A Geostrategic SWOT Analysis for Australia

John Blaxland

The Centre of Gravity series

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Executive Summary

✦ This paper critically reflects on the circumstances Australia and its neighbours face through the prism of a Strengths, Weakness, Opportunities, Threats (SWOT) analysis, focusing on Australia's internal strengths and weaknesses, as well as its external opportunities and threats.

✦ A spectrum of potentially existential matters face the nation and the world: concerning great power contestation, the environment and governance. These range from political, economic and human security concerns, environmental challenges, cyber security issues and a range of maritime, territorial and homeland security problems, including the prospect of a major war. Yet Australia is ill-prepared for the likely consequences with limited sovereign capacity to respond appropriately.

✦ This is an age when the tyranny of the urgent makes deeper reflection on issues with generation-spanning consequences all the more important.

Recommendations

✦ The nation needs a domestic political and societal re-awakening to face the vast array of challenges presenting themselves. A national institute of net assessment, akin to the productivity commission, should be established on a statutory basis at the Australian National University 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 help develop viable options to address the challenges holistically, including by examining further the following recommendations.

✦ Increased capacity and endurance is required for Australia to be self-sufficient. This should increase deterrence in order to make Australia an unattractive target for coercion or aggression. Australia currently has limited sovereign capacity to respond to the growing range of threats. This means investing further in the capacity of the ADF and related government instrumentalities and infrastructure to be able to endure prolonged security challenges including those posed by advanced technology threats and possibly war. In terms of military capacity, for instance, one hundred fighter aircraft, a dozen or so warships, three combat brigades and some special forces no longer is adequate. Given chronic personnel shortfalls, a universal national community service scheme should be considered.

✦ 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 security and stability. The Rohingya refugee crisis presents a challenge for the region and an opportunity for collective leadership to prevent the crisis from worsening and before another wave seek to flee on boats. Failure to act could see the regional order undermined.
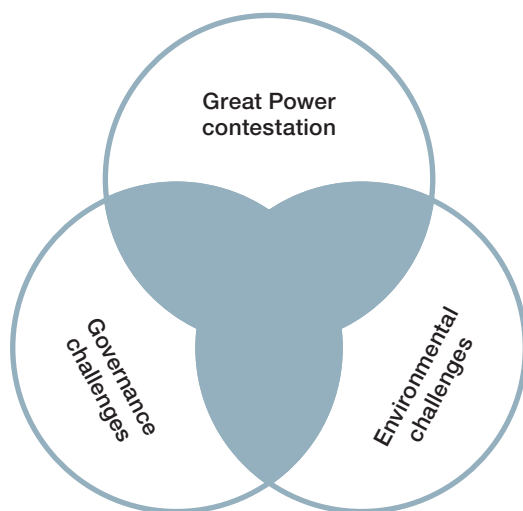
Introduction:

Australia has a track record as a middle power seeking to shape and influence its region, or 'winning the peace', with its foreign and defence policy, particularly through engagement and persuasion.[2] That approach to managing regional security concerns may have worked in the past but is now being tested.

Today, Australia faces an array of deeply worrying issues relating to the environment, governance and great power contestation. The spectrum of global security challenges ranges from economic security, to environmental degradation, political and human security concerns, cyber security matters and a range of maritime, territorial and homeland security matters, including the prospect of a major war unlike anything witnessed in the Indo-Pacific region for generations. This calls for a concerted, imaginative and coordinated response.

This paper presents a geo-strategic SWOT Analysis: a critical examination of internal strengths and weakness and external opportunities and threats. Often applied in a competitive business environment, there is utility in applying it geo-strategically to Australia's circumstances.

Cautionary note: Critics may see this as unduly reductionist and constraining. Indeed, the SWOT methodology depends on being selective and inclusive of conceptually compatible components. Yet in order to gain a sense of scale and severity of the challenges faced, such categorisation and compartmentalisation is warranted. First, to internal strengths.

Internal Strengths:

When Australians think about the country's internal strengths, natural resources feature prominently. Australia's resources seem boundless. While the United States remains the largest source of foreign direct investment, China has become Australia's largest trading partner, purchasing iron ore and coal and various other raw materials, Buying not because it likes to support a liberal Western democracy, but because it is a good deal. Many other Asian states rely heavily on Australian-sourced raw-materials. While subject to market fluctuations and global disruptions, the revenue from these resources give Australia international leverage to pursue its interests.

The overlap and interaction of great power contestation, governance and environmental challenges presents difficulties beyond the remit of any one agency, department, discipline or domain.

Second, Australia has a strong economy, with an unbroken economic growth record for more than a generation, but others are catching up.[3] Still, the advantage is significant and enduring. Importantly, Australians should not be cavalier about their economic standing, mindful that this strength is largely based on services and minerals. There is a need to work harder to avoid falling behind in relative terms. The limited and diminished industrial base is a cause for concern and requires a reimagined conception of how to ensure the economy becomes more vibrant.

Third, despite the political ebbs and flows, Australia has a remarkable level of domestic political stability and operates under the rule of law. Australia maintains a liberal federal bicameral Westminster-style parliamentary democratic system, that separates judicial from executive political powers, at state and federal level, while maintaining professional police forces with anti-corruption mechanism and review procedures (including royal commissions, inspectors general and auditors) adding confidence to the endurance and stability of the system. There is, however, a significant and worrying level of disenchantment and distrust of the political system that requires visionary leadership to address.

Fourth, Australia has an educated population. Australia is well endowed with an advanced workforce and great institutions like the Australian National University and others that the nation draws from to provide an excellent educated workforce. Unsurprisingly, Australia is one of the most popular destinations in the world for foreign students. Yet the benefits should not be taken for granted as global education standards improve. Education excellence is also key to Australia's industrial redevelopment and economic prosperity.

Fifth, Australia is a multicultural society, enriched by migrants from around the world that have helped develop the nation from a population of eight million in 1945 to 25 million today. Migrants help make Australia well networked internationally. Multiculturalism also ensures that national security institutions have access to a spectrum of thinking about complex challenges. Many other states in Australia's neighbourhood do not possess this advantage because of their more rigid political systems and often more homogeneous ethnic composition. But more needs to be done to integrate migrant groups into the mainstream of Australia's sense of identity. A national scheme which brings young people together from across society likely would be helpful.

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Notwithstanding the Trump phenomenon, Australia retains considerable shared values and interests with the United States; and Australia can leverage from US interoperability.

Sixth, Australia is an island continent, with the extraordinary luxury of having no land borders and no shared boundaries or serious border disputes. While concerns remain about unregulated arrivals by sea, there is no need to worry about building a wall. The majority of Australia's population is thinly spread, mostly in island-like pockets along the coastline in the southern half of the continent. This has led to a search for remote security partners to compensate for its low population density and related vulnerabilities. The development of its mineral resources industry in the less populated north has coincided with a growth in economic prosperity and relative power of Australia's northern neighbours. Coupled with advanced transport and communications, today geography is less of a barrier to external influences than ever before. The changed dynamics are affecting how Australia engages with and keeps itself apart from its neighbours.

Seventh, Australia has a honed and high-tech defence force, but it is a boutique one, in large part because of its geography and its small population. The Australian Defence Force (ADF) is not as large as that of many of its northern neighbours, nor as large as it has been in wartime. In land power terms, Australian armed forces today consist of just over one division of troops. 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. In addition, its 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 army of three combat brigades and some special forces, a navy of a dozen or so warships and some old 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 challenges. The main challenge in overcoming this shortfall relates to recruitment and retention of personnel.

A model for universal national community service should be considered, and it could be called the Australian Universal Scheme for National and Community Service (AUSNACS). Mindful of divergent views and competing needs, this could be for service in the military, border force, police, emergency services, in support of remote communities, or as field support for overseas aid work. The scheme could include appropriate inducements such as HECS fee reductions or cancellations.[4]

Eighth, Australia can leverage from US interoperability. This applies in terms of high-technology military equipment, intelligence systems and networks, as well as in terms of cultural and linguistic interoperability. The Joint Defence Facility at Pine Gap is widely regarded as the jewel in the crown, or as the late SDSC Professor, Desmond Ball, called it, 'the strategic essence'.[5] On balance, successive governments have recognised its enduring significance. The book, *Australia's America Alliance*, reveals how heavily invested Australia is in its security and defence relationship with the United States – to an extent most Australians do not realise.[6] Australia's neighbours recognise that Australia's utility to them is predicated in part on Australia's connectedness to America's technology, intelligence and power.[7] Indeed, America's Pacific presence is now closely associated with its Australian ties. Concerns abound over how to adjust to the world and works like *After American Primacy* present some options.[8] Others have even called for armed neutrality.[9] Yet even such neutrality would rely on maintaining a technological lead facilitated by US ties. In essence, there remain considerable opportunities to benefit further from enduring ties with the United States.

Internal Weaknesses:

In terms of internal weaknesses, there are six key points.

First, Australians have a complacency about their place in the world. Australians, for a long time, have felt immune to interference and espionage of any consequence. This confidence is misplaced.[10] It has allowed an indulgent domestic political narcissism to fester. Politicians bicker and repeatedly change course, with short-term political cycles driving the agenda rather than inter-generational priorities. In the

'lucky country', abounding with natural resources, there has been room for mediocrity in politics. As Australia's neighbourhood becomes more dynamic, however, and the challenges of governance become more acute, reform of our political culture and norms is required.

Second, even with Australia's relatively small population, there are infrastructure pressures and uneven population distribution across south-eastern Australia and the nation is now witnessing a political backlash. Most people are supportive of cultural diversity. However, crowding and housing affordability have become key issues. Australians also do not want population growth to come at the expense of Australia's natural environment.[11] Numerous ramifications are worth considering. Essentially, as a migrant country, the nation's ability to absorb a significant and sustained influx of migrants without undermining social cohesion requires care and additional infrastructure development.

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Third, there is a remarkable level of systematic dependency on international enabling systems. These include international data cables, the global positioning system as well as oil refinery and fuel from abroad. With fuel, for instance, Australians take for granted the need to secure consistent oil supplies. Australia is vulnerable to disruption, relying on refineries in Singapore and South Korea. Supply disruptions due to natural disaster, major industrial accidents, conflict in Asia or a more widespread conflagration would have catastrophic consequences. This is one of the nation's greatest strategic liabilities. There is a need to act to maintain appropriate fuel levels.[12]

Fourth, and related to the third weakness, is the issue of power generation vulnerabilities. More can be done to be less dependent on foreign-sourced fossil fuel including by investing further in underdeveloped solar and hydro power whilst also being open to look a fresh at the potential for other advanced power options including hydrogen and innovative and safer nuclear sourced power. These are politically controversial issues. Ironically, Australia is one of the greatest uranium producers, but refuses to use nuclear power or to store its waste for others. Even though Australians live on the most stable and most sparsely populated continent (apart from Antarctica).[13]

Fifth, there is also the issue of cyber vulnerabilities and dependence: Australia, like many countries, has transformed from being web-enabled to web dependent. This leaves the nation vulnerable to cyberattacks. For instance, despite established cyber defence initiatives, the ANU and parliament have been subject to cyber-attacks. The world is becoming more complicated and the web's openness has exposed the nation to malign actors and the prospect of a major cyber related disruption. State and non-state actors including international criminal organisations and terrorist groups have the potential to make cyber-attacks more damaging and less attributable. A more joined up response across government, industry and society is needed.

Sixth, Australia has limited sovereign capacity to respond to extended crises or war. Australia lacks its own civil maritime fleet or robust industrial base for production, leaving the nation dependent on just-in-time supplies from far away. In the face of natural or human-generated adversity, that approach likely will prove inadequate.

The strengths and weaknesses outlined so far present a mixed picture of causes for optimism and concern; but they need to be placed in the context of external threats and opportunities.

External Opportunities:

The external opportunities are grouped into seven regions.

First, the South Pacific. There are significant issues which, when aggregated point to placing this group first. Long taken for granted, the South Pacific is best categorised as Australia's and New Zealand's strategic firm base. Without a secure immediate region in the South Pacific, the nation will not be capable of thinking or acting globally, but for too long it has been taken for granted. For too long, Australia has been cavalier about the region.

Numerous microstates have exclusive economic zones over much of the Pacific. Their economic and strategic significance is growing as existential environmental threats are on the rise.

For too long Australia has been cavalier about the region. The challenges in the South Pacific concern environmental, political, economic and societal difficulties.

Principally, the challenges in the South Pacific concern environmental, political, economic and societal difficulties. The confluence of these factors provides an opportunity for Australia to engage and to lead constructively in the region.[14] Recent Chinese actions have generated concern, but the region is open to constructive, respectful, collegial Australian engagement and leadership.[15] So far, policy has been running to keep up. The so-called 'Pacific Step-up' is a constructive move in the right direction, but more attuned and responsive engagement is required and the opportunity needs to be grasped urgently. This will inevitably involve close engagement and coordination with New Zealand.

The second opportunity relates to ASEAN: a grouping of 650 million people, with an economy worth $2.5 trillion. Especially important for Australia is Indonesia: a democratic nation with a massive potential middle class (providing new markets) and a security posture that looks north against security threats, not south. There is an appetite for closer Australian engagement and investment, as illustrated by the recently signed Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA). Australia was instrumental in the Cambodia solution of 1992 (working with Indonesia and Japan) and led the intervention following the crisis in East Timor in 1999. These events demonstrate that Australians have proven to be good cooperative international citizens; but need to be more culturally attuned, respectful and alert to the emergent opportunities.

To be fair, the Australian government has been engaging constructively on regional counterterrorism and intelligence networks, particularly with Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei – states that are closer, with direct, constructive Australian ties.[16] Yet few outside Canberra appreciate the significance of the neighbourhood to Australia's destiny.

Australia's future is linked to that of its neighbours and opportunity beckons for trade and investment, education ties and regional security cooperation. Yet Southeast Asia barely features in the nation's consciousness. Rather than seeing ASEAN as a proto great power, Australians have tended to disaggregate its significance, discounting it as dysfunctional. Yet ASEAN states are important to

Australia. Nearly a million Australian residents have Southeast Asian heritage and over 1.4 million visit from there annually. Ten percent of Australia's exports and twelve percent of imports are with and from ASEAN countries and the numbers are growing.[17] If counted as a block, it is larger than trade with the United States as our 3rd largest bilateral overall. This demonstrates there is a need to think afresh about ASEAN's significance to Australia.

The third opportunity concerns North-East Asia. Japan, The Republic of Korea, The People's Republic of China and Taiwan are significant trading partners, China having become the most important to Australia. These relationships remain a source of considerable opportunities, ranging from additional and ongoing exports, educational offerings and potential regional business and development partnerships. Several Chinese monetary and developmental initiatives in particular present challenges and opportunities to engage constructively. Sri Lanka's experience with debt entrapment points to pitfalls. Australia needs to engage in a constructive but circumspect way, balancing concerns over China's increasingly illiberal assertiveness as well as its growing clout and significance to Australia and the neighbourhood.[18] As Linda Jakobson with her 'China Matters' project observed, there are real complexities, opportunities and challenges with Australia's relationship with the PRC.[19]

The fourth opportunity concerns the Indian Ocean region. The Indian Ocean Rim Association (IORA) has developed momentum. Australia has seen growing ties through IORA and other forums. While it is important to be constructive about prospects of stronger ties with India in particular, there is value in cautioning against undue optimism about what Australia can do. The overlap of interests is not complete. Much has been made of the emergent quadrilateral security partnership that includes Australia, Japan, the United States and India.[20] Yet India is understandably wary of Australia, which withdrew from such an arrangement once before. Besides, in terms of India's principal security concerns, its land borders with Pakistan and China, Australia has little to offer. Australia already has substantial bilateral ties with these countries and there is a question about India's realignment. Nonetheless, and as far as practicable, Australia should look to bolster trade, educational and security ties with this great power Indian Ocean neighbour and other South Asian states.

The fifth area of opportunity concerns the North Atlantic Treaty Organisation (NATO) – an important international body with which Australia shares common values and overlapping interests.[21] NATO members, 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 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. Then there is Australia's 'strategic cousins' in Canada, another NATO member country and close US ally, and also a Pacific power with shared interests in the Asia-Pacific region.[22] 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.

The sixth area concerns Australia's principal ally, the United States. Additional opportunities present themselves for Australia to continue to expand on ways of working alongside the United States. Australia has an interest in seeing the US position in the Indo-Pacific remain a strong and enduring one, committed to Australia's defence. Australian facilitation of America's presence and its counsel on how to navigate the security challenges ahead is an important contribution.

Australia's US engagement also has a demonstration effect, being closely scrutinised by the neighbours in the Pacific and Southeast Asia. To date there has been much discussion about moving away from the US alliance or only incrementally adjusting ties, in a way that keeps a low profile. Arguably, though, Australia should take the opposite approach and proactively engage the United States if it is serious about fostering US resolve to remain engaged in its neighbourhood.

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Admittedly, while categorised as an opportunity, Antarctica presents a challenge to Australia's southern flank – something that has not featured in the nation's strategic calculus in the past.

Currently, Australia's alliance with the United States lacks the political-military understandings and mechanisms that have developed in other US alliances to prepare for and demonstrate joint action in the face of possible conflicts.[23] Australia should pursue stronger and more compelling mechanisms to tie US security commitments to the defence of Australia and its neighbourhood.

US investments in technological developments in Australia such as the 'loyal wingman' project with Boeing point to additional opportunities.[24] In addition, other advanced US-sourced technology could prove crucial to compensate for ADF personnel and equipment shortages. This could include coastal and missile defence (anti-access area denial or 'A2/AD') and underwater surveillance capabilities.

The seventh and final area of opportunity for Australia concerns Antarctica and the Southern Ocean. This region is an overlooked part of Australia's geostrategic environment and the nation's own claims to this territory. Australians, with few exceptions, have not been having a conversation about emergent resource competition and the significance of Antarctica to the nation's and the world's future – one in which climate change, technological advances, growing demand and heightened resource competition, may generate greater interest and activity in future. Admittedly, while categorised as an opportunity, Antarctica presents a challenge to Australia's southern flank - something that has not featured in the nation's strategic calculus in the past.

If global temperatures rise markedly, its attractiveness likely will grow. The opportunity exists for Australia to establish itself as the main arbiter of Antarctica's future by a combination of capability build-up (to better operate in and around Australia's Antarctic claims) and diplomatic leg work to increase Australia's standing globally and mitigate the risk of a future threat emerging from a divided continent to the south.

External Threats:

Having considered the internal strengths and weaknesses and external opportunities, we now turn to external threats. This paper identifies eleven categories of threats that are difficult to prioritise given that many variables that could result in various combinations of threats to materialise. This is a long list and reflects the sense that globally, clouds are darkening.

The first threat to consider is foreign interference – an issue that authorities have been dealing with for decades. Foreign interference was part of the Cold War experience and the sense waned as the Cold War ended.[25] Concerns have returned, with some spectacular examples of influence purchased

in domestic politics recently. A growing clash of political ideologies and worldviews has emerged that appears to be behind Chinese interference in the Australian system. The inadequacy of the response is compounded by the nation's apparent inability to tell the story of why democracy is a good thing.

The second is that cyber-attacks by industrial, military, state and non-state actors are becoming increasingly capable and dangerous. Australians are becoming inoculated to this as being the way things are. The Australian Signals Directorate and the Australian Cyber Security Centre in particular play an important role in grappling with these challenges, but this a game of catch-up, with data breaches and hacks becoming routine. Increasingly, concerns of an imminent 'cyber storm' are being aired.[26] This points to the need to invest further in leading edge technologies for the defence force and for enhancing resilience of national institutions and businesses.

SE Asia Perceptions of Influence over time
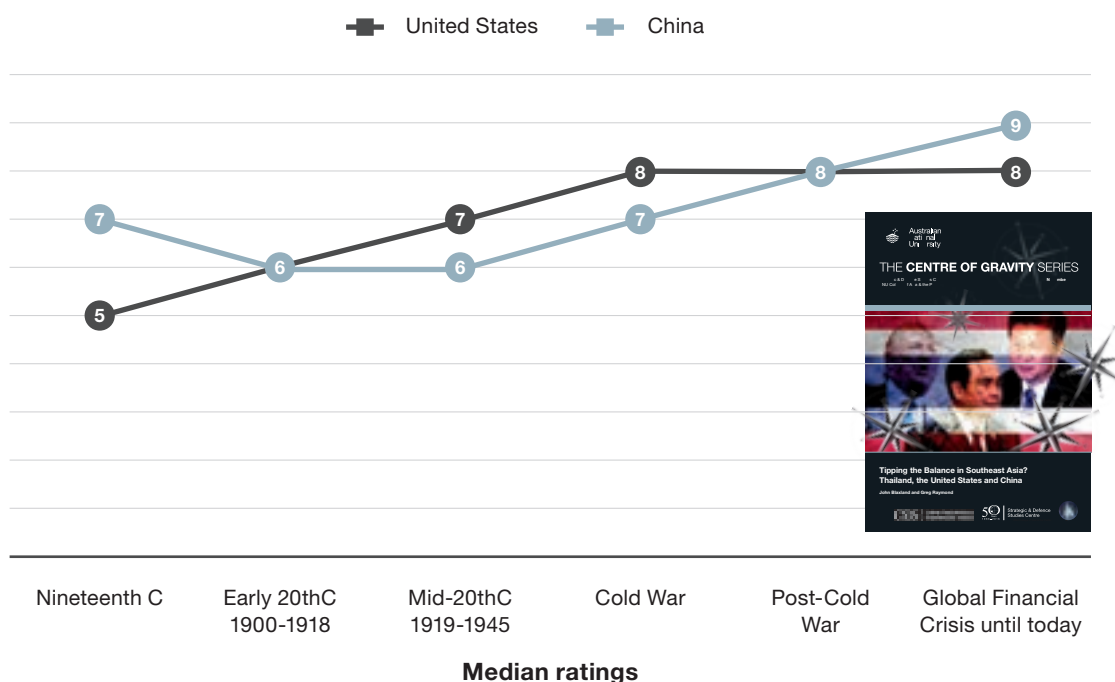
Graph from Blaxland and Raymond, *Tipping the Balance in South East Asia?* Available from http://sdsc.bellschool.anu.edu.au/our-publications/centre-of-gravity-series

The third external threat arises due to the United States' apparent transactional retreat from ideational leadership at a time of heightened concerns over Chinese assertiveness, Russian adventurism and other provocations. In light of such developments, how does South East Asia react? A recent research project looked at Thai Military views on the great powers as a kind of litmus test for Southeast Asia. It shows China has eclipsed the United States in perceptions of influence.[27] We have yet to fathom the implications of this power shift, although SDSC colleagues such as Professor Hugh White have sought to lead the discussion.[28]

The fourth threat, religious and politically motivated violence, is a phenomenon found across Australia's neighbourhood, particularly in Southeast Asia. The emergence of affiliates of the so-called Islamic State, in Southeast Asia has placed pressure on multi-lateral frameworks and posed challenges to collaborative policing. These groups rely in part on digital networks that enable organised crime and violent political action to thrive. Yet there has been a surge in concerns on the domestic front as well. Networks of groups with extreme ideological foundations pose threats to Australian domestic citizen safety and contribute to socio-cultural tensions in Australia's multicultural society. These concerns have led to tougher counter-terrorism legislation, more robust domestic police capabilities and refined emergency ADF call-out powers.

The fifth external threat relates to increasing environmental challenges, exacerbating fragile socio-economic frameworks. Disease based threats resistant to antibiotics and associated with extreme weather events are also generating concerns about emergent pandemics. Pacific partners have seen Australia's environmental policies that account for their existential concerns wax and wane. Consistent, long-term and visionary engagement from the Australian Government that helps grapple with the challenges faced by Pacific countries is required.

The sixth threat relates to the prevalence of transnational security concerns: this is becoming a broader and more complex set of issues in the Indo-Pacific region, ranging from slavery, human trafficking, piracy and the illegal drug trade. As the most developed country in the region, Australia has the technical capabilities and moral obligation to play a leading role in mitigating these threats regionally, but their scale and dynamism pose critical challenges to Australia's national security infrastructure.

The seventh external threat concerns great power contestation resulting, through accident or design, in open or even thermo-nuclear warfare. China's assertiveness over Taiwan, for instance, raises concerns of a possible conflict erupting there, drawing in the United States and, in turn, US allies like Australia. Brendan Taylor's *The Four Flashpoints: How Asia goes to War*; identifies the Korean Peninsula, Taiwan, the South China Sea and the East China Sea as most concerning.[29] Given the great powers poised to confront each other at these flashpoints are mostly nuclear weapons armed states, the prospect of containment short of nuclear war diminishes as the prospect of escalatory, tit-for-tat actions spiral.

The Lowy Institute put together a useful report on power distribution across the Eurasian landmass and Pacific Ocean, with the United States virtually equalling China in power and influence.[30] Australia has cause to consider what it can do to protect itself and how it can work with its neighbours and current partners, including reflecting upon current technology. Ballistic missile defence systems, for instance, exist, but no single counter measure is sufficient. Mitigating the risk warrants further contemplation and response.

The eighth external threat concerns large scale unregulated people movement, notably within and through Southeast Asia.[31] Rohingyas, for instance, have fled political and social persecution and travelled across to Bangladesh. In the past, scores of them have set off on boats to Malaysia, Indonesia and some even reached Australia. That was when there were 100,000 displaced Rohingyas. There are now over 700,000 displaced from their state. Australia's border security forces would be stretched and regional relations disrupted if even a small fraction followed suit.

Proactive leadership is required to prevent the matter spiralling out of control beyond the Bangladeshi border. Australia could act as a catalyst for a regional solution, in a manner akin to its role in Cambodia in 1992 and 1993, where Japan, Australia and Indonesia, facilitated a geo-strategic transformation. There is an opportunity for Australia to work collaboratively with Thailand and Indonesia and others, to apply pressure on Myanmar, offering a face-saving way out of the impasse to diffuse that situation.[32]

The ninth concern is the prospect of a breakdown of relations with Indonesia: a country ten times Australia's population, the third largest democracy, and the country with the largest Muslim population in the world. Australia's relationship with Indonesia is like a game of snakes and ladders; incrementally recovering from the East Timor

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crisis of 1999 only to allow perceived provocations to continue apace, including over boats, beef, spies, clemency, terrorism, Papua and Jerusalem. When the power equation changes as Indonesia's economy grows, Australians should watch this space.[33] Australia should double down on the investment in the relationship, being respectful towards Indonesia, from the Prime Minister downwards. No more unannounced turning off live cattle trade; no more thinking that it is okay to tell Indonesians how to live their lives and expecting them not to react negatively. This is a consequential country. A suitable degree of deference and respect is called for.

The tenth external threat concerns fishing stocks, particularly in the Pacific. China and others are increasingly engaged in the area due to prospects of lucrative economic benefits.[34] With a relatively small exclusive economic zone, China understandably wants to extend its reach towards South Pacific microstates with vast EEZs, laden with massive fisheries and opportunities for seabed exploration and exploitation. Yet these places are becoming less viable, political, socially and economically. Australians need to understand that their neighbourhood is becoming more contested.[35] There is a potential role for Australia to play as a more respectful and collegial neighbour, helping them face current and future challenges, but without being patronising.

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The eleventh external threat concerns the prospect of increased risk of reductions in biodiversity and pandemics. Australia has strict quarantine regulations for good reason. Yet the strength of regulation is challenged by increasing travel and trade that generates potential disease paths into Australia. At the same time, modern societies have relied on a diminishing range of flora and fauna for sustenance and this generates heightened risk, exacerbated by volatile weather patterns. Some fresh thinking is required.

Net Assessment

This paper has demonstrated that at a time when potentially civilization-threatening challenges are emerging in the demographic, environmental, technology, political, economic and security domains, the nation is facing a grave shortage of long-term, integrated strategic planning. Australia is failing to reflect on the strengths and weaknesses and adjust to the opportunities and threats in a manner that takes into account the full spectrum of national, state, local and international concerns. Strategic planning is compartmentalised, with little inter-disciplinary cross-pollination in the university sector (with disciplinary stovepipes), industry (with segmented trend analysis), think tanks (with benefactor predispositions) or government (with departmental demarcations and short-term political cycles). Inadequate responses to an accelerating pace of change are leading to a loss of faith and growing mistrust in institutions and the rise of poorly informed populism. 'Fake news' and the tyranny of the urgent makes deeper reflection difficult to achieve. There is now a serious need to fill this gap. The response needs to take an intergenerational look over the horizon, covering scenarios from the possible and probable, to likely or most likely, and dangerous to most dangerous.

A National Institute of Net Assessment should be established, on a statutory basis, ideally at Australia's national university, the ANU, as a potentially massive contribution to Australian and global security policy. This work would include inter-disciplinary scenario planning, strategy development and net assessment.[36] The Institute could engage experts from across the government, business, industry and education sectors to undertake quantitative and qualitative analysis of trends and related issues, roundtable discussions and workshops with representatives from the university sector, think tanks, government, industry and society, capitalising on findings within and between nodes.

Conclusion

This SWOT analysis identifies the turbulence of Australian politics associated with short-term political cycles and a continuous social media appetite that has robbed Australian politics of the space for deeper reflection. Yet these times call for the nation to address the opportunities and threats, mindful of internal strengths and weaknesses. In the age of clickbait, short attention spans and over flowing email inboxes, there is a natural inclination to focus on the challenges that demand immediate attention, leading to the tyranny of the urgent.

In weighing up the implications of this study, it is vital to be coolly realistic about the nation's strengths and weaknesses. Some of the things listed as strengths, for instance, also bring weaknesses: The nation's resources endowment is a strength, but its dependence on resource export could be construed as a weakness. Similarly, the US alliance is a strength, but dependence on the United States can be seen as a weakness. Likewise ASEAN's success hitherto in Southeast Asia has been an asset, but its fragility in the face of internal and external pressures also can be seen as a weakness.

On further reflection, the nation's internal strengths appear not so substantial or permanent and the internal weaknesses may be more profound than we have acknowledged so far. In the meantime, the opportunities are substantial and the threats greater than ever. Regrettably, Australia's internal capacity to rise above its petty squabbling, to mobilise a coherent response to these challenges, appears weak at the moment. In the past, a deeper reflection on the internal strengths and weaknesses may not have mattered all that much, but the nation no longer can afford to think that way. The strengths are more problematic and the weaknesses are more pressing. Australian power is diminishing in relative terms and the nation needs to work hard to keep up, running just to stay still. In the meantime, the domestic political environment, designed to handle short-term problem solving for operational crises, appears ill suited for the longer-term strategic challenges.

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This array of challenges covers the spectrum of physical, environmental, economic, military, territorial and security domains. In examining international security issues, what this shows is that focusing on the major power dynamics is not enough: a diffracted look at the neighbourhood, going beyond regional stereotypes to examine specific bilateral ties and the details of regional concerns is called for. There is a need to create a mechanism to consider the challenges highlighted here, to explore them further and articulate plans in response, drawing on a wide range of national resources, not just using those people with government security clearances. As this paper shows, a SWOT analysis has the potential to offer clarity in these uncertain times, to offer pointers towards a strategic roadmap for the nation and its neighbourhood, helping to identify important issues for policymakers to focus on, and the suitability of the means and ways for achieving the desired ends.

This analysis points towards the need for Australia to focus more attention on its region and to be more self-reliant. In my book, *The Australian Army: From Whitlam to Howard*,[37] 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 in response 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 generations. The ADF needs to be better postured 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 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.

This paper sets out a range of issues that whilst important, 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.

A Geostrategic SWOT Analysis for Australia

STRENGTHS (INTERNAL)
- Natural resources
- Strong economy
- Domestic Political stability & rule of law
- Educated workforce
- Multicultural society
- Boutique, honed & hi-tech ADF
- Island continent – no shared land borders/disputes
- Leverage from US hi-tech, intel & interoperability

OPPORTUNITIES (EXTERNAL)
- South Pacific: climate, resource & social challenges provide opening for greater Australian leadership, alongside New Zealand
- ASEAN: regional and sub-regional appetite for closer Australian engagement & investment
- NE-Asia: trade growth opportunities: ROK, Japan, China
- Indian Ocean: Growing ties to India and beyond
- ROW: NATO; UK, France, Germany, Canada interest in Aust & Indo-Pacific
- USA – Australia's Principal Ally – Demonstration effect
- Antarctica & Southern Ocean

WEAKNESSES (INTERNAL)
- Complacency about security & our place in the world
- Infrastructure pressures & uneven population distribution in Southeast Asia
- Oil refinery fuel dependency
- Power vulnerabilities & underdeveloped solar/nuclear/hydro power
- Cyber vulnerabilities & dependence
- Limited sovereign capacity

THREATS (EXTERNAL)
- Foreign interference
- Cyber attack – industrial, military state & non-state actors
- US transactional retreat from ideational leadership
- Religiously & politically motivated violence at home/abroad
- Conventional +/or thermonuclear war –
- Increased environmental challenges
- Transnational security concerns
- Large scale unregulated people movement
- Breakdown in relations with Indonesia
- Pacific fishing stocks challenges
- Diminished bio-diversity & pandemics

Recommendations

- The nation needs a domestic political and societal re-awakening to face the vast array of challenges presenting themselves. A national institute of net assessment, akin to the productivity commission, should be established on a statutory basis at the Australian National University 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 help develop viable options to address the challenges holistically, including by examining further the following recommendations.

- Increased capacity and endurance is required for Australia to be self-sufficient. This should increase deterrence in order to make Australia an unattractive target for coercion or aggression. Australia currently has limited sovereign capacity to respond to the growing range of threats. This means investing further in the capacity of the ADF and related government instrumentalities and infrastructure to be able to endure prolonged security challenges including those posed by advanced technology threats and possibly war. In terms of military capacity, for instance, one hundred fighter aircraft, a dozen or so warships, three combat brigades and some special forces no longer is adequate. Given chronic personnel shortfalls, a universal national community service scheme should be considered.

- 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 security and stability. The Rohingya refugee crisis presents a challenge for the region and an opportunity for collective leadership to prevent the crisis from worsening and before another wave seek to flee on boats. Failure to act could see the regional order undermined.

- 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.

- Australia should maintain and strengthen its economic and security ties with the United States and other closely aligned states, capitalising on extant interoperability, access to advanced technology and intelligence networks. Utilising its trusted access, Australia should counsel against adventurous US initiatives that undermine international institutions, but also 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. Australia should proactively engage the United States to foster US resolve to remain constructively engaged in the neighbourhood.

Endnotes

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