF response to a coup on Fiji in

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24 Department of Defence, *The Defence of Australia*, 1987 (Canberra: Commonwealth of Australia, 1987); (DWP 1987), pp. 8-9.

25 Ibid, p. 58.

26 Ibid, p. ix.

27 M. Mumford, 'History of the Reviews into the Army Reserve', supporting Annex to the 2nd Division Transformation Project Directive (Canberra: Australian Army, 2017), p. A-6.

28 Department of Defence, DWP 1987, p. 60.

29 Ibid, p. 60.

30 Ibid, p. 59.

31 Ibid, p. 54.

32 Ibid, p. 60.

1987 and subsequent force projections to Somalia and closer to home in the near region highlighted systemic problems.[33]

The Wrigley Review of 1990 titled *The Defence Force and the Community* and Force Structure Review of 1991 both promoted the cost effectiveness and potential of the Reserves, on condition that there would be enough strategic warning time to increase their readiness for operations.[34] Indeed, Wrigley proposed nearly doubling the Reserves and a much greater role for RAN and RAAF Reserves and noted the likely resistance from regular officers for this scheme for reasons including "professional military prejudice".[35]

DWP 1994—Defending Australia

Mentions of the Reserves increased significantly in DWP 1994 with 229 instances, a 350 per cent increase compared to DWP 1987 and forty-seven paragraphs devoted to the Reserves, an increase of 488 per cent. Indeed, Chapter 7 was dedicated to Reserves. The term 'part-time' in the context of military forces appeared thirteen times for the first time in a DWP.

A focus on cost effectiveness and utility is one possible cause of this new emphasis. The Hawke government's priorities were economic in face of the initially slow recovery from the recession of 1990-92.[36] There was post-Cold War optimism for US President Bush's 'New World Order' and a relatively benign strategic outlook for Australia's near region. The Defence Minister, Robert Ray, delivered a reduced Australian Defence budget in the context of pursuing a 'peace dividend' after the end of the Cold War and dominance of the United States in a unipolar world order.[37] The role of the Reserves received particular attention to soften criticism of a reduction in the size of the full-time forces, especially in the Army. The issue of balance (regular/reserve) within the 'Total Force' was mentioned no less than seven times.[38]

Despite the additional content focused on the Reserves, DWP 1994 contained little in the way of new or specific strategic guidance from DWP 1987. New content focused on a new part-time force called the Ready Reserve. This scheme was based on recruiting individuals for a year of full-time training followed by a period of part-time service with annual training obligations. The Ready Reserve Scheme rounded out the 6th Brigade in Brisbane along with smaller Ready Reserve elements for the RAN and RAAF. Robert Ray touted the Ready Reserve as a force that would bolster the ADF to meet the challenge of "short warning conflict".[39] This term was introduced to describe the contingencies that might arise inside strategic warning times and therefore require the "forces in

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33 Bob Breen, *Struggling for Self-Reliance—Four Case Studies of Australian Regional Force Projection in the late 1980s and the 1990s* (Canberra: ANU E Press, 2008), p. 40.

34 Alan K. Wrigley, *The Defence Force and the Community: A Partnership in Australia's Defence* (Canberra: Australian Government Publishing Service, 1990), pp. 500-2.

35 Ibid, p. 364.

36 David Gruen and Glenn Stevens, 'Australian Macroeconomic Performance and Policies in the 1990s', In David Gruen and Sona Shrestha (eds), *The Australian Economy in the 1990s*, Reserve Bank of Australia Bulletin, Oct 2000. P. 32.

37 John Blaxland, *The Australian Army from Whitlam to Howard* (Melbourne: Cambridge University Press, 2014), p. 95.

38 Department of Defence, *Defending Australia: Defence White Paper 1994* (Canberra: Commonwealth of Australia, 1994) (DWP 1994), pp. 48-49.

39 Ibid., p. 49.

being" to deploy for employment initially to allow time for specific force preparation of rotation forces.[40]

The 'big idea' in DWP 1994 that would have ramifications for the following decades was that "the distinction between Regular and Reserve personnel must be greatly reduced" and therefore Reserves would have a "similar level of individual training [as Regular forces] with the difference being the level of experience and availability".[41] This new concept of standardising individual training for the full-time (ARA) and part-time (ARES) components of the Army effectively left ARES personnel at basic training levels because all of their annual training allocations would be consumed by entry level and initial employment training. In order to facilitate an increase in training time, DWP 1994 outlined an initiative to engage with the civilian employers of Reservists to encourage giving Reservists more time off to train and protecting their employment in order to encourage taking time off for training.[42] In effect, the ARES was destined to become a pool of trained personnel that could contribute effectively to operational activities.[43] Notably, DWP 1994 included for the first time an explicit intention for the federal government to facilitate the employment of the Services in disaster relief activities, domestically and internationally.[44]

Significant force structure changes affecting the Army Reserve occurred without warning after DWP 1994. Newly appointed Chief of the Army, Lieutenant General John Sanderson, introduced the Army in the 21st Century (A21) and Restructure of the Army (RTA) programs. Sanderson envisaged integration of ARA and ARES units, reallocation of equipment and introduction of Common Induction Training. The Ready Reserve Scheme was also discontinued despite its promise.[45]

In 1999 the ADF faced a moment of strategic truth when called upon to project a substantial land force into the near region and lead an international force into East Timor. The Army was stretched to its limits to sustain this commitment.[46] The A21 and RTA initiatives foundered on the rocks of necessity as ARA companies were stripped from ARES battalions with scores of trained reservists, many taking demotions in rank, to reinforce 6th Battalion, the Royal Australian Regiment (6 RAR), for a tour of duty in East Timor in 2000.[47] The rapid reinforcement and deployment of 6 RAR in four months at least proved that standardising basic and initial employment training for ARA and ARES infantrymen paid off when additional manpower was needed urgently for overseas operations. Notably, scores of Reservists rallied and made themselves available at short notice for service in East Timor. Specialist ARES personnel, such as logisticians, doctors, surgeons, engineers as well as communications and sanitary technicians were crucial to the success of the intervention.[48]

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40 Ibid., pp. 24-25.

41 Ibid., p. 78.

42 Ibid., p. 81.

43 Ibid., p. 33.

44 Brangwin et al., *Defending Australia*, p. 27.

45 Grey, *The Australian Army: A History* , p. 257.

46 Bob Breen, *Mission Accomplished, East Timor: The Australian Defence Force Participation in the International Forces East Timor* (INTERFET) (St Leonards, NSW: Allen & Unwin, 2001), pp. 1-10.

47 Blaxland, *The Australian Army from Whitlam to Howard*, p. 170.

48 A. Davies, and H. Smith, Stepping Up: Part-time Forces and ADF capability', Strategic Insights, (Canberra Australian Strategic Policy Institute, 2008), p. 2.

DWP 2000—Our Future Defence Force

DWP 2000 came in the aftermath of the intervention into East Timor. There were many lessons from this unexpected high-risk force projection. The Reserves had played an important role. More Reservists had been employed on full-time duty in the two years prior to DWP 2000, mostly in East Timor, than in the previous fifty-four years combined.[49] Many Reservists volunteered and took time off from civilian employment to round out deploying ARA units. The regular 6th Battalion Royal Australian Regiment could not have deployed on time and fully trained without Reservist reinforcements who became the riflemen and machine gunners in the frontline of operations.[50] Reservists also played an important role domestically with many volunteering for full-time service to do the jobs of deployed ARA personnel.

DWP 2000 ended the Defence of Australia doctrine in favour of a small, high readiness ADF configured for force projection. While Reserves content was down, the clarity of guidance for the future of the Reserves was up:

> The strategic role for the Reserves has changed from mobilisation to meet remote threats to that of supporting and sustaining the types of contemporary military operations in which the ADF may be engaged.[51]

> The key to our sustainment capability in future will come from our Reserve forces. In line with the new emphasis on a small, high-readiness army ready for deployment, the role of our Reserve forces will undergo a major transition … Henceforth their clear priority will be to provide fully trained personnel to our ready frontline forces deployed on operations.[52]

DWP 2000 went on to highlight the role of the Reserves in disaster relief both nationally and internationally.[53] The significant initiative in this DWP was a more sophisticated approach to skilling the Reserves and having Reservists at different levels of readiness on stand-by for operations. Standardised training for the ARA and ARES, aligned to the new National Training Framework, facilitated recognition of civilian and military skills.[54] Selected individuals and units would be held at higher levels of readiness and have higher training obligations.[55] These would be the High Readiness Reserve (HRR) and the Reserve Response Forces (RFF) that were introduced in subsequent years.

There was a restated commitment (from DWP 1994) to legislate measures to protect the jobs of Reservists and provide support for employers.[56] The Howard government passed legislation to formalise these arrangements in 2001. Less successful was a proposal for an online database of Reservist's military competencies, accessible by employers but

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49 Department of Defence, *Our Future Defence Force* (Canberra: Commonwealth of Australia, 2000); (DWP 2000), p. 69.
50 Blaxland, *The Australian Army from Whitlam to Howard*, p. 170.
51 Department of Defence, DWP 2000, p. xiii.
52 Ibid., p. 82.
53 Ibid., p. 53.
54 Ibid., p. 71.
55 Ibid., p. 70.
56 Ibid.

never implemented.[57] Returning from absence in previous DWPs was mention of the value that Reserves provided through provision of a link with local communities.[58]

DWP 2000 represented an important milestone for the Reserves. Participation in operations in East Timor during the nation's time of need for trained military personnel renewed interest in including the Reserves more meaningfully in Australian defence. There was now clear guidance on transitioning the ARES to be a fully trained and operational reserve for the ARA.

Over the next nine years until the next DWP the Army Reserve stepped up to reinforce units deployed overseas. For the first time ARES rifle companies served as garrison forces in East Timor and Solomon Islands. Reservists served with their ARA compatriots in Iraq and Afghanistan. Reservists also took part in Border Protection operations, domestic event security operations and disaster response, such as to support ARA units cleaning up after Cyclone Larry in north Queensland in 2006.

DWP 2009—Defending Australia in the Asia Pacific Century: Force 2030

The Rudd government's Defence Minister, Joel Fitzgibbon, released DWP 2009 in May 2009. The mentions of the role of the Reserves were only slightly down on DWP 2000 with numerous references calling for a greater contribution from Reserves.[59] The RAN and RAAF each had a paragraph devoted to their reserves.[60] This would be the last mention of either in a DWP.

Echoing DWP 2000, the "main aim" for the Army Reserve was, "to improve … overall ability to sustain prolonged operational deployments and to provide additional capability when the Regular Army is facing concurrency challenges".[61] Necessity had been the change agent. Reservists and ARES sub-units had enabled the ARA to sustain overseas deployments and achieve reasonable rotation schedules. Reserves proved essential through this period to maintain the tempo of operations while allowing rest and reconstitution for ARA units.

In several ways DWP 2009 marked a peak in guidance to the Reserves for backing up deployed regular units. There were numerous mentions of the value of part-time forces, but it would be last time that a DWP used the nomenclature 'part-time'. It would be the last time that High Readiness Reserve (HRR) and Reserve Response Force (RRF), as well as proposals for different part-time service models such as 'Focused contributions' and 'Sponsored Reserves' would be mentioned.[62] The notion of the ARES backing up the ARA with trained personnel was dampened by an observation that the ARES contribution would be constrained by, "the complexity of the tasks performed by the ADF and the sophisticated and intensive mission preparation required".[63]

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57   Ibid., p. 72.

58   Ibid., p. 7.

59   Department of Defence, *Defending Australia in the Asia Pacific Century: Force 2030* (Canberra: Commonwealth of Australia, 2009); (DWP 2009), pp. 68, 74, 75, 90-92, and 117.

60   Ibid., p. 91.

61   Ibid., p. 75.

62   Ibid., p. 91.

63   Ibid., p. 90.

As an afterthought, DWP 2009 directed the Army to review its mix of full and part-time elements to achieve a number of goals including increasing the utility of Reserves and improving community links. It affirmed that the ARES should retain its divisional structure with six brigade-sized formations across the nation to recruit and train part-time personnel.[64]

DWP 2013—Defending Australia and its National Interests

DWP 2013 was largely a continuation of DWP 2009 with reduced guidance for the Reserves. Australia's strategic objectives and capability priorities were largely consistent.[65] The mentions of the Reserve were down on DWP 2009 by about 40 per cent and there were less paragraphs devoted to discussing the roles of the Reserves, down 27 per cent.

Echoing DWP 2000, DWP 2013 acknowledged explicitly that ADF Reserves had transitioned from a 'strategic reserve' (i.e. mobilisation/expansion base for defence of Australia's territorial sovereignty), to an 'operational reserve' (i.e. round out and supplementation for deploying and deployed forces).[66] It stated that the "Reserve component is an integral part of ADF capability".[67]

DWP 2013 contained a succinct and informative paragraph that listed the type of capabilities that Reserves provided: complementary and supplementary sub-units, specialist personnel and a surge of trained and partially trained personnel. The context was an accurate and realistic description of reserve capabilities: "Typically, Reserves provide lower-end and longer lead-time capabilities, and those that are related to the civilian skills of reservists".[68]

The Army's Plan Beersheba changed expectations of the place Reserves would take in the Order of Battle. Principally, DWP 2013 prescribed that Reserve Brigades would 'pair' with Regular Multi-Role Combat Brigades (MCB) and generate a Battlegroup and range of other small elements to supplement each MCB in each three-year Force Generation Cycle (i.e. reset, readying and ready).[69] This expectation represented a significant challenge because for more than a decade the ARES had focused on training individuals and groups up to company size for Stabilisation Operations in the near region. Now they had to train three headquarters and three Battlegroups capable of operating within the framework of each regular MCB during the annual major conventional war-fighting exercise of Hamel/Talisman Sabre.

The Reserve 'Reinforcing Battlegroup' has been successfully raised each year since 2014. Tasked predominantly with Rear Area Security Operations, it adds important mass to the MCB, but significant effort is required to train, equip and integrate each Reinforcing Battlegroup which is made up of personnel from many different ARES units.

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64 Ibid., p. 75.

65 Brangwin et al., *Defending Australia*, p. 68

66 Department of Defence, *Defence White Paper 2013* (Canberra: Commonwealth of Australia, 2013); (DWP 2013), p. 40.

67 Ibid., p. 45.

68 Ibid., p. 45.

69 RAND, *Comprehensive Analysis of Strategic Force Generation*, p. xii.

Communication equipment, protected mobility vehicles, some weapon systems and items such as body armour need to be shifted around 2nd Division, at significant cost, to train and equip the Battlegroup just in time for exercises. The process has improved relationships and interoperability with the MCB but there is still discussion about the cost of generating a unit-level Headquarters, the handover point to the MCB and whether the Battlegroup can be considered a 'manoeuvre group' capable of offensive missions. The ultimate test will be whether the complete Battlegroup ever gets deployed on operations.

DWP 2016

A change in government and pressing capability acquisition decisions prompted DWP 2016 three years after DWP 2013.[70] Despite it being an even longer document than its predecessor the Reserves hardly featured. There were only twelve references, down 60 per cent from DWP 2013, and four paragraphs, down 50 per cent from DWP 2013. Absent were mentions of ARES Battlegroups and joining the ARA in Force Generation Cycles. Guidance focused on the Total Workforce Model implementation (Plan Suakin) and a Reserve Assistance Program that provided counselling support for Reservists.[71]

There was a statement affirming the government's commitment to "maintaining the role of the Reserves" but no summary of the strategic rationale for Reserves. The closest statement resembling strategic guidance was, "The ADF is increasingly drawing on the skills and expertise of Reservists to deliver defence capability."[72]

DWP 2016 provided much less detail on ADF force structure than previous DWPs. This had the effect of lessening mentions of the roles of the Reserves. This was a significant break with the past. Less guidance increased the likelihood of the Services making autonomous decisions about force structure. However, commentators such as Ergas and Thomson considered the absence of force structure guidance as a potential 'moral hazard' for the Service Chiefs.[73] They recommend that government take more interest in specific force structure. There was a risk of ARA officers favouring full-time forces in force structure discussion rather than 'growing' part-time forces, a bias noted by Wrigley in his review in 1990.[74]

There are three other possibilities for the scant mentions of Reserves in DWP 2016. The first is that the organisation was satisfied with what the Reserve were delivering. After all, the DWP acknowledged that around 18 per cent of all ADF personnel deployed on operations (1999-2016) were Reserves.[75] Another possibility is that this reduction in specific mentions of the Reserves was as the logical consequence of higher integration of Regular and Reserve elements. A third, more likely but negative possibility could be that the Reserves were seen as largely irrelevant in the DWP discussion. In this period,

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70   Brangwin et al., *Defending Australia*, p. 74

71   Department of Defence, *2016 Defence White Paper* (Canberra: Commonwealth of Australia, 2016); (DWP 2016), pp. 148-49.

72   Ibid.

73   H. Ergas and M. Thomson, 'More Guns without Less Butter: Improving Australian Defence Efficiency', *ANU Agenda*, vol. 18, no. 3 (2011).

74   Wrigley, *The Defence Force and the Community*, p. 521.

75   Department of Defence, DWP 2016, p. 148.

the ARES was declining in numbers and at its lowest strength ever at around 13,500.[76] Whatever the basis of the absence of direction regarding Reserves, there was nothing in DWP 2016 that would compel Defence to change its approach to Reserves.

Changes in DWP Guidance to the Reserves

An analysis of strategic guidance to the Reserves across seven DWPs from 1976 until 2016 reveals an evolution of roles and a trend in expectations ranging from those based on reality to those founded on aspirational platitudes. Apart from the three-year period between DWP 2009 and DWP 2013 there were significant evolutionary changes that reflected evolutions of Australia's strategic posture. There was a shift from the traditional strategic rationale of the Reserves in the early 1970s, then called the Citizen Military Forces, as a mobilisation base to the Reserves training for territorial defence of Australia's sovereignty (DWP 1987/1994) to an operational reserve of basically trained military personnel (DWP 2000 onwards).

Guidance in DWPs for the structure of the ARES reflected the evolution from mobilisation base to a part-trained personnel pool with one major contradiction. Initially, ARES brigades and units were mentioned as a 'percentage' of the 'Total Force'. The assumption appeared to be that the ARES 2nd Infantry Division in Sydney and 3rd Training Group in Melbourne were there to mobilise with the ARA 1st Division on a longer lead time after war was declared or the threat of invasion became probable. In DWP 1987 there was a notion that Australia would receive sufficient strategic warning time for this mobilisation timetable to be effective.[77] DWPs fell silent about 2nd Division and its brigades after DWP 2000, but 2nd Division and its brigades continued regardless. Indeed, the structure of the major parts of the Army Reserve is largely consistent with that described in DWP 1976. There have been changes such as consolidation of units, changes in command status and the disestablishment of Headquarters 3rd Division to become 3rd Training Group, but the organisation is more similar than dissimilar to the one of forty years ago. Despite the advances in land forces technology, changes in Army force structure, lessons from contemporary operations and the emergence of new capabilities, the ARES remains Infantry-centric with most resources devoted to generating a light Battlegroup each year. These are historical echoes from the halcyon years of the militia in the twentieth century but they have questionable operational relevance in the twenty-first century.

The term of 'Total Force' that was prominent in early DWPs disappeared and was replaced with the notion of an integrated force in DWP 2009. The context was that the Army was comprised of an integrated workforce of full-time and part-time personnel. However, the term 'integrated' was also used frequently in other contexts, such as joint operations or logistics. This created some ambiguity about the use of the term to describe the ADF's new future as a joint force that integrated the three Services in common operational effort and a new way of thinking about the relationship between the Reserves and their full-time compatriots.

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76   Porter, S. 2018, *Commander 2nd Division Brief to Royal United Services Institute Queensland*, 17 October 2018.

77   Department of Defence, DWP 1987, p. 29.

The value of the Reserves as a military force 'of the people', with close community ties, especially in rural areas where traditional militia depots and historical unit names were retained, disappeared after DWP 2009. The context of mentioning the Reserves' links with the community echoed the legends and cultural myths of the First World War and Second World War that sturdy men left work on the land, many of them already members of the Reserves, then called militia, to enlist in their thousands for overseas service.

The readiness of the Reserves has been a theme in most DWPs. Initially, there was a traditional but unspecified notion of readiness embodied in the more general term 'mobilisation'. Over time, readiness levels became more specific as categories of Reserves with specified training competences were introduced. The Ready Reserve and High Readiness Reserves were the peak of this readiness regime. Common Induction Training set a shared training regime between ARES and ARA recruits and for initial employment. A Reserve Response Force had the intention of giving the ARA an immediate injection of trained personnel for operational service. Categories such as Sponsored Reserves and Focused Reserves were mentioned in one DWP and never effectively implemented, as was an aspiration for a central database of ARES members civilian skills that could be utilised on operational service.

There were innovations and enhancements for the Reserves in various DWPs. There were amendments to legislation to allow callout of Reserves in situations less than war or for a declared defence emergency. Conditions of Reserve service were enhanced through employment protection and employer support legislation. Despite the absence of a central database, the Total Work-Force model, expressed in slightly different ways, endured through the past four DWP and appears to be the most enduring concept for expressing the relationship between Reserves and full-time personnel.

Consistent Themes, Aspirations and Realities

An overview of all DWPs reveals a number of consistent themes and enduring realities about the Reserves. There have always been mention of the cost effectiveness of maintaining the Reserves and calls for more to be gained from employing the Reserves in the ADF. Another consistent theme is the value of applying civilian skills in the ADF, especially specialists such as surgeons, doctors and other niche specialist medical staff. In this context there has been an ambition for some specialist capabilities to reside largely or completely in the Reserves. There has always been a notion that trained and specialist Reserve personnel could 'round out' or supplement Regular forces having to mobilise quickly for operations. One consistent aspiration has been for more ARA personnel with skills and experience transitioning to the Reserves to enhance the competence of Reserves and continue to be of service to the nation. Akin to this idea of retaining and maintaining a skilled workforce for military service has been the concept of the ADF and corporations sharing workforces. Finally, the Reserves have largely been comprised of Army personnel. RAN and RAAF Reserves have been proportionally much smaller than the Army Reserve, possibly a combination of continuing traditions and the more specialised nature of training and employment in operational service at sea and in the air. However, considering the contemporary challenges of crewing vessels and maintaining airpower, the RAN and RAAF could potentially benefit from greater and different uses of Reserves than their current service paradigms.

Conclusion

DWPs guide ADF force structure and capability investment priorities for Australia's defence. It would then be reasonable to presume that they would clarify the strategic rationale for part-time forces which represent both a significant proportion of the ADF and a significant ongoing cost. However, an analysis shows that the guidance for the Reserves has been generally fragmented and shifts from DWP to DWP in terms of quality and quantity. The content devoted to the Reserves peaked in DWP 1994 and has been declining in every DWP since. In the most recent DWP released in 2016 there are only twelve mentions of the Reserves and four paragraphs that discuss the roles of the Reserves.

The elements of strategic rationale for the Reserves is broadly one of cost effectiveness. Reserves cost less than full-time forces through reduced fixed costs and leverage of skill sets maintained in civil employment. What the Reserves are used for, as articulated in DWPs, can be categorised into the elements of a mobilisation base; territorial defence; supplementary capability, specialists; link to the civil community, complementary capability and domestic support operations. In practice these may not be exclusive and represent what Reserves have been used for rather than as a result of design.

The guidance for Reserves has shifted over time from an expansion base to territorial defence and then to an operational reserve. The shift to an operational reserve has been successful if one considers the statistic that about 18 per cent of the ADF personnel deployed on domestic and overseas operation have been Reservists. However, there have been other consequences. The Reserves are now more capable, but smaller. Recruiting and retention challenges persist. The ARES remains Infantry centric with substantial resources invested in generating a Battlegroup for exercises each year. Transfer rates to the Reserves of discharging Regular personnel remain stubbornly low.

The cold calculation for the ADF of meeting demanding strategic tasks and limited budgets mean that Reserves have a place in the Total Force structure. However, the role, disposition and tasks for the Reserves may be suboptimal resulting in force and resource misalignments. This presents an opportunity for Defence to think differently about how Reserves are organised and managed. Having said this, reforming the Reserves has proved markedly more difficult than reviewing them. The next DWP is an opportunity to recast the value proposition of the Reserves and direct Defence to think beyond the traditional paradigms to engage more of the potential of the national human resource base in a way that contributes to national security.

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A Natural Partner? Intelligence Cooperation with India and Australia's Regional Interests

Martin White

Australian Prime Minister Scott Morrison's recent description of India as a "natural partner" in "the top tier of Australia's partnerships"[1] emphasises the continuing emergence of India as a key strategic partner. Although its strategic culture has historically led India to shun 'natural partners', mechanisms such as the Quadrilateral Security Dialogue (the 'Quad') are gradually strengthening to provide some evidence of converging Australian-Indian geostrategic interests.

There are many possible aspects that this relationship can build upon, although India's independent outlook means that its position cannot be taken for granted. Seemingly, as any strategic partnership grows, attention soon turns to intelligence sharing. Indeed, recent Australian-Indian intelligence sharing has occurred,[2] and other relevant multilateral forums have also sought greater intelligence sharing.[3]

Rudyard Kipling's famous novel *Kim* portrayed British Empire spying efforts to prevent Russian expansion into India as part of the 'Great Game'. *Kim* characterised this espionage as offering shared benefits—or indeed, the same benefits—to the British Empire and to Indian nationals, despite the anachronistic nature of the relationship and the lack of Indian agency in the matter. In comparison, contemporary international intelligence sharing generally only occurs if the nations involved have a common view of the need—although a common view is not, in itself, sufficient to prompt intelligence cooperation.[4]

There are numerous contemporary Australian-Indian shared security concerns, commonly portrayed in Australian strategic commentary, that may demand an intelligence dimension. These include: the growth in Chinese military capability and regional ambition;[5] Indian Ocean security;[6] and terrorism.[7] Indian policymakers have shared intelligence with other

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1   Scott Morrison, 'In Our Interest', Speech, The 2019 Lowy Lecture, Sydney, 3 October 2019.

2   Sameer Patil, 'An Amplified India-Australia Security', *Gateway House International Council on Global Relations*, 27 June 2019, <www.gatewayhouse.in/india-australia-security/> [Accessed 1 December 2019].

3   Daniel Baldino, 'Fight with Intelligence: Information Sharing and the Absence of Trust', Australian Institute of International Affairs, 5 June 2018, <www.internationalaffairs.org.au/australianoutlook/fight-with-intelligence-information-sharing-and-the-absence-of-trust/> [Accessed 2 December 2019].

4   Stephane Lefebvre, 'The Difficulties and Dilemmas of International Intelligence Cooperation', *International Journal of Intelligence and Counter Intelligence*, vol. 16, no. 4 (2003), p. 529.

5   Yogesh Joshi and Anit Mukherjee, 'From Denial to Punishment: The Security Dilemma and Changes in India's Military Strategy towards China', *Asian Security*, vol. 15, no. 1 (2019), pp. 25-26.

6   C. Raja Mohan, *Samudra Manthan: Sino-Indian Rivalry in the Indo-Pacific* (Washington, DC: Carnegie Endowment for International Peace, 2012), pp. 133-34.

7   Paul Staniland, 'Insurgencies in India', in Atul Kohli and Prerna Singh (eds), *Routledge Handbook of Indian Politics* (1st edition, United Kingdom: Routledge, 2013), p. 167.

countries in the past, where they perceived a common interest, although consistently in a transactional way with no firm commitment to enduring arrangements.[8] Further, India's self-view as a superpower-in-waiting may affect its contemporary approach to intelligence sharing.

At face value, Indian intelligence[9] is capable of performing well in the contemporary strategic environment, developing capacity to compete with technologically sophisticated nations. However, India does not greatly value Joint (inter-service) military operations; it has not dismantled barriers between its intelligence agencies; and, its intelligence organisations are considered to be poorly structured for contemporary operational demands[10] and for its own emerging doctrine.[11] There are conspicuous organisational and technical limitations and risks for India as it undertakes intelligence operations. These risks could also be carried by an intelligence sharing partner, and Australian policymakers and intelligence actors will be aware of the possible risks as impetus is generated for greater intelligence sharing.

Using the February 2019 Indian attack on Balakot, Pakistan, as an intelligence frame of reference,[12] this paper will: outline Australian strategic interests vis-á-vis India, highlighting reasons that intelligence cooperation could become important for the relationship; summarise the known and inferred Indian intelligence capability, identifying strengths and weaknesses and analysing the risks that may arise for Australian policymakers if intelligence cooperation grows; and, identify policy considerations for Australia.

Seas of Misunderstanding

The Indian Air Force conducted missile strikes on a Jaish-e-Mohammad (JeM) terrorist training camp in Balakot, Pakistan, in February 2019, retaliating to an attack on Indian security forces. Precision munitions fired from multiple Indian combat aircraft probably narrowly missed their target.[13] If the Indian Air Force was indeed attempting to strike the target, the multiple narrow misses are a somewhat concerning validation of India's military

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8   The intelligence relationship with France during the Cold War, which focused on Soviet and US movement in the Indian Ocean, was an example. See B. Raman, 'Indo-French Intelligence Cooperation: High Expectations, Poor Results!', Indian Defence Review, 26 August 2018, <www.indiandefencereview.com/spotlights/indo-french-intelligence-cooperation-high-expectations-poor-results/> [Accessed 1 December 2019].

9   The term 'Indian intelligence' will be used in this paper for brevity. However, it is well understood that the organisations that comprise Indian intelligence, including the Indian military, the Research and Analysis Wing and the Intelligence Bureau are not an homogenous entity.

10   Saikat Datta, 'India Rejigs Plans for Conflict with Pakistan, China', Asia Times, 29 June 2019, <www.asiatimes.com/2019/06/article/india-rejigs-plans-for-conflict-with-pakistan-china/> [Accessed 6 December 2019].

11   For example, India's Cold Start doctrine relates to the conduct of offensive operations and holding attacks in Pakistan, with the aim to avoid nuclear escalation. See Walter Ladwig III, 'A Cold Start for Hot Wars? The Indian Army's New Limited Warfare Doctrine', International Security, vol. 32, no. 3 (Winter 2007/08), pp. 158-59.

12   The Balakot airstrike has been covered extensively from a military-strategic perspective, but less so from an intelligence perspective. See Rohan Mukherjee, 'Climbing the Escalation Ladder: India and the Balakot Crisis', War on the Rocks, 2 October 2019, <warontherocks.com/2019/10/climbing-the-escalation-ladder-india-and-the-balakot-crisis/> [Accessed 8 December 2019].

13   Marcus Hellyer, Nathan Ruser and Aakriti Bachhawat, 'India's Strike on Balakot: A Very Precise Miss?', The Strategist, Australian Strategic Policy Institute, 27 March 2019, <www.aspistrategist.org.au/indias-strike-on-balakot-a-very-precise-miss/> [Accessed 3 December 2019].

'precision targeting' capability. However, other concerning aspects of the mission—relating to intelligence—merit further consideration.

Two features underscore the gravity of the Balakot mission. First, in issuing direction for the strike, Prime Minister Modi ordered the avoidance of "any collateral damage to civilians and military targets", as he was concerned about conflict escalation.[14] Second, the Balakot mission saw a nuclear state using strategic air power against another nuclear state. It is difficult to imagine any greater brinkmanship. Given these circumstances, it is reasonable to expect that the Indian Air Force would take all necessary actions to ensure mission success within the Prime Minister's parameters.

In the aftermath of the strike, inaccurate information was publicly proffered by Indian political figures. By way of explanation for the strike, the Home Affairs Minister emphasised that "300 mobile phones were active there" prior to the mission.[15]

The '300 mobile phones' statement raises more questions relating to Indian use of intelligence than it answers. Indeed, a question absent from the subsequent media and commentary is: who was using the 300 mobile handsets?

On learning about the 300 mobile handsets in the location, adhering to the Prime Minister's direction to avoid collateral damage with any degree of certainty would have become extremely difficult. Confirmation that all 300 of those mobile handsets belonged to terrorists would have required Indian intelligence to positively identify the user of each handset. This implies that India: had excellent signals intelligence (SIGINT) coverage of the mobile networks being used; was translating and monitoring the content of all 300 handsets; and, had recent verification that each handset was being used by a JeM member. Further, given that the Balakot site was said to comprise "97 fidayeen … undergoing training" and another "150 recruits",[16] the effort required to identify, translate and monitor these presumably newly selected JeM members through their mobile handsets (that is, without historical evidence of the handset use) is beyond the capacity of most intelligence agencies.

SIGINT alone could not have confirmed who was onsite at Balakot. For example, comprehensively monitoring 300 mobile handsets still could not have identified any people on the site who did not have mobile handsets (such as children). Other sources would be necessary. For example, airborne video surveillance could be very effective in this situation, providing a greater understanding of the target before and after the strike.

Applying the most generous interpretation from the available information, one could assess that Indian policymakers accepted a particularly low threshold to validate the handsets of the intended targets, had other effective intelligence sources that accurately identified the absence of non-combatants on the Balakot site, and provided intelligence estimates of the post-strike situation for briefing into the public domain in good faith but with inaccurate information.

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14   Raj Chengappa, 'Balakot: How India Planned IAF Airstrike in Pakistan: An Inside Story', *India Today*, 15 March 2019, <www.indiatoday.in/magazine/cover-story/story/20190325-balakot-airstrikes-pulwama-terror-attack-abhinandan-varthaman-narendra-modi-masood-azhar-1478511-2019-03-15> [Accessed 3 December 2019].

15   Krishna Das, 'India Cites "Active Mobile Phones" to Back Air Strike Casualty Claim', *Reuters*, 6 March 2019, <web.archive.org/web/20190307171349/https://in.reuters.com/article/india-kashmir-airstrike-idINKCN1QM1F3> [Accessed 3 December 2019].

16   Chengappa, 'Balakot: How India Planned IAF Airstrike'.

Plainly, there are other possibilities. For example, the Indian Air Force: assumed that all individuals at the site were terrorists despite no intelligence source providing this verification; relied upon human intelligence (HUMINT) sources, superseded photographic imagery of the site and a mobile telephone usage snapshot that did not validate the user of any of the proximate handsets; fired on a target with incomplete understanding and no direct visibility of what was going to be struck; and, made inaccurate post-strike claims about the outcome of the targeting mission in the absence of tangible evidence.

Moreover, the Indian Air Force probably missed the target despite using multiple, sophisticated munitions, inspiring little confidence in the Indian use of intelligence for precision targeting.

It may be somewhat unfair to take this single recent example of how Indian intelligence has been practically applied. Further, the Balakot strike does not represent a strategic mission of direct Australian-Indian shared interest. However, given the paucity of public information on Indian intelligence, instances where there is some understanding of how Indian policymakers have received and applied intelligence must be considered, and Balakot portrays a view of current intelligence shortfalls. Further, the lack of questioning in the media and Indian strategic commentary of the '300 mobile phones' statement is indicative of an intelligence enterprise that has not been subject to close scrutiny.

With this context in mind, this paper will now consider the Australian-Indian shared interests that could warrant intelligence cooperation.

Great Games, Old and New

While no fait accompli, the future could see India as the world's third largest economy assuming a mantle as "the primary power to Australia's west", much as China is now the key actor to the north.[17] India is slowly emerging, economically and militarily, with growing influence in South Asia and the Indian Ocean, and a desire to be recognised for what it sees as its inevitable future as a global superpower.

Australian policymakers have consistently viewed Australia's security and prosperity as being inextricably tied to global events and great powers. Actions taken within this frame of reference have mostly been calculated and pragmatic, with policymakers seeking security through a predictable and global rules-based order and from the longstanding US alliance.[18] The potential emergence of India as a greater power in the Indian Ocean region and beyond, and the potential for India's relationships with other major powers to influence global security, is viewed in Australia through the same pragmatic lens, and is reflected in defence policy.[19] Importantly, there is little evidence that Australian policymakers have accepted any suggestion of a US decline in relative influence in the Indo-Pacific.

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17   Hugh White, *How to Defend Australia* (Carlton, Vic.: La Trobe University Press with Black Inc., 2019), pp. 42-43.

18   Derek Grossman, 'Quad Supports US Goal to Preserve Rules-Based Order', *The Strategist*, Australian Strategic Policy Institute, 7 February 2019, <www.aspistrategist.org.au/quad-supports-us-goal-to-preserve-rules-based-order/> [Accessed 10 December 2019].

19   Department of Defence, *2016 Defence White Paper* (Canberra: Commonwealth of Australia, 2016), p. 62.

The expanding interests of democratic India in the Indo-Pacific; the US views on India as a critical regional actor; and Australia's continuing view of its prosperity being tied to regional security have therefore made a closer Australian-Indian relationship appear (to some) as a natural fit. Already, bilateral actions taken outside the Quad framework have demonstrated the shared desire for a closer security relationship.[20] At this point, it remains difficult to view this strengthened relationship outside the prism of the Australia-US alliance and continued US engagement in the region, but the increase in combined military activities speaks to the growing sense of Australian-Indian shared strategic interests.

Shared interests have been regularly identified in Australian strategic commentary. Some of these interests, such as the maintenance of a strong US presence in the Indo-Pacific region, are longstanding features that both nations consider fundamental to ongoing stability; albeit with India's view of the desirability of US pre-eminence subject to change if India's strategic weight continues to grow, and a risk that India and the United States view China's Indo-Pacific ambitions differently.[21]

This paper will focus on shared interests that have been commonly highlighted in the literature, and which have a potential or actual intelligence-sharing component. They are: China's growing geostrategic ambitions in the Indo-Pacific; Indian Ocean security; and terrorism.

These are not new issues for India. China is geographically immutable, and particularly since the 1962 border war, Indian policymakers have viewed China with suspicion. The Indian Ocean is also geographically immutable, and the "Super Power naval build-up in the Indian Ocean" which poses "a serious threat to peace and tranquillity" is not a novel concept for India.[22] India has lived with terrorism for decades, and has fostered some complex and often severe forms of suppression.[23]

However, all three issues have been lower order issues for India, subordinated to its decades-long preoccupation with Pakistan and Kashmir.

The situation differs somewhat for Australia. These three issues barely featured on Australia's strategic radar prior to the new millennium.[24] First, China has been identified as a potential strategic competitor and emerging Asian power for decades,[25] but has only recently materially influenced Australian defence policy. Some have suggested that the

20 Aakriti Bachhawat, 'No Longer in a Cleft Stick: India and Australia in the Indo-Pacific', *The Strategist*, Australian Strategic Policy Institute, 25 June 2019, <www.aspistrategist.org.au/no-longer-in-a-cleft-stick-india-and-australia-in-the-indo-pacific/> [Accessed 6 December 2019], highlighted a number of measures of closer cooperation between the two nations, including the number of military bilateral meetings, exercises and activities increasing from eleven in 2014 to thirty-eight in 2018.

21 Joshua White, 'Modi-Trump Multiple Embraces Signals India-US Ties on Strong Footing', *The Indian Express*, 28 June 2017, <indianexpress.com/article/opinion/modi-trump-meeting-multiple-embraces-signals-india-us-ties-on-strong-footing-4725197/> [Accessed 10 December 2019].

22 O. N. Mehrotra, 'India's Defence Strategy', *Strategic Analysis*, vol. 4, no. 9 (1980), p. 399.

23 Paul Staniland, 'Internal Security Strategy in India', *India Review*, vol. 17, no. 1 (2018), pp. 142-43.

24 For example, Department of Defence, *Defence 2000: Our Future Defence Force* (Canberra: Commonwealth of Australia, 2000), pp. 13, 37, only contextualised terrorism as a problem that Australia has military options to resolve; did not specifically mention the Indian Ocean; and, offered only two sentences on China as "the country with the fastest growing security influence in the region".

25 For example, China's 'war potential' was described as 'formidable' in the 1962 Strategic Basis. See Stephan Frühling, *A History of Australian Strategic Policy since 1945* (Canberra: Australian Dept. of Defence, 2009), p. 282.

closer Australia-India relationship mostly reflects an evolving 'exclusive' view of China in the region (that is, with an aim to reduce or obstruct China's influence),[26] although this is not reflected in Australian policy.

Second, Australian policymakers have only recently prioritised the Indian Ocean. While policymakers now argue that Australia has important Indian Ocean equities (and view India as a key Indian Ocean actor),[27] the Indian Ocean has rarely had policy prominence. Nonetheless, the maintenance of a 'free and open Indo-Pacific' and rules-based order, for countries that both predominantly rely on Indian Ocean ports for their trade, is now considered a shared interest.

Finally, the 2000 Defence White Paper framed terrorism as no more than a potential problem for Australia.[28] The strategic risk associated with terrorism was elevated in Australia after the 2001 World Trade Centre attacks.

Prior to 2000, none of these three issues had the same urgency for, or proximity to, Australia as they had for India. But India also did not elevate their priority above Kashmir and Pakistan. Therefore, although these three issues have been described as 'shared interests', a more accurate description is that they have become more proximate issues for Australia's security in the twenty-first century, and it is conceivable that India will have sufficient capacity to think more about these issues in the future.

To be sure, Pakistan and Kashmir insatiably subsume India's 'strategic bandwidth'. Indian policymakers may well try to situate their strategic priorities 'east', but this declared pivot risks magnifying a considerable existing disjunction between Indian declared policy and operational practice. There is every chance that India will remain mired in conflict with Pakistan (and will be forced to expend significant intelligence resources on tasks such as monitoring Pakistan's nuclear capabilities),[29] and this will dictate the effort allocated to other strategic issues. For example, equivocation in India about its 'no first use' nuclear strike doctrine is firmly related to ongoing tensions with Pakistan; yet the considerable implications of such ambiguity for India's relationship with China appear to be a secondary consideration.[30]

26   Bachhawat, 'No Longer in a Cleft Stick'.

27   Dhruva Jaishankar, 'Australia Articulates its Indian Ocean Priorities', *The Interpreter*, Lowy Institute, 21 January 2019, <www.lowyinstitute.org/the-interpreter/australia-articulates-its-indian-ocean-priority> [Accessed 2 December 2019].

28   Department of Defence, *Defence 2000: Our Future Defence Force*, p. 13.

29   Vivek Prahladan, 'Declassified: How India Tracked Pakistan's Development of a Nuclear Device', *The Diplomat*, 6 January 2017, <thediplomat.com/2017/01/declassified-how-india-tracked-pakistans-development-of-a-nuclear-device/> [Accessed 1 December 2019]. India used intelligence to track various stages of Pakistan's nuclear development progression, from centrifuge research to supply chains.

30   Sushant Singh, 'Manohar Parrikar Questions India's No-First-Use Nuclear Policy, Adds "My Thinking"', *The Indian Express*, 11 November 2016, <indianexpress.com/article/india/india-news-india/manohar-parrikar-questions-no-first-use-nuclear-policy-adds-my-thinking-4369062/> [Accessed 6 December 2019].

The Strength of the Wolf is the (Indo)-Pac

From an intelligence perspective, Kashmir (and the related "menagerie of Pakistan-sponsored Islamist military groups")[31] has almost fully occupied military and civilian intelligence resources for decades. Australian-Indian intelligence cooperation must be contextualised within the reality of competing, immediate demands facing India. What may be important for Australia has previously proven less critical for India, given the immediacy of the Kashmir security requirement and the enormous intelligence demands conferred by such endeavours as India's 'Cold Start' doctrine or other Balakot-like missions. India has had little choice but to adopt a higher risk acceptance threshold for China, the Indian Ocean and terrorism, because none of them pose the same proximate threat as a nuclear first-strike from Pakistan or a mass-casualty terrorist attack in India.

Nonetheless, each of the identified Australian-Indian shared interests have intelligence dimensions that would benefit from collaboration, and intelligence cooperation is realistic given the steady increase in 'strategic trust' between the nations.[32]

First, it may not yet be a new great game, but China's growing ambition in the Indo-Pacific region is influencing the security and intelligence planning for many nations. China is the most challenging intelligence mission of the three identified shared interests. Historically, India has accepted that China is a difficult intelligence target, and has not prioritised intelligence resources against China. For example, India has not achieved notable results from HUMINT missions in China (when compared to the effectiveness of HUMINT in Pakistan). This has resulted in India having less understanding of Chinese military capability, intentions and culture than one would expect, given the shared border and regular conflicts.[33]

India's proximity to China offers some unique intelligence collection opportunities. This includes the ability to access SIGINT on tactical Chinese capabilities; HUMINT in border regions; and air intelligence through relatively sophisticated Indian radar systems. The growing Chinese presence in the Indian Ocean region will also allow maritime collection of electronic intelligence. Given the enormous number of possible intelligence collection targets in China, the ability to collaborate on China may be desirable for India.

Some commentators have warned that containment of China should not become the only driver of Australian-Indian engagement.[34] Indeed, other factors are motivating closer cooperation. Intelligence sharing may also grow to support security outcomes in the Indian Ocean. Covering 20 per cent of the earth's surface, wide area surveillance is required to offer a persistent view of this expanse. Electronic intelligence from satellites,

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31   C. Christine Fair, *Fighting to the End: The Pakistan Army's Way of War* (New York: Oxford University Press, 2014), p. 3.

32   Pravda Parakkal, 'Towards an India-Australia Strategic Partnership', Australian Institute of International Affairs, 11 November 2018, <www.internationalaffairs.org.au/australianoutlook/towards-an-india-australia-strategic-partnership/> [Accessed 9 December 2019].

33   Nicolas Groffman, 'Guess What India and China Need to Improve Relations? More Spies', *South China Morning Post*, 24 October 2016, <www.scmp.com/week-asia/politics/article/2039640/guess-what-india-and-china-need-improve-relations-more-spies> [Accessed 4 December 2019].

34   James Curran, 'Where India Fits in an Activist Australian Foreign Policy', *The Interpreter*, Lowy Institute, 1 May 2017, <www.lowyinstitute.org/the-interpreter/where-india-fits-activist-australian-foreign-policy> [Accessed 3 December 2019].

aircraft and maritime vessels, including technology such as change detection algorithms,[35] contribute to wide area surveillance. While intelligence in this region will often relate to the growing Chinese maritime activity, Australia and India must also address issues such as piracy; people smuggling; and illicit flows of drugs and money.[36]

Many wide area surveillance systems, such as electronic intelligence receivers, do not have onerous security and classification requirements. Wide area surveillance therefore offers a low 'barrier to entry' for intelligence sharing. With the enormous quantities of unstructured data that will be collected in the region,[37] such surveillance must be supported by data analytics tools—another function that could be undertaken at a low classification.

Other intelligence capabilities relevant to the Indian Ocean region may include HUMINT, and aircraft or satellite video and imagery intelligence, for missions such as countering piracy. These intelligence capabilities can be used to identify maritime piracy bases, or support threat vessel boarding. Sharing of data with private companies operating in the Indian Ocean has also been historically important (to avoid hostage situations), as has the collection of financial intelligence.[38] Australian-Indian sharing of this intelligence is realistic.

Third, India and Australia have agreed to "deepen counter-terrorism cooperation", including through intelligence sharing.[39] India broadly classifies many domestic groups as 'terrorists', most of which are not directly relevant to Australia. To be of mutual benefit, counter-terrorism intelligence sharing would address transregional threats such as Al Qaeda.[40]

The intelligence required for counter-terrorism is widely understood but demanding, with signals, human, imagery and finance intelligence all regularly shared between nations for specific missions. Over time, technologies such as predictive artificial intelligence may be useful areas of collaboration.[41]

Nascent Australian-Indian intelligence sharing is occurring, and the scope for greater cooperation is growing as shared interests develop. As such, Australian policymakers should understand the structure, strengths and weaknesses of Indian intelligence.

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35 IANS, 'Indian Army Plans to Procure Drones to Counter Enemy Threats', *The Economic Times*, 16 October 2019, <economictimes.indiatimes.com/news/defence/indian-army-plans-to-procure-drones-to-counter-enemy-threats/articleshow/71612264.cms?from=mdr> [Accessed 8 December 2019].

36 United Nations, 'High Seas Crime Becoming More Sophisticated, Endangering Lives, International Security, Speakers Tell Security Council', press release, 5 February 2019, <www.un.org/press/en/2019/sc13691.doc.htm> [Accessed 6 December 2019].

37 Department of Defence, *Wide Area Surveillance Activity Based Intelligence* (Fact Sheet, DSC 1757, Australian Government, 2017), p. 1.

38 United States National Security Council, *Countering Piracy off the Horn of Africa: Partnership & Action Plan* (December 2008), pp. 1-2, 12.

39 News Services Division, 'India, Australia Agree to Further Deepen Counter-Terrorism Co-operation', *All India Radio*, 4 May 2019, <www.newsonair.com/Main-News-Details.aspx?id=362996> [Accessed 7 December 2019].

40 Carin Zissis, 'Terror Groups in India', Council on Foreign Relations, 27 November 2008, <www.cfr.org/backgrounder/terror-groups-india> [Accessed 7 December 2019].

41 Kathleen McKendrick, *Artificial Intelligence Prediction and Counterterrorism*, Research Paper, (London: Chatham House, The Royal Institute of International Affairs, August 2019), <www.chathamhouse.org/sites/default/files/2019-08-07-AICounterterrorism.pdf> [Accessed 7 December 2019].

The First Condition of Understanding a Foreign Country is... Effective Intelligence

Like many nations, numerous organisations (more than twenty) comprise Indian intelligence. The main strategic agencies are the Intelligence Bureau and the Research and Analysis Wing (R&AW). The Intelligence Bureau, which resides within the Ministry of Home Affairs, is responsible for internal security and has a major role in counter-terrorism. R&AW reports to the Prime Minister (and resides under the cabinet secretariat) and is responsible for external intelligence.

The military is also a significant intelligence actor. The three military services maintain intelligence organisations. The Defence Intelligence Agency coordinates military intelligence and controls many signals, cyber and imagery intelligence capabilities.[42] Other organisations, such as the National Technical Research Organisation, perform technical intelligence functions. Coordinating groups, such as the Technical Coordination Group, were established after a series of classified reviews through the 2000s.[43]

Some have argued that Indian intelligence is best understood by categorising different capabilities as either 'strategic' or 'tactical'.[44] This approach tends to constrain the view of intelligence to a 'wartime' prism where strategic and tactical intelligence may have greater delineation. In situations short of declared major conflict,[45] all intelligence resources contribute to the same information pool, and all are used in emerging methods of data analysis. Therefore, this paper does not segregate Indian intelligence into tactical and strategic groupings.

Unlike in other nations, and despite the tens of thousands of personnel employed in the area, Indian intelligence is not a frequent topic for strategic commentators. Partly, this is because intelligence is often classified, and obsolete intelligence is declassified less frequently in India than in Western nations.[46] Further, when Indian intelligence is publicly discussed, most commentary has focused on single intelligence capabilities, so a synopsis of the range of Indian intelligence capabilities is rarely presented.[47] An overall view is important, because it demonstrates the capabilities that could have been used at Balakot (but were not); and Australian policymakers should understand the breadth of Indian intelligence to determine how to optimise cooperation. Consequently, this paper has triangulated a range of commentary and policy to outline Indian intelligence capabilities.

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42   Vikram Sood, 'The Indian Intelligence System: Meeting the Challenges of a New World', in Harsh Pant (ed.), *Handbook of Indian Defence Policy: Themes, Structures and Doctrines* (India: Routledge, 2016), p. 340.

43   Shrivastava Manoj, *Re-energising Indian Intelligence* (India: Centre for Land Warfare Studies, Vij Books, 2013), pp. 17-19.

44   Prem Mahadevan, *The Politics of Counterterrorism in India: Strategic Intelligence and National Security in South Asia* (New York: I.B. Tauris, 2012), pp. 2-3.

45   Some have described this as 'grey zone' warfare, which is more common than declared conflict. For example, Angus Campbell, Speech, Australian Strategic Policy Institute International Conference 'War in 2025', Canberra, 13 June 2019, p. 9.

46   Janani Krishnaswamy, *Why Intelligence Fails*, Policy Report No. 3 (Chennai: The Hindu Centre for Politics and Public Policy, 2013), p. 12.

47   This is not to imply that Indian intelligence capabilities operate as a unified entity, but it is important to understand the scope of the resources available.

No Sin So Great as Bad Intelligence

The key Indian intelligence capabilities span all normal security-related domains—space; air; maritime; land and informational.

India has developed satellites relevant to military intelligence, managed through the Indian Space Research Organisation and the Defence Research Development Organisation. The military has reported operational use of imagery derived from its Cartosat satellites for 'surgical strike' operations. Image resolution is reported to have improved with India's newer satellites,[48] although satellite imagery could not be obtained after the Balakot strike.[49] Further satellite launches may establish an electronic intelligence and radar surveillance capability,[50] although some commentary still assesses intelligence derived from satellites to be nascent.[51]

Drones feature prominently in Indian intelligence, although they appeared to play no direct role in Balakot. The high organisational priority for drone technology suggests a likely near-term capability improvement. Basic drone intelligence collection capabilities are used (such as the Israeli-designed Heron),[52] in a large fleet, with further procurements planned.[53] Previous problems associated with imagery and SIGINT drones could be overcome.[54] India's incorporation of drone technology is likely to be an important determinant of its future intelligence capacity.

Manned aircraft also collect intelligence, and some of these aircraft reside within R&AW's Aviation Research Centre.[55] Joshi summarised the extent of the modest fleet of surveillance aircraft, which includes aircraft capable of collecting basic electronic intelligence and imagery.[56] Combat aircraft are also fitted with radar detection equipment.

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48 Chethan Kumar, 'Surgical Strikes: First Major Use of Cartosat Images for Army', *The Times of India*, 30 September 2016, <timesofindia.indiatimes.com/india/Surgical-Strikes-First-major-use-of-Cartosat-images-for-Army/articleshow/54596113.cms> [Accessed 1 November 2019].

49 Vishnu Som, 'What Happened at Balakot? Unreleased Satellite Pics May Prove India's Case', *NDTV*, 3 March 2019, <www.ndtv.com/india-news/what-happened-at-balakot-unreleased-satellite-pic-may-prove-indias-case-2002060> [Accessed 10 December 2019].

50 Narayan Prasad, 'Recent Developments and Trends in India's Space Missions and Industry', in Marco Aliberti, Narayan Prasad and Sara Hadley (eds), *Europe-India Space Cooperation: Policy, Legal and Business Perspectives from India*, ESPI Report no. 69 (Vienna: European Space Policy Institute, 2019), 14; Surendra Singh, 'DRDO Satellite That Will Sniff Out Enemy Radars to be Launched on April 1', *The Times of India*, 25 March 2019, <timesofindia.indiatimes.com/india/drdo-sat-that-will-sniff-out-enemy-radars-to-be-launched-on-april-1/articleshow/68551896.cms> [Accessed 10 December 2019].

51 Manoj Joshi, 'India Has a Long Way to go Before It Can Use Space for Modern Warfare', Observer Research Foundation, 17 June 2019, <www.orfonline.org/research/india-has-a-long-way-to-go-before-it-can-use-space-for-modern-warfare-52106/> [Accessed 10 November 2019].

52 Waquar Haider, 'Surgical Strike 2.0: Five Aerial Vehicles Which the Indian Armed Forces Can Call up if Needed to Protect the Borders', *News 18*, 26 February 2019, <www.news18.com/news/tech/surgical-strike-2-0-five-aerial-vehicles-which-the-indian-armed-forces-can-call-up-if-needed-to-protect-the-borders-2049069.html> [Accessed 1 November 2019].

53 For example, Greg Waldron, 'AERO INDIA: IAI Launches New Mini Harpy Loitering Munition', *Flight Global*, 21 February 2019, [Accessed 1 November 2019], highlighted new electro optical and radiation detection capabilities to be employed by the Indian Air Force.

54 Robert Beckhusen, 'Every One of India's Nishant Drones Has Crashed', *War is Boring*, 10 December 2015, <warisboring.com/every-one-of-indias-nishant-drones-has-crashed/> [Accessed 1 November 2019].

55 One commentator accused R&AW of often misusing these aircraft for senior official travel rather than for intelligence collection. See V. K. Singh, *India's External Intelligence: Secrets of the Research & Analysis Wing* (New Delhi: Manas Publications, 2007), pp. 164-65.

56 Shashank Joshi, *Indian Power Projection: Ambitions, Arms and Influence*, Whitehall Paper no. 85 (Abingdon: Routledge for RUSI, 2017), pp. 103-5.

India is acquiring similar Boeing P8 maritime patrol aircraft to those used by Australia, suitable for wide area surveillance.[57]

The procurement of the Russian S-400 surface-to-air missile systems, with associated S-Band radars capable of detecting aircraft and missiles out to 600 kilometres, offers a formidable air intelligence capability,[58] which some fear could alter the strategic balance vis-à-vis Pakistan.[59]

The maritime environment may be considered the weakest of India's intelligence domains, with gradual improvements planned. In addition to the integral surveillance capabilities in an almost 200 vessel Navy (such as the air- and surface-search radar systems on Talwar-class frigates),[60] India is introducing specific intelligence collection vessels.[61] Enhancing maritime surveillance, an X-Band and S-Band 'Integrated Coastal Surveillance System' has been deployed in several coastal locations,[62] and may offset the coastal surveillance gaps highlighted by the 2008 Mumbai attack.[63] Also, India has foreshadowed the development of Over-The-Horizon radar to detect aircraft and missiles at distance.[64] This will be complemented by enhanced Automatic Identification System access.[65]

Sub-surface intelligence is also less capable, with new submarine progression "particularly weak", with "long delays and cost over-runs".[66] The continued delay to the Scorpene-class submarine fleet is an indication of the lower priority for maritime platforms in the Indian budget,[67] and this will limit its intelligence collection capacity and potential in the maritime and littoral environments. The sixteen-vessel submarine fleet appears predominantly focused on the weapons systems (particularly relating to nuclear deterrence) that can be

57 Manu Pubby, 'India to go Ahead with $3.1 bn US Deal for Maritime Patrol Aircraft', *The Economic Times*, 5 September 2019, <economictimes.indiatimes.com/news/defence/india-to-go-ahead-with-3-1-bn-us-deal-for-maritime-patrol-aircraft/articleshow/70986634.cms> [Accessed 15 November 2019].

58 V.S. Chernyak and I. Ya. Immoreev, 'A Brief History of Radar in the Soviet Union and Russia', *IEEE A&E Systems Magazine*, September 2009, p. B20.

59 Ayaz Gul, 'Pakistan Blasts India Over Purchase of Russian Air Defense System', *Voa News*, 19 October 2018, <www.voanews.com/south-central-asia/pakistan-blasts-india-over-purchase-russian-air-defense-system> [Accessed 8 December 2019].

60 Naval Technology, 'Talwar Class Guided Missile Frigate, India', <www.naval-technology.com/projects/talwarclassfrigate/> [Accessed 15 November 2019].

61 Shiv Aroor, 'REVEALED: India's Next "Advanced Technology Vessel"', *Live Fist Defence*, 19 January 2017, <www.livefistdefence.com/2017/01/revealed-indian-navys-next-advanced-technology-vessel.html> [Accessed 15 November 2019].

62 Defence Research Development Organisation, *Coastal Surveillance Radar* (Delhi, 2015), pp. 1-2, highlighted the detection range of 50 kilometres. Saurav Jha, 'India Beefs Up Coastal Security, But there is More to be Done', Delhi Defence Review, 28 January 2017, <delhidefencereview.com/2017/01/28/india-beefs-up-coastal-security-but-there-is-more-to-be-done/> [Accessed 15 November 2019], identified that there may be up to eighty-four fixed and eight mobile radar sites established in the near-term.

63 Angel Rabasa, Robert Blackwill, Peter Chalk, Kim Cragin, C. Christine Fair, Brian Jackson, Brian Jenkins, Seth Jones, Nathaniel Shestak and Ashley Tellis, *The Lessons of Mumbai*, Occasional Paper (Santa Monica, CA: RAND Corporation, 2009), p. 9.

64 Kalyan Ray, 'We'll Become Self-Reliant in Radars, Sonars in 5 Yrs', *Deccan Herald*, 9 September 2019, <www.deccanherald.com/national/we-ll-become-self-reliant-in-radars-sonars-in-5-yrs-760227.html> [Accessed 8 December 2019]. This capability was foreshadowed by the Chairman of the Defence Research and Development Organisation.

65 Jha, 'India Beefs Up Coastal Security'.

66 Satu Limaye, *Weighted West, Focused on the Indian Ocean and Cooperating across the Indo-Pacific: The Indian Navy's New Maritime Strategy, Capabilities, and Diplomacy* (Arlington, VA: CNA, 2017), p. 25.

67 Rajeswari Pillai Rajagopalan, 'The Trouble with India's Slow Naval Buildup', *Observer Research Foundation*, 5 October 2019, <www.orfonline.org/research/trouble-india-slow-naval-buildup-56188/> [Accessed 15 November 2019].

employed from submarines, rather than on intelligence.[68] The establishment of underwater acoustic sensors for surveillance purposes, aimed at countering Chinese submarines in areas such as the Bay of Bengal, has recently progressed.[69]

Given the Army's primacy in Indian security matters, and the capabilities resident within strategic intelligence agencies, India's land intelligence capability is relatively strong.

SIGINT is heavily relied upon, with effective strategic and military SIGINT organisations. India has historically maintained strong radio and telecommunications intercept capabilities.[70] The military's tactical 'Wireless Experimental Units', strategic collection agencies and permanent SIGINT collection sites provide an extensive and enduring SIGINT focus on Pakistan. A good mobile telephony interception capability exists, both through intercept equipment positioned within domestic service providers,[71] and also in neighbouring countries. India has previously installed software on mobile handsets to track the movements of individuals.[72]

India has also proven its ability to intercept basic satellite communications. Famously, India publicly released recorded voice from then-military chief Pervez Musharraf after Pakistan occupied Kargil in 1999, identifying Pakistan as the aggressor in that situation.[73]

India has collected cyber intelligence for more than a decade. Internet collection capability in India was considered 'virtually non-existent' in 2000, but has improved substantially. Internet collection is undertaken through numerous methods, including monitoring of the Internet Service Provider gateways in India.[74] The recent establishment of the Defence Cyber Agency will add more structure around cyber collection.[75]

India's HUMINT capability is experienced, and heavily committed against Pakistan. India has extensively used interrogation techniques to gain intelligence, although regular accusations of human rights violations have been made.[76] Due to ethnic and language similarities, India more easily establishes and maintains HUMINT networks in Pakistan

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68 Nuclear Threat Initiative, 'India Submarine Capabilities', 11 October 2019, <www.nti.org/analysis/articles/india-submarine-capabilities/> [Accessed 15 November 2019]. This relates to the need to maintain India's submarine-borne nuclear deterrent.

69 Abhijit Singh, 'India's "Undersea Wall" in the Eastern Indian Ocean', *Asia Maritime Transparency Initiative*, Center for Strategic and International Studies, 15 June 2016, <amti.csis.org/indias-undersea-wall-eastern-indian-ocean/> [Accessed 15 November 2019]; Peter Coates, 'Japan-US-Indian IUSS Cable Link Completed across Bay of Bengal', *Submarine Matters*, 11 September 2018, <gentleseas.blogspot.com/2018/09/us-indian-iuss-link-completed-from-port.html> [Accessed 15 November 2019].

70 This includes combined operations, at various times, with Britain, the United States and Russia. See Desmond Ball, 'Signals Intelligence in India', *Intelligence and National Security*, vol. 10, no. 3 (1995), pp. 377-88.

71 Sflc.in and World Wide Web Foundation, *India's Surveillance State* (New Delhi: Sflc.in and World Wide Web Foundation, 2014), pp. 3-5.

72 Neha Alawadhi and Jochelle Mendonca, 'Wikileaks Reveals Indian Security Agencies Using Little-Known Firms to Obtain Spying Technology', *The Economic Times*, 16 July 2015, <economictimes.indiatimes.com/tech/ites/wikileaks-reveals-indian-security-agencies-using-little-knowⁿn-firms-to-obtain-spying-technology/articleshow/48091679.cms?from=mdr> [Accessed 1 December 2019].

73 B. Raman, 'Release of Kargil Tape: Masterpiece or Blunder?', *Rediff India Abroad*, 27 June 2007, <www.rediff.com/news/2007/jun/27raman.htm> [Accessed 8 June 2007.

74 Singh, *India's External Intelligence*, pp. 129-35.

75 'India is Quietly Preparing a Cyber Warfare Unit to Fight a New Kind of Enemy', *The Economic Times*, 14 July 2018, <economictimes.indiatimes.com/news/defence/india-is-quietly-preparing-a-cyber-warfare-unit-to-fight-a-new-kind-of-enemy/articleshow/61141277.cms> [Accessed 10 December 2019].

76 Jason Burke, 'Wikileaks Cables: India Accused of Systematic Use of Torture in Kashmir', *The Guardian*, 16 December 2010, <hwww.theguardian.com/world/2010/dec/16/wikileaks-cables-indian-torture-kashmir> [Accessed 1 December 2019].

and Sri Lanka, but China has been more difficult. Remote intelligence collection devices are widely used.[77]

Domestically, India has honed its video surveillance technology, with millions of Closed-Circuit Television cameras in operation. The addition of facial recognition applications has troubled privacy advocates, but can improve foreign intelligence collection.[78]

A synopsis of Indian intelligence capabilities is at Figure 1.

Figure 1—Indian intelligence capabilities[79]
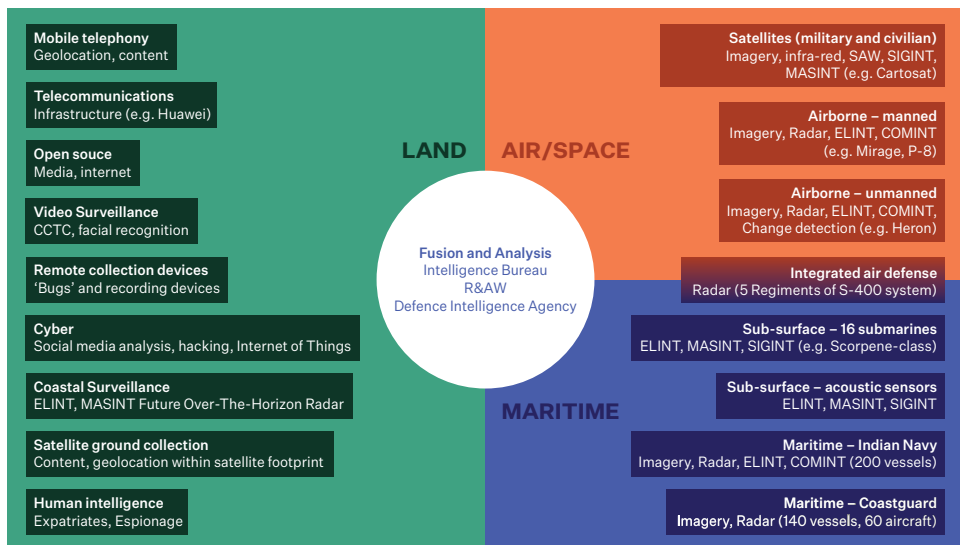
India has the basis of a sophisticated intelligence capability that could effectively share intelligence. Indian intelligence can generate data from a large number of sources, although its analysis and fusion capacity will need to develop in time. Balakot demonstrated that India's intelligence potential has not yet been realised in a more challenging operational setting where internal coordination is essential. This is partly due to strict compartmentalisation of information within each intelligence organisation.

Forty Million Reasons for (Intelligence) Failure

Balakot highlighted shortfalls that have been ascribed to Indian intelligence, but this puts undue blame on intelligence capabilities. Balakot mostly exposed shortfalls in how intelligence is used for operational purposes. Some commentators astutely argued that political shortcomings lead to outcomes that are labelled as 'intelligence failures',

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77 Sayantan Chakravarty, 'Security Agencies Encroach on Privacy Using Surveillance Technology', *India Today*, 17 November 2003, <www.indiatoday.in/magazine/technology-innovation/story/20031117-security-agencies-use-cutting-edge-technology-to-track-terrorists-791487-2003-11-17> [Accessed 10 December 2019].

78 Paul Bischoff, 'The World's Most-Surveilled Cities', *Comparitech*, 15 August 2019, <www.comparitech.com/vpn-privacy/the-worlds-most-surveilled-cities/> [Accessed 16 November 2019].

79 Compiled by Author.

but these outcomes are better described as 'leadership failures to act on intelligence'. Further, commentators have argued that generations of political leaders have encumbered the intelligence agencies with difficult organisational structures and incentives.[80] This suggests that political decisions (or political inertia) have directly and indirectly contributed to intelligence problems.[81]

It is unreasonable to expect public commentary to widely and favourably endorse Indian intelligence; exceptional performance rarely inspires commentary on intelligence matters. Therefore, the tone is unsurprisingly disparaging. Further, much of the commentary on Indian intelligence has its own limitations and its validity can be difficult to judge,[82] and can even deviate into 'spy fiction' presented as fact.[83] The commentary also often unfairly conflates (legitimate) whistle-blower complaints with criticisms of actual technical capacity.

Nonetheless, Indian intelligence commentary can be triangulated with the Balakot example, and the outcomes of intelligence reviews (where outcomes have not remained classified), exposing some trends. These trends can predominantly be categorised into *organisational* shortfalls and *capability* shortfalls, and both types of shortfalls may be relevant to Australian-Indian intelligence sharing.

Organisational criticism often relates to instances of corruption and rampant parochialism, mostly within R&AW and the Intelligence Bureau, although the military is not immune.[84] Singh argued that many R&AW operations do not have sufficient legal basis; the rivalry with the Intelligence Bureau is extreme; and, corruption and internal subversion is rampant.[85] Yadav highlighted further corruption examples.[86]

These organisational limitations have been verified in other credible reports. Consequently, it has been common for official reviews and other commentary to make recommendations relating to the need for greater parliamentary oversight and a clear legal framework for intelligence operations.[87]

Inadequate deconfliction of intelligence assets is another regular criticism, and India has not made significant breakthroughs in facilitating a joint or whole-of-government concept for intelligence when compared to other countries.[88] To be sure, intelligence coordination

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80 Mahadevan, *The Politics of Counterterrorism in India*, p. 2; Krishnaswamy, *Why Intelligence Fails*, pp. 1-2.

81 Other evidence suggests that R&AW, in particular, had significant political influence, and appears to have influenced major Indian foreign policy decisions such as its intervention in Sri Lanka in the 1980s including the provision of support to Tamil militants. See Rohan Gunaratna, *Indian Intervention in Sri Lanka: The Role of India's Intelligence Agencies* (Colombo: South Asian Network on Conflict Research, 1993), p. 5.

82 For example, one commentator was clearly a poor cultural fit for service within R&AW, and much of his criticism of R&AW was based on his perception that the Army was a superior organisation. See Singh, *India's External Intelligence*. Manoj tenuously linked British colonialism as the key reason for contemporary organisational shortfalls. See Manoj, *Re-energising Indian Intelligence*, p. 4.

83 Ryan Shaffer, 'Indian Spies Inside Pakistan: South Asian Human Intelligence Across Borders', *Intelligence and National Security*, vol. 34, no. 5 (2019), p. 727.

84 Pradip Sagar, 'I Gave My Life to Army, in Return I Got Taint, Says MI officer Acquitted of Graft Charges', *The Week*, 26 November 2018, <www.theweek.in/news/india/2018/11/26/I-gave-my-life-to-Army-in-return-I-got-taint-says-MI-officer-acquitted-of-graft-charges.html> [Accessed 10 December 2019].

85 Singh, *India's External Intelligence*, pp. 13, 44.

86 R. K. Yadav, *Mission R&AW* (New Delhi: Manas Publications, 2014), pp. 433-35.

87 Institute for Defence Studies and Analyses, *A Case for Intelligence Reforms in India* (New Delhi: IDSA Task Force Report, 2012), pp. 7-9.

88 China's 2016 establishment of its Strategic Support Force as a service-level equivalent within the People's Liberation Army is a good example of other, more Joint efforts in Asia.

has been a longstanding problem in Western nations, subject to countless inquiries;[89] but the Indian interagency barriers to sharing and coordination seem particularly acute.

Many intelligence deconfliction problems can be traced to the Army's continued predominance within the military,[90] and intelligence resourcing reflects that—for example, in the relatively limited submarine intelligence capability; and in the priority of provision of change detection capability on drones for operations in Kashmir (rather than the Indian Ocean where it may be more effective).[91]

Manoj argued that different intelligence agencies are "stumbling over each other" in border regions rather than deconflicting effort, and policymakers had little appetite to investigate deconfliction failures such as those relating to the 2008 Mumbai attacks.[92] Numerous others made similar contentions about poor coordination.[93] Intelligence sharing between strategic agencies and counter-terrorist forces (including police) is an identified weakness,[94] as is intelligence for special operations.[95]

Ball described the 'considerable overlap' in Indian SIGINT tasks and responsibilities twenty-five years ago,[96] and it appears that little has changed.

Australian-Indian intelligence sharing may not be directly affected by Indian domestic intelligence actions, but considerable and longstanding evidence of misuse of Indian intelligence resources may encourage Australian policymakers to progress steadily, and to avoid situations where Australia could be implicated in any irregular situation. Illegal spying on politicians,[97] use of torture to extract information from detainees[98] and misuse of intelligence aircraft for personal use are some of the alleged irregularities. The sheer weight of examples of intelligence corruption, oddly downplayed in one publication as "Bizarre R&AW Incidents",[99] presents some uncertainties about the efficacy of Indian intelligence.

Intelligence *capability* criticism was less frequent than organisational criticism (in the literature), partly due to the potential legal risk of divulging too much detail on specific intelligence capabilities. However, the Balakot example shows that levels of intelligence capability can at least partly be inferred.

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89   For example, United States Congress, Senate Select Committee on Intelligence, and House Permanent Select Committee on Intelligence, *Joint Inquiry into Intelligence Community Activities Before and After the Terrorist Attacks of September 11, 2001* (Washington, DC: United States Government Printing Office, December 2002).

90   Joshi, *Indian Power Projection*, pp. 22-23.

91   IANS, 'Indian Army Plans to Procure Drones'.

92   Manoj, *Re-energising Indian Intelligence*, pp. 4, 11, 20.

93   Manoj Joshi and Pushan Das, 'India's Intelligence Agencies: In Need of Reform and Oversight', *ORF Issue Brief*, no. 98 (New Delhi: Observer Research Foundation, July 2015), 2; Manoj, *Re-energising Indian Intelligence*, p. 4.

94   Mahadevan, *The Politics of Counterterrorism in India*, p. 11.

95   Joshi and Das, 'India's Intelligence Agencies', p. 2.

96   Ball, 'Signals intelligence in India', p. 387.

97   Maria Xynou, 'Spy Files 3: WikiLeaks Sheds More Light on the Global Surveillance Industry', The Centre for Internet & Society, 25 October 2013, <cis-india.org/internet-governance/blog/spy-files-three> [Accessed 1 December 2019].

98   Burke, 'Wikileaks Cables'.

99   Yadav, *Mission R&AW*, p. 425.

Often, commentators expressed concern about Indian intelligence capacity, and the deleterious effect of the burden of Kashmir operations.[100] In a comparative sense, previous tactical studies have firmly situated India's intelligence capability as well below that of China,[101] and this remains an accurate judgement.

While it has had notable successes, India's HUMINT has been regularly criticised. India's relative lack of success in China has been highlighted.[102] Further, the lack of trained linguists to support intelligence has impeded efforts against China,[103] and insufficient linguistic capability has been raised in numerous contexts.[104] Others observed that the same HUMINT sources were sometimes unknowingly used by multiple Indian intelligence agencies.[105]

India's counter-intelligence capabilities have also been critiqued. Internal corruption and foreign infiltration may diminish Australia's confidence that India can protect specific information. Yadav identified the likelihood that Pakistan's Inter-Services Intelligence had 'penetrated' R&AW.[106] Such claims are not unusual for large intelligence agencies, but trust is a critical commodity for international intelligence sharing. If R&AW has been prepared to let insider threats abscond from India (rather than investigate them) due to reputational reasons, transparency may be an issue.

Some shortfalls have been identified in India's capacity for intelligence analysis, noting that all countries are in nascent stages of machine learning implementation.[107] India has made progress in analysis of large data sets using Artificial Intelligence.[108] However, the insular nature of the intelligence sharing between agencies may render the ability to make sense of immense data quantities a difficult progression for India.

Although shared interests may lead to greater consideration of Australian-Indian intelligence sharing, it is important that Australia understands the strengths and weaknesses of its potential partner. India clearly has the potential to develop a highly sophisticated intelligence apparatus. Currently, Indian intelligence's organisational limitations (particularly relating to corruption and deconfliction) and capability limitations (for example, the relative weakness of maritime intelligence) are important for Australian policymakers to understand. Some considerations for Australian policymakers will now be highlighted.

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100 Steve Coll, 'India and Pakistan's Secret Kashmir Talks', *The New Yorker*, 22 February 2009, <www.newyorker.com/magazine/2009/03/02/the-back-channel> [Accessed 2 December 2019].

101 Kartik Bommakanti, *Electronic and Cyber Warfare: A Comparative Analysis of the PLA and the Indian Army*, ORF Occasional Paper, no. 203 (New Delhi: Observer Research Foundation, July 2019), p. 19.

102 Manoj, *Re-energising Indian Intelligence*, p. 35.

103 Ibid., p. 24.

104 Joshi and Das, 'India's Intelligence Agencies', p. 2.

105 Krishnaswamy, *Why Intelligence Fails*, p. 21.

106 Yadav, *Mission R&AW*, pp. 463, 501.

107 Krishnaswamy, *Why Intelligence Fails*, p. 27.

108 Scott Eisenstein, 'Prime Ministers Narendra Modi and Benjamin Netanyahu Welcome New Age of Collaboration for Israel and India', *Cision PR Newswire*, 29 January 2018, <www.prnewswire.com/news-releases/prime-ministers-narendra-modi-and-benjamin-netanyahu-welcome-new-age-of-collaboration-for-israel-and-india-300589299.html> [Accessed 16 November 2019].

No Gift Like Friendship

On balance, there is benefit in Australia steadily pursuing greater intelligence sharing with India. However, the geostrategic independence that is inherent to Indian strategic culture, and the inadequate internal intelligence deconfliction, will make progress slow.

Perhaps foremost, Australia should expect a transactional intelligence relationship with India. India is unlikely to enter into an intelligence sharing arrangement for a specific mission, such as the Indian Ocean, with broader intelligence sharing aims in mind. India has historically sought tightly bounded goals when sharing intelligence with France,[109] the United States,[110] and others. Combined with the cautious Indian bureaucracy, a patient and transactional Australian approach will be necessary. Australia should not be surprised if India withdraws from intelligence sharing with little notice if the specific intelligence effort is not seen as beneficial, even if other aspects of the relationship are very strong.

Second, given the parochial nature of the Indian intelligence organisations and the limited internal communication, Australia may have to accept that intelligence sharing is likely to occur within Indian-designated organisational boundaries. This is straightforward for Indian Ocean surveillance, where a Navy-to-Navy interface is probably sufficient. However, it could become challenging for the other shared interests, as China and terrorism are multi-faceted and highly complex interagency intelligence targets. It is possible that Indian intelligence would seek limitations in Australia on the organisations that could access certain intelligence.

Third, at basic levels of intelligence sharing commitment, the alleged corruption within Indian intelligence would probably not manifest into broader problems for Australia. However, if linkages grow deeper over time, Australian policymakers should be prepared to set clear expectations or 'red lines' for how intelligence operations will be managed. For example, Australian intelligence capabilities or information being used to support another Balakot-like mission could be politically problematic, not least because Australia seeks to maintain good relations with Pakistan. Further, Australia should be conscious of India's threshold for intelligence 'failure'. It is higher than in Australia. The 2008 Mumbai attacks, with at least 174 people killed, did not elicit a major intelligence review despite deficient intelligence coordination.[111]

Finally, although all three shared interests—China's regional ambitions, Indian Ocean security and counter-terrorism—should be considered for intelligence sharing, the Indian Ocean mission is a logical starting point. Intelligence sharing would be meaningful for both parties; intelligence could be shared at a relatively low classification; and, many Australian and Indian maritime and air platforms already operate regularly in the region. The maritime domain is relatively weaker for India (than other domains), and so it is possible that Indian policymakers would view Indian Ocean intelligence sharing as beneficial to them. Indian intelligence efforts against China have been less successful, but are likely to improve over time, and intelligence sharing for that shared interest remains viable.

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109 Raman, 'Indo-French Intelligence Cooperation'.

110 Desmond Ball, *Signals Intelligence (SIGINT) in South Asia: India, Pakistan, Sri Lanka (Ceylon)*, Canberra Papers on Strategy and Defence, no. 117 (Canberra: Strategic and Defence Studies Centre, Australian National University, 1996), p. 12.

111 Rabasa et al., *The Lessons of Mumbai*, pp. 1-5.

Considering all factors, Australian-Indian intelligence sharing in the three identified areas of shared interest is likely to be mutually beneficial, particularly as the demand for intelligence grows, and a steady progression would appear to suit both nations.

Conclusion

Although not new issues, shared Australian-Indian strategic interests have gradually emerged, and intelligence sharing relating to China's growing Indo-Pacific ambitions, Indian Ocean security and terrorism appears to be mutually beneficial, particularly as the intelligence requirements for these three issues grows. Indian intelligence sharing has been pragmatic and transactional in the past, and Australian policymakers should expect this to remain the case.

Indian intelligence has the basis of a sophisticated capability, although there are organisational and capability challenges, some of which were visible during the 2019 Balakot mission. Indian intelligence is strongest in the land environment, and is probably least developed in the maritime environment, and intelligence sharing in the Indian Ocean is a realistic first step for closer integration. As intelligence sharing occurs, Australian policymakers may be exposed to some of India's organisational shortfalls, and Australia will need to set clear expectations for how intelligence could be used. Intelligence sharing may not exactly be 'natural' between Australia and India, but it could provide an important boost for a nascent strategic partnership.

Martin White is an Australian Army Officer. These views are the author's alone and do not represent the Australian Army or Department of Defence.

Australian National Audit Office: Evaluating Australian Army Program Performance

Bert Chapman

Australian National Audit Office (ANAO) reports should be studied by Australian army personnel, scholars and the general public. This agency scrutinises the exercise of authority and spending by Australian Government agencies. ANAO reports provide valuable insights on the successes, failures and complexities of Army programs. Individuals interested in these programs' managerial and operational performance should consult them to see whether they provide good value for money for taxpayers. Army professionals may eventually manage these programs and be subject to ANAO, judicial, media and parliamentary scrutiny for their management of these programs. This article intends to demonstrate these reports' public value.

Those studying contemporary Australian Army policymaking can use primary source materials from the Department of Defence, the Army, and Parliament's Joint Foreign Affairs, Defence, and Trade Committees. Substantive study of Army policymaking should also include Australian National Audit Office (ANAO) resources. Established by the *Auditor-General Act 1997*, ANAO responsibilities include assisting parliament in scrutinising the exercise of authority and public spending by Commonwealth executive agencies. ANAO works with Parliament's Joint Committee on Public Accounts and Audit by providing information, assistance and briefings to parliamentary members and committees and to the general public.[1]

Reports analysing the performance of Australian Army program performance and government agency programs from Australia and other countries are important for giving policymakers and taxpayers reliable information about the successes and failures of these programs to ensure they provide value for money and deliver government policymaking objectives.[2] ANAO divisions including the Defence and Foreign Policy Infrastructure Group and Defence and Major Projects Group are among its entities scrutinising Army programs. ANAO has significant legal powers for accessing documents and information to execute its authorities and its work is legally governed by Auditor-General established auditing standards. This scrutiny is documented in annual audit work program reports published in July, various assurance reviews including the *Defence Major Projects Report*,

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1   Australian National Audit Office, 'The Australian National Audit Office' (Canberra: Australian National Audit Office, 2018), pp. 1-2; <www.anao.gov.au/about/australian-national-audit-office> [Accessed 12 September 2019].

2   See Paul Nicoll, *Auditing Democracy: The Australian Model of Public Sector Audit and its Application to Emerging Markets* (London: Routledge, 2016); Jon Matsamura, John Gordon IV, Randall Steeb, Scott Boston, Caitlin Lee, Phillip Padilla and John Parmentola, *Assessing Tracked and Wheeled Vehicles for Australian Mounted Close Combat Operations: Lessons Learned in Recent Conflicts, Impact of Advanced Technologies, and System-Level Implications*, (Santa Monica, CA: Rand Corporation, 2017); <www.rand.org/pubs/research_reports/RR1834.html> [Accessed 26 September 2019].

and other individual program-focused reports including audit insights and key lessons from individual audits. Findings and assessments from ANAO reports constitute the majority of this analysis. This work's intent is enabling Australian military personnel and civilian readers to understand the methodologies used in writing these documents. It also demonstrates to Australian citizens and international audiences interested in Australian national security policymaking the importance of being able to freely access and study these reports and reach their own conclusions about Australian Army program performance. Such transparency about national security programs is a critical indicator of democratic governance and accountability.[3]

Specific ANAO Reports

Numerous ANAO reports on the Army, dating from 1997 to the present, are available on ANAO's website www.anao.gov.au/. One example is the *Defence Major Projects Report: Department of Defence*. Issued 18 December 2018, the 2017–18 edition of this report is 430 pages long and provides detailed documentary coverage of the performance of twenty-six Defence programs during that fiscal year. Examples of Army-related programs addressed in this compilation and their annual approved budgets are listed in Table 1 below:

Table 1: ANAO performance assessments of Army programs 2017–18

Project Number (Defence Capability Plan)	Project Name (on Defence advice)	Abbreviation (on Defence advice)	Approved Budget $million
AIR 9000 Phase 2/4/6	Multi-Role Helicopter	MRH90 Helicopters	3771.1
LAND 121 Phase 3B	Medium-Heavy Capability, Field Vehicles, Modules and Trailers	Overlander Medium/Heavy	3428.9
LAND 121 Phase 4	Protected Mobility Vehicle-Light	Hawkei	1952.0
JP2 2072 Phase B	Battlespace Communications Systems	Battle Sys (Land) 2B	920.1
AIR 9000 Phase 7	Helicopter Aircrew Training System	HATS	481.5
LAND 75 Phase 4	Battle Management System	BMS	367.9

Source: Australian National Audit Office, *2017–18 Major Projects Report: Department of Defence*, Auditor-General Report No. 20 2018–19 (Canberra: ANAO, 2018), p. 5.

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3   Accessed 15 March 2019; Jon Pierre and Jenny de Fine Licht, 'How do Supreme Audit Institutions Manage Their Autonomy and Impact? A Comparative Analysis', *Journal of European Public Policy*, vol. 26, no. 2 (2019), pp. 226-45; doi://10.1080/13501763.2017.1408669.

Within the annual *Major Project Report* document are Project Data Summary Sheets (PDSS) providing detailed descriptions of individual projects, project history documentation, government approval milestones, cost performance, management risk, and the names of responsible military personnel and contractor contact personnel. The LAND 121 Phase 3B program is intended to replace the current Australian Defence Force (ADF) fleet vehicles, modules and trailers to enhance ADF ground mobility. As of 30 June 2018, its 2017-18 financial expenditure was $659.7 million against a forecast expenditure of $697.3 million with this variance stemming from delaying payment of an invoice of $37.7 million for goods and services delivered this year due to portfolio cash budget pressures.

Equipment due to be acquired by LAND 121 Phase 3B includes:

- 2,536 medium and heavy capability (MHC) vehicles and 3,054 modules supplied by Rheinmetall Military Vehicles Australia

- 1,582 trailers from Haulmark Trailers (Australia)

- 122 Gelädewagen (G-Wagon) fitted with maintenance modules supplied by Mercedes Benz Australia/Pacific Pty Ltd and associated trailers supplied by Haulmark Trailers (Australia)

- 49 in-service Bushmaster Protected Mobility Vehicles upgraded to Customised General Vehicle variants and associated trailers

- 18 Line Laying Modules acquired by LAND 121 Phase 3A; and

- 664 specialised modules to be acquired which are not yet in contract.[4]

Risks and problems with this particular program include system specification changes stemming from required engineering changes, technical certification, integration problems with new generation communication equipment, access to public roads, and support contracts potentially not meeting Commonwealth requirements. Additional difficulties include key subcontractor performance, delays to recovery capability and training, and interface problems between vehicles, trailers, modules, and other capabilities.[5]

Key lessons learned from this program covering categories such as contract management, requirements managing, and sourcing include:

- Governments should not announce preferred tenderers until negotiations are complete. Public announcements undermine negotiating leverage and may provide detail subject to change during negotiations.

- Projects must have a robust suite of up-to-date capability documents (Operational Concept Document and Functional Performance Specification) available during tender evaluation and negotiations to provide critical contextual information for the negotiation team. These documents also provide the framework for the acquisition authority and capability manager to conduct an informed acceptance process.

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4   Australian National Audit Office, *2017-18 Major Projects Report: Department of Defence,* Auditor-General Report No. 20 2018–19 (Canberra: ANAO, 2018), p. 209, <www.anao.gov.au/sites/default/files/Auditor-General_Report_2018-2019_20.pdf> [Accessed 13 September 2019].

5   Ibid., pp. 211, 215-17.

- Requirements must be fully agreed upon before beginning negotiations, to avoid uncertainty and potential for delays.

- Team members on projects of this size and complexity need highly developed project management and contracting skills and experience.

- Early involvement of Army Logistic Training Centre (ALTC) staff in the development of the training requirement is mandatory.

- Ensure contractual provisions require the contractor to have executed contracts with Approved Subcontractors within a specific time following contract execution, so as to avoid impact on contract deliverables and slippage to key engineering reviews.[6]

On 14 January 2000, ANAO evaluated an *Army Individual Readiness Notice* (AIRN), originally proposed in September 1995, which recommended that Army members be placed on an individual readiness notice to supplement individual readiness. AIRN was developed to respond to increasing personnel shortages in several regular units while recognising that lengthy mobilisation periods in modern warfare are not always available. In order to be "individually ready" members must meet or exceed minimum readiness standards for areas such as dental, medical and physical fitness; weapons and employment proficiency; and individual availability.[7]

Three recommendations were made by ANAO concerning AIRN including:

1. Recommending the Army identify the annual costs of maintaining an AIRN (including assessment, recording and reporting costs) so its cost-effectiveness is assessable.

2. If AIRN is retained and revised that the Army ensure necessary changes to supporting policies are made and promoted prior to release and that updates be accompanied by proper communication, coordination, funding and oversight.

3. Army reviewing dental support provision to part-time members with this review assessing risk if part-time members need to be deployed and the costs involved with various dental options support options.

Defence agreed to the first two recommendations and agreed in principle to the third recommendation. Examining Defence responses to ANAO reports provides additional insight into the policymaking process. A later example in this work will demonstrate that Defence and contractors can disagree with ANAO findings and recommendations.[8]

A 28 July 2005 ANAO report examined M113 Armoured Personnel Carrier upgrade project performance. This document noted that the M113A1 vehicles had been introduced in the mid-1960s with updates in 1979 while serving as a lightly armoured aluminium-bodied, fully tracked vehicle available in different variants. Efforts to upgrade M113s began in 1972 and have continued subsequently. Various contractual and cost changes had produced delays with the following phases and had cost by March 2005:

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6   Ibid., pp. 218-19.

7   Australian National Audit Office, *Army Individual Readiness Notice*, Audit Report No. 26 1999–2000 (Canberra: ANAO, 2000), pp. 9, 12-17, <www.anao.gov.au/sites/default/files/anao_report_1999-00_26.pdf> [Accessed 18 September 2019].

8   Ibid., p. 19.

Table 2: M113 cost

Component	Total Cost	Description	Status
Phase 1(a)	$27.97 million	New or modified turrets	Not produced
		Cooled Drinking Water System	No longer contracted for
		Installation of components	No longer contracted for Concerns over impact of heat on unit parts and personnel in Northern Australia
Phase 1(b)	$1.28 million	Procurement of 12.7mm quick change barrel machine guns	Procured and introduced into service
Phase 1(c)	$3.14 million	Procurement of off-the-shelf A2 suspension kits	Procured but not introduced into service
Phase 1(e)	$1.94 million	Procurement of spall curtains	Procured but not introduced into service
Phase 1(f)	$3.42 million	Procurement of off-the-shelf engine cooling kits	Procured but not introduced into service

Source: Australian National Audit Office, *Management of the M113 Armoured Personnel Carrier Upgrade Project*, Audit Report No. 3 2005–06 (Canberra: ANAO, 2005), pp. 16, 53.

Three ANAO recommendations on the M113 included the Defence Material Organisation (DMO) implementing control mechanisms to ensure that scope changes are approved at the appropriate level; DMO recovering against deliverables the outstanding amount of the May 1997 mobilisation payment from the $27.97 million Phase 1(a) M113 contract as soon as possible; and DMO reviewing contracting policy and its application of liquidated damages collection by either financial or agreed compensation and ensuring they are collected in a timely manner.[9]

Continuing M113 problems were reflected in a 27 March 2009 ANAO report updating the earlier report noting that total annual expenditure of $1 billion made this one of the top thirty Defence project expenditures for 2008-2009. This assessment maintained that upgraded M113s are a core ADF capability and considered as fundamental equipment for the Army's two mechanised battalions for the 5th and 7th Battalions Royal Australian Regiments (RARs) with a forecast service lifespan until 2020.

This report concluded that earlier M113 technical difficulties had been resolved in 2007, but that problems have persisted due to slow production with the Prime Contractor informing Defence that existing Bandiana, Victoria, production facilities were inadequate, resulting in a December 2008 determination that there would be a shortage of nearly

9   Australian National Audit Office, *Management of the M113 Armoured Personnel Carrier Upgrade Project*, Audit Report No. 3 2005–06 (Canberra: ANAO, 2005), p. 20, <www.anao.gov.au/sites/default/files/ANAO_Report_2005-2006_03.pdf> [Accessed 18 September 2019].

100 upgraded vehicles by December 2010. Defence Minister Joel Fitzgibbin announced on 28 October 2008 that additional production would occur at Williamstown, Victoria, and Wingfield, South Australia, but ANAO expressed concern that recovering lost production would be challenging.[10]

This report went on to note that Defence will have to use its original M113 fleet, with some of these being over thirty-five years old, until the new upgraded vehicles are delivered and that there are no alternatives to the upgraded M113. Final report recommendations, which Defence agreed with, include:

- Defence and DMO setting suitable threshold criteria for determining scope changes to acquisition projects and promoting advice to staff allowing decision-makers to receive appropriate, consistent, and efficient information on potential scope changes.

- Defence developing clear policy guidance on when prepayments will be considered for inclusion in future major acquisition contracts, and maintaining an appropriate record of the basis for agreeing to advance payments within contract negotiations.

- Defence ensuring that liquidated damages arrangements in subsequent major acquisition projects apply to clearly identified and key contract milestones.[11]

A third ANAO M113 audit was released on 24 May 2012. This assessment concluded that the ADF anticipates receiving 431 upgraded M113s with interim capability to last through 2025 for over $1 billion. ANAO also noted that the upgrade continues to suffer from administrative, contractual, and technical problems despite a November 2007 settlement between Defence and Tenix the initial prime contractor. A 2011 contract renegotiation saw Defence believe that the remaining vehicles would be delivered by late 2012. However, ANAO determined that deficiencies in the original contract, including failing to properly specify payloads, produced technical problems in vehicle design and production that could not be effectively managed under contract provisions. Additional ANAO-determined deficiencies include an ineffective Defence cost and management schedule resulting in slow response to continuing project delays; senior Defence and government decision-makers not always being informed of project status in a timely and accurate matter adversely affecting their ability to make informed project-related decisions; and the upgraded M113 falling behind armoured vehicles used by other armed forces resulting in increased vulnerability in current threat environments and leaving an acknowledged capability gap.[12]

These production delays in years for the following M113 components are quantified in Table 3.

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10 Australian National Audit Office, *Management of the M113 Armoured Personnel Carrier Upgrade Project*, Audit Report No. 27 2008–09 (Canberra: ANAO, 2009), pp. 13-15; <www.anao.gov.au/sites/default/files/ANAO_Report_2008-2009_27.pdf> [Accessed 19 September 2019].

11 Ibid., pp. 15, 20-21.

12 Australian National Audit Office, *Upgrade of the M113 Fleet of Armoured Vehicles*, Audit Report No.34 2011–12 (Canberra: ANAO, 2012), pp. 17-18; <www.anao.gov.au/sites/default/files/201112%20Audit%20Report%20No%2034.pdf> [Accessed 19 September 2019].

Table 3: Production delays for M11s components

Component	Delay (years)
Recovery vehicle	1.7
Personnel carrier	2.3
Mortar	5.0
Logistics vehicle	5.4
Fitter	1.9
Command vehicle	3.7
Ambulance	3.7

Source: Australian National Audit Office, *Upgrade of the M113 Fleet of Armoured Vehicles*, Audit Report No.34 2011–12 (Canberra: ANAO, 2012), p. 30.

Additional problems with M113 vehicle functionality, assessed by ANAO with data from the School of Armour, showed that in December 2010 the percentage of vehicles classified as Fully Functional fell from 62 per cent in 2008 to 38 per cent in 2010 with this total only marginally improving to 39 per cent by March 2012. ANAO noted that Defence had established adequate facilities to maintain and operate the M113s with the 7th RAR's move from Adelaide to Darwin in February 2011 enabling utilisation of training areas not affected by Darwin's tropical climate limitations. ANAO also expressed concern that the upgraded M113 has deficient firepower and other vital capabilities when compared with other armed forces. The report's sole recommendation, which Defence agreed with, was maintaining a focus on delivering Fundamental Inputs to Capability (FIC) for each major capability project, including FIC elements to be delivered to other capability projects. Additionally, Defence should also conduct at least annual reviews in developing FIC elements for each major capability project detailed in Joint Project Directives.[13]

19 April 2011 saw ANAO issuance of a report on explosive ordnance management by ADF branches. This report began by noting a 30 June 2009 Defence report noting an explosive ordnance inventory of $3.1 billion representing 60 per cent of Defence's then total reported inventory at 17 depots managed by the Joint Logistics Command (JLC) which is then issued to ADF units. Preceding years have seen nearly 75,000 annual explosive ordnance movements between explosive ordnance depots and ADF. Each service then had different arrangements for recording and managing unit level explosive ordnance. This ordnance becomes the responsibility of Air Force, Army, and Navy units once it leaves these depots and is subject to risk of loss or theft. Various high-profile security incidents brought this subject to ANAO's attention including a rocket launcher being obtained by criminal elements and requiring a joint investigation between Defence and the Australian Federal Police.[14]

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13   Defence defines Fundamental Inputs to Capability (FIC) as ensuring the effective operation of new capability by combining the multiple personnel, equipment, and support system inputs to effectively deploy and sustain forces. Ibid., pp. 25, 43-44, 49, 140, 159.

14   Australian National Audit Office, *Management of Explosive Ordnance Held by the Air Force, Army, and Navy*, Audit Report No. 37 2010–11 (Canberra: ANAO, 2011), pp. 11-13; <www.anao.gov.au/sites/default/files/ ANAO_Report_2010-2011_37.pdf> [Accessed 20 September 2019].

Key findings on handling and management of explosive ordnance include:

• Explosive ordnance is distributed to and used by ADF units who manage over 800 magazines and storage lockers around Australia.

• Inventory of this ordnance cannot be centrally scrutinised in Defence unless ADF units holding it correctly record it on Defence's general inventory management system Military Integrated Logistics Information System (MILIS). Instead of recording explosive ordnance on MILIS, ANAO found ADF units used stand-alone computer-based spreadsheets and manual stock recording systems which were not subject to effective monitoring and review.

• This makes it difficult for Defence to assure that explosive ordnance is visible and being properly managed and controlled.

• Defence has been slow in implementing recommendations from a 2007 Weapons, Munitions, and Explosives Security Performance Audit.

• It is critical for Defence to have clear instructions, policies, and procedures for identifying and reporting explosive ordnance security incidents from initial identification through outcome of subsequent investigations.[15]

Five ANAO recommendations, which Defence agreed to, include:

1. Widening the scope of existing explosive ordnance management reviews to include expanded focus on arrangements for unit level physical control of explosive ordnance including spot checks of unit explosive ordnance holdings; and consolidating review results to facilitate monitoring of any required remediation work and analysing emerging trends and problems at service units.

2. Defence "finalis[ing] its inaugural Defence Instruction (General)" for managing explosive ordnance; and promoting ADF-wide advance for managing unit level explosive ordnance.

3. "Defence developing an integrated inventory management system to account for" unit level explosive ordnance.

4. "Defence taking steps to remove all inconsistencies in definitions and requirements for managing explosive ordnance security incidents in Defence policy and procedural documents."

5. "Defence improving its incident reporting and data management of explosive ordnance security incidents."[16]

Documentation that Defence and private sector contractors do not unanimously agree with ANAO report findings and recommendations is demonstrated by an 11 September 2018 report on the Army's Protected Mobility Vehicle-Light (PMV-L). This project aspires to provide the ADF with highly mobile field vehicles protected from ballistic and blast threats. The acquisition process began in 2006 and in 2008 Defence decided to purchase the Joint Light Tactical Vehicle (JLTV) being developed by the United States. In 2015,

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15   Ibid., pp. 18-22.
16   Ibid., pp. 25-26.

Defence selected the Australian-developed Hawkei vehicle designed by Thales Australia. During October 2015 Defence contracted with Thales to acquire and support 1,100 Hawkei vehicles and 1,058 trailers at an ANAO-estimated cost of $2.2 billion. As of 30 June 2018, Defence had spent $463.1 million of project funds and $293.9 million on related costs. Reasons for this audit included the subject of the equipment being procured, adopting a sole-source procurement strategy, and the risk involved in manufacturing a small number of these vehicles when the United States was beginning a similar and much larger program.[17]

Some information in this report was not released due to a 28 June 2018 memo from Attorney General Christian Porter to Auditor-General Grant Hehir maintaining that release of some information in this document would be detrimental to the public interest based on paragraphs 37(2)(a) and 37(2)e of the *Auditor-General Act 1997* which state:

- It would prejudice the security, defence, or international relations of the Commonwealth;

- It would unfairly prejudice the commercial interests of any body or person.[18]

ANAO findings concerning this program include Defence seeking approval to begin parallel investment in 2009 of Australian-based options it had previously decided to be high-risk and high-cost. In December 2011 Defence recommended and received approval for further development of Thales Hawkei since Defence considered it the best prospect of meeting future needs despite assessing it as being the least developed Australian option. ANAO went on to add that Defence failed to provide robust benchmarking of Hawkei and JLTV vehicle options to the Government to inform the Government's decision in context of a sole-source procurement. In addition, ANAO contended that Defence may not have exerted appropriate oversight of program process by postponing a Gate Review from May-October 2017. Defence also advised the Government that Hawkei would be 23 per cent more expensive than JLTV but have greater operational capability. Consequently, Defence was unable to apply competitive pressure in its negotiations with Thales and Defence did not properly inform the Minister when material circumstances changed before contract signature.[19]

This report did not present recommendations but provided the following lessons learned which ANAO considered relevant for all Australian governmental entities:

Procurement

- Effective cost and capability benchmarking provides a basis for assessing value for money in sole-source procurements and maintaining competitive pressure in negotiating and contracting phases.

- Effective benchmarking should provide information needed to assess and explain differences in the price, quality, and quantity of purchased goods and services.

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17   Australian National Audit Office, *Army's Protected Mobility Vehicle—Light*, Auditor-General Report No. 6 2018–19 (Canberra: ANAO, 2018), p. 7; <www.anao.gov.au/sites/default/files/Auditor-General_Report_2018-2019_6.PDF> [Accessed 20 September 2019].

18   Ibid., p. 90.

19   Ibid., pp. 10, 57.

Governance and risk management

- Contractual risk mitigation strategies including off-ramps should be practicable, particularly in sole-source procurement.

- Circumstances external to a project materially changing may affect Commonwealth interests, and entities should return to the Minister with updated advice on responding to these changing circumstances.

- All key drivers for an acquisition project should be transparent in the planning, advice, and selection/assessment criteria relating to the project.[20]

A 15 August 2018 response to ANAO by Defence Secretary Greg Moriarty and Chief of the Defence Force Angus Campbell disputed ANAO's contention that the project entered Low Rate Initial Production without appropriate scrutiny. Moriarty and Campbell contended that this decision was made with proper senior management oversight and subsequent Gate Reviews did not identify concerns with this decision. They also contended that Hawkei gives Australia a domestically developed and sovereign capability which can be modified to meet emerging threats, protect ADF personnel, and can be modified to meet security partner requirements while providing these nations with a highly effective capability.[21]

More forceful criticism of ANAO was provided in a 20 August 2018 response by Thales Australia and New Zealand Chief Executive Officer Chris Jenkins. He mentioned that only receiving redacted comments from the ANAO report on PMV-L acquisition limited Thales range of comment options. He chastised ANAO for not recognising that Hawkei provides life-saving capability to ADF personnel in an Australian designed and manufactured vehicle. Jenkins caustically commented that ANAO was highly critical of the Bushmaster produced at Thales Bendigo plant which saved the lives of ADF personnel in Iraq and Afghanistan due to the protection it provided against roadside bombs noting that while many Bushmasters were destroyed by bombs in these countries not one Australian soldier was killed by such blasts in contrast to the fatalities suffered by the United States. and other coalition partners.

His criticisms of ANAO stressed what he saw as ignoring the strategic value of Army vehicle design, engineering and manufacturing being included as one of the ten Sovereign Industry Capabilities announced in the May 2018 *Defence Industrial Capability Plan*. Jenkins maintained ANAO ignored the broader economic benefit from Australian vehicle design, development and manufacture ignoring the 200 Hawkei jobs at the Protected Vehicle facility in Bendigo; an additional 200 jobs in Australian small and medium enterprises which are Tier 1 suppliers in the Hawkei supply chain; Australian industry content of at least 55 per cent in Hawkei production representing more than $650 million; $110 million of Hawkei development spending on an Australian vehicle; and broader benefits to the Army of developing the Hawkei Integral Computing System which can be adopted by other ADF vehicle fleets with considerable cost savings.

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20   Ibid., p. 14.
21   Ibid., p. 76.

These comments went on to contend that Australia would derive augmented economic benefits from Hawkei supply chain export sales with Bushmaster being exported to seven countries and that ANAO's report would be damaging to potential export prospects. Jenkins also castigated ANAO for making selective comparisons with the United States JLTV by ignoring a May 2018 Defense Department Inspector General report finding that the US Army and Marine Corps "have not demonstrated effective test results to prepare the JLTV program for full rate production" while acknowledging significant redactions in this US report make it impossible to determine which performance requirements failed. He concluded by stressing ANAO ignored heightened Australian Government emphasis on increasing defence procurement from Australian sources.[22]

Forthcoming ANAO Audit Activity

In early 2019, ANAO published a list of audit activity it anticipated engaging in during 2019-20, inviting public review and comment between 18 February 2019 and 12 March 2019. At the time of writing, final publication of this activity will occur in early July 2019.[23] A number of Defence related programs are scheduled for audit in 2019 and beyond with Army pertinent examples including Army Battlefield Command System (LAND 200 Tranche 2), Defence Procurement of Combat Reconnaissance Vehicles (LAND 400 Phase 2), and Defence Facilities in Benalla and Mulwalla.[24]

ANAO reports on the Australian Army in 2020 and beyond will also examine the possible impact of Plan B on Australian military spending, procurement and program effectiveness. As reflected in Australian security studies analysis and debate, Plan B is the contention that Australia will have to rely less on the United States for its national defence due to concerns that President Trump is less supportive of the US-Australian alliance resulting from its America First strategy which some claim will cause US troops to leave South Korea and Japan and remove Marine Corps forces from Darwin. An Australian Strategic Policy Institute (ASPI) analyst has contended that Plan B would involve Australia doing more for its own security, playing a stronger regional leadership role, and reconsidering ADF size and strength for emerging security threats without confidence in the US security umbrella.[25]

Specific recommendations this analyst thinks are necessary for improving Australian defence capacity include increasing defence spending to reach 2.5 or 3.0 per cent of Gross National Product (GNP) within a decade with a 3 per cent increase representing an $122 billion spending increase out to 2028; expediting equipment delivery dates and

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22 See Ibid., 78-80; Australia, Department of Defence, *2018 Defence Industrial Capability Plan*, (Canberra: Commonwealth of Australia, 2018): 20; <www.defence.gov.au/SPI/Industry/CapabilityPlan/Docs/DefenceIndustrialCapabilityPlan-web.pdf> [Accessed 20 September 2019]; and US Department of Defense Office of Inspector General, *Army and Marine Corps Joint Light Tactical Vehicle*, (Washington, DC: DODIG, 2 May 2018); i; <media.defense.gov/2018/May/25/2001923004/-1/-1/1/DODIG-2018-113%20FOUO.PDF> [Accessed 20 September 2019].

23 Australian National Audit Office, 'Draft 2019-20 Annual Audit Work Program', 13 March 2019, p. 1, <www.anao.gov.au/work-program/draft> [Accessed 21 September 2019].

24 Australian National Audit Office, *Read the Annual Audit Work Program 2018-19: Overview: Defence* (ANAO, 2019), pp. 1-9; <www.anao.gov.au/work-program/portfolio/defence> [Accessed 21 September 2019].

25 Peter Jennings, 'Trump Means We Need a "Plan B" for Defence', Opinion, Australian Strategic Policy Institute, 21 July 2018, p. 2; <www.aspi.org.au/opinion/trump-means-we-need-plan-b-defence> [Accessed 2 December 2020].

maintaining high levels of force readiness; concluding a formal defence treaty with Japan while pursuing and signing formal alliances with France and the United Kingdom; investing significantly in building strategic partnerships with India and Indonesia; formalising Australia's role as defence and security guarantor for Pacific Island countries such as Nauru and Kiribati; building a nuclear-powered submarine fleet with long-range cruise missile capability enhancing long-range striking power while acquiring the ability to fire these weapons from hard-to-detect ships and aircraft; developing a long-range bomber aircraft; developing an Australian equivalent of the US Defence Advanced Research Projects Agency (DARPA) to work on emerging technologies in artificial intelligence, hypersonics, and autonomous systems while spending more than the 0.5 per cent of the Defence budget currently spent on innovation programs; doubling the size of the Australian Signals Directorate within a decade and enhancing cyber offensive and defensive capabilities; and increasing ADF personnel from 58,000 to 90,000.[26]

The projected April 2020 parliamentary tabling of ANAO's report on procurement of LAND 400 phase 2 combat reconnaissance vehicles is one potential indication of how Plan B forecasting may influence Army power projection capabilities. ANAO audit criteria include whether Defence has conducted an effective tender process achieving value for money; conducted an effective evaluation process achieving value for money; and established effective project governance conducive to achieving value for money.[27]

ANAO's 16 December 2019 report on defence program readiness noted that the Chief of the Army had delayed introduction of the MRH90 helicopter into the 6th Aviation Regiment by three years due to reliability and design shortcomings while extending the Black Hawk fleet to 2022 to lessen risk to capability. It also noted that the MRH90 project may be unable to retain sufficient levels of experienced and skilled manpower to achieve delivery requirements. A more positive ANAO assessment was provided for the Land 53 Phase 1 BR Night Fighting Equipment Replacement Program which has achieved Initial Material Release and Initial Operational Capability, is on track to deliver capability specified at Second Pass, and no material problems or changes have occurred to adversely impact ongoing delivery requirements.[28]

Conclusion

ANAO reports provide detailed documentation of the ambiguities, successes and failures of Australian Army and other Commonwealth public policy programs for military professionals, policymakers, scholars and the general public. They are especially insightful for their detailed coverage of program performance and cost, helping Australian taxpayers determine whether programs provide good value for money and are beneficial or detrimental to Australian national security requirements. They also provide detailed

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26 Ibid., pp. 3-6.

27 Australian National Audit Office, 'Defence's Procurement of Combat Reconnaissance Vehicles (LAND 400 Phase 2)', 2019, p. 1, <www.anao.gov.au/work/performance-audit/defence-procurement-combat-reconnaissance-vehicles-land400-phase2> [Accessed 3 January 2020].

28 Australian National Audit Office, *2018-19 Major Projects Report: Department of Defence* , Auditor-General Report No. 19 2019–20 (Canberra: ANAO, 16 December 2019), pp. 177-78, 347-48; <www.anao.gov.au/sites/default/files/Auditor-General_Report_2018-2019_19_a.pdf> [Accessed 3 January 2020].

documentation on how Defence and private sector contractors respond to ANAO findings, which may not always be favourable to ANAO or to their future commercial prospects of obtaining Defence contracts.

Army personnel should be particularly attentive to ANAO reports since their career trajectories may make them responsible for administering or scrutinising these programs and interacting with defence contractors and other government personnel to ensure that these programs perform effectively and meet national security requirements. Responsibility for these programs will require them to interact with ANAO personnel along with policymakers from parliamentary oversight committees and it will include presenting sworn evidence before these committees and traditional broadcast and social media, and potentially facing legal proceedings in the event of criminal activity or malfeasance involving poor performance by these programs. Incorporating detailed knowledge of ANAO policymaking activities and reports should be a required component of Australian professional military education and of serious study and analysis of Australian Army programs and their performance quality. ANAO reports will continue to provide substantive analysis and insight into emerging Australian Army program procurement and performance in the event the Plan B scenario—Australia having to increase its defence spending and capabilities due to decreased US support of Australian security interests—occurs.

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Notes for Contributors

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