The Centre of Gravity series

About the Centre of Gravity series

The Centre of Gravity series is the flagship publication of the Strategic and Defence Studies Centre (SDSC) based at The Australian National University. The series aspires to provide high quality analysis and to generate debate on strategic issues of direct relevance to Australia. Centre of Gravity papers are 3,000-4,000 words in length and are written for a policy audience. Each Centre of Gravity paper includes at least one policy recommendation. Papers are commissioned by SDSC and appearance in the series is by invitation only. SDSC commissions four to six papers in any given year.

About the Editor

The Centre of Gravity series is edited by Dr Andrew Carr, Senior Lecturer at the Strategic & Defence Studies Centre. He has published widely on strategy, middle powers and Australian defence policy. The COG series was created to improve the conversation and engagement between academic and policy communities. It also aims to draw attention to the most significant strategic questions facing Australia and the Asia-Pacific. Any comments or suggestions about how to improve the series or topics of particular interest are warmly welcomed. Dr Carr can be contacted on:

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**Richard Brabin-Smith AO** worked for 30 years in the Australian Department of Defence, retiring in 2003. His positions included Deputy Secretary for Strategic Policy, Chief Defence Scientist, First Assistant Secretary for International Policy, First Assistant Secretary for Strategic Policy and Coordination, and First Assistant Secretary for Force Development and Analysis. Notable activities included the 1997 Defence Efficiency Review, the 1986 “Dibb” Review of Defence Capabilities, and a year’s secondment to the Pentagon in the early 1980s. He has been a Visiting Fellow at the Strategic and Defence Studies Centre of the Coral Bell School of Asia-Pacific Affairs since 2003, and an Honorary Professor since January 2017.
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Foreword

By Brendan Sargeant, Head Strategic & Defence Studies Centre

The 2020 Defence Strategic Update and accompanying Force Structure Plan, and the Defence Science and Technology Strategy 2030 are, when taken together, among the more important defence policy documents that the Government has released in recent years. The timing amplifies their significance. They arrive at a time when Australia is experiencing a momentous crisis that challenges every aspect of our national life and will have consequences for decades to come.

These documents will become more significant as time passes, for they signal that our central strategic policy challenge is to negotiate the transition in the strategic order and in doing so to prepare for a potentially much more perilous future. They represent the beginning of major shift in strategic policy that will unfold over the next decade and is likely to result in major changes to the way that Defence is organised, the capabilities that the ADF requires, and Australia’s management of its participation in the security of our regional environment.

The Update recognises that the ADF needs to have more sustainability, more mobility, and more strike and denial capabilities. It signals the development of ADF capability designed to strengthen Australia’s capacity to support its interests in the Indo Pacific, with a particular emphasis on the ability to resist potential coercion by other states. It responds to the reality that many of the trends in the international system are working against Australia’s interests and that we have entered a very different strategic environment to the one to which we have been accustomed.

The Update recognises limits. The renewed emphasis on geography restores a focus that we drifted away from when we put our faith in the continuation of the rules-based order. There is also much continuity between this Update and some earlier White Papers. One of the most important underlying arguments is that geography matters; we live where we live.

Deterrence has always been a major element of Australian strategic policy. The Update strengthens the focus, but in doing so raises the questions of how and to what end, and in what circumstances.

The Update recognises that Australia should be capable of leading military operations in the region. This is important and offers an opportunity to renew and re-energise Defence regional engagement.

The comment that warning time has reduced is the indicator of realism in its assessment of the volatility of our strategic environment. It also brings into sharp relief Defence’s biggest challenge, the extent to which it is able to adapt and respond to a rate of change in our strategic environment that is increasing.

One theme in the Update is that the US Alliance, though foundational, is changing, and that our policy settings need to change with it. The Update focuses on our region and de-emphasises the Middle East as a strategic priority. This suggests that the era of coalition operations with the US in distant places is not necessarily the template for the future. Behind this is a recognition that the 9/11 era is over and that we have entered a new strategic reality which in much public commentary is framed around China’s rise, but reflects larger global changes, of which China is one part.

Is it enough? The Update recognises that in relation to our neighbours, Australia is getting smaller. The task of strategic and defence policy is partly in matching resources to task. We have decided to build stronger capabilities but to focus on a more constrained geographic environment. This is realism, but perhaps another question is the extent to which we are going to match that realism with an understanding of what we might do need to do in relation to strengthening other arms of policy, including a capacity for stronger and more resourced diplomacy.

In this Centre of Gravity publication, two of Australia’s most experienced defence practitioners and strategic policy thinkers, my colleagues Emeritus Professor Paul Dibb, and Honorary Professor Richard Brabin-Smith, discuss the 2020 Defence Strategic Update and the accompanying Force Structure Plan and Defence Science and Technology Strategy 2030. The context for their discussion and recommendations is the strategic transition that Australia is undergoing and in the unfolding impact of the COVID crisis. They identify some of the major challenges that will flow from implementation of the Update and the strategic questions still before us. In doing so they open up important areas for further debate, discussion and action as the Government grapples with the implementation.
Executive Summary

✦ The COVID-19 pandemic has exacerbated Australia’s strategic outlook, which was already showing worrying negative trends. The US now sees China as a comprehensive national security threat. China is taking advantage of the preoccupation of other countries with COVID-19 by ramping up its coercive behaviour against India, Japan, Hong Kong and Taiwan, as well as in the South China Sea.

✦ There is a serious risk that this pandemic will undermine the economies of such countries as India, the Philippines and Indonesia in our region, as well as vulnerable South Pacific countries.

✦ On 1 July 2020, Prime Minister Morrison announced the 2020 Defence Strategic Update, which is effectively a new Defence White Paper. He said that tensions were rising across the Indo-Pacific region with the risk of miscalculation and even conflict.

✦ The new strategic policy will require development of the force structure to focus on Australia’s immediate region. This requires the ADF to give priority to the nearer region, including the eastern Indian Ocean, Southeast Asia and the South Pacific.

✦ There is now the possibility of high intensity conflict. The ADF needs stronger deterrent capabilities including long-range strike, cyber-attack and area denial systems. The ADF’s logistics, stockholding, fuel supplies and military bases all require fundamental improvement.

✦ In our view, this new approach to Australia’s defence policy is basically sound – and we have been calling for such a change for the last three years. We have argued that because potential warning time is now much shorter, it brings a need for a more capable Defence Force at higher states of preparedness

✦ Our concern is that the planned rate of implementation for these radical changes to the ADF (force expansion, increased preparedness, and greater self-reliance) is based on assumptions about further deterioration in the strategic environment that are overly optimistic.
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Policy Recommendations

✦ The Government must not allow the huge economic cost of COVID-19 to the federal budget to lead to reductions in the planned defence spending of $575 billion over the next ten years, as set out in the 2020 Defence Strategic Update.

✦ Our strategic outlook has deteriorated quickly in the four years since the 2016 Defence White Paper, and further worsening is in prospect. The Government should therefore issue regular updates. These should include a detailed account of any slippages in the implementation set out in the Defence Strategic Update and the 2020 Force Structure Plan, and how they are to be remediated.

✦ Regarding the impact of COVID-19 on our immediate region, we need to ensure that key countries such as Indonesia and Papua New Guinea are priority targets for our assistance. We cannot afford to see these strategically critical neighbours become seriously weakened and turn to China for aid.

✦ In the wider Indo-Pacific region, we need to work more closely with such countries as Japan, India, Indonesia and Vietnam towards a community of shared interests. These countries have the size and actual or potential economic strength, and cultural predispositions, to resist Chinese hegemony and coercion.

✦ Regarding the Government’s force structure priorities, there needs to be greater clarity about the roles for a modernised Army – such as its long-range land-based missile strike missions.

✦ There is a lack of clarity in the public domain about the relationship between Australia’s deteriorating strategic circumstances and the timescales for developing the force structure and for improving readiness, sustainability, and self-reliance, such as numbers of combat pilots, missile and fuel stocks, and making improvements to northern bases. Defence should examine ways to say more publicly on these matters.

✦ It will be critical for the Government to ensure that the rate of implementation of these vital reforms does not get overtaken by further deterioration in Australia’s strategic circumstances.

This paper examines the implications for Australia’s future defence policy of the COVID-19 pandemic. First, we analyse the geopolitical implications of this coronavirus in terms of its global, regional and neighbourhood impact for Australia. Second, we canvass the implications for Australia’s new defence policy and force structure priorities, which were announced by the Prime Minister on 1 July 2020. We examine these changes and raise the question of whether they meet the serious strategic challenges that Australia will face in future years. We acknowledge that Australia is now moving into a very demanding new strategic era that will stress the formulation and implementation of policy in a way not experienced in living memory.

The Serious Geopolitical Challenge

For the first time in more than 100 years, we are experiencing a devastating global pandemic and – at the same time – the prospect of an economic upheaval comparable to the Great Depression of the 1930s. The COVID-19 virus has been an unprecedented disruptor at multiple levels for Australia, both externally and internally. Its full health and economic costs are still working their way through the system, but the Government and the Reserve Bank have already committed unprecedented economic assistance measures that add hugely to the national debt.
The coronavirus pandemic will affect the power of countries in different ways. The biggest impact will be reductions in the economic, and therefore potential military strength of some countries, and changes to the relative power of competing major states. Some developing countries – especially those with fragile economies and inadequate health services – may remain deeply damaged for many years. Regional balances could also change significantly as some nations recover relatively quickly while other neighbouring countries face longer and deeper social and political crises. This may lead to attempts for stronger powers to exert their relative advantage, as seems to be the case at present with China and its territorial claims in such places as the South China Sea and its border with India.

This is the most damaging health crisis by far that our populations have experienced. The remarkably abrupt onset of this calamity will inevitably lead to greater uncertainty, and even fear, about the future. Serious damage may have a long-term impact on cohesion and trust in our societies. In some countries, the disastrous economic damage suddenly wrought by this virus may lead to domestic tensions and instability with the attendant danger of political upheaval.

Inevitably, as even the richest countries struggle with the immense economic and social consequences of this pandemic, defence budgets will come under scrutiny. In previous crises, such as the Global Financial Crisis in 2008, defence budgets were seen as convenient cost-saving measures to offset the sudden damage to national budgets. In contrast, today’s more-demanding strategic environment means that reductions in defence budgets would be far less appropriate.

Global Geopolitical Changes

With respect to the global geostrategic damage incurred by the coronavirus, it is not surprising that there are different schools of thought. Some believe that strategically this heralds an extreme departure from the past. For example, Henry Kissinger argues that “the world will never be the same after the coronavirus.” He believes that we now live in an epoachal period in which the historic challenge for leaders is to manage the crisis while building the future: “Failure could set the world on fire.” Kissinger’s major concern is that the political and economic upheaval that the crisis has unleashed could last for generations.

Others – including the writers of this paper – believe that this pandemic has accelerated previous adverse strategic trends, rather than being a stark discontinuity in the global strategic order. We are more in agreement with the American historian Walter Russell Mead, who says that “the balance of world power could change significantly as some nations recover with relative speed, while others face longer and deeper social and political crises.” While the coronavirus’s economic impact is dramatic, its consequences for world politics could be much more significant.

The previous global strategic trends, characterised by the greater assertion of nationalism and a movement away from the international rules-based order, now risk further acceleration. The impact of the pandemic on global supply chains threatens to encourage nation-states to greater self-reliance, even if at higher cost. Nations’ internal politics have become more domestically focused, including by the assertion of national borders and exclusion of foreign travellers. The fact is that international organisations such as the World Health Organisation, the WTO and the G-20, have not been at the forefront of the world’s response. As Walter Russell Mead observes, national governments – and not international agencies and institutions – have primarily shaped the response to the COVID-19 crisis.
Dangerous Confrontation between China and America

The starkest geostrategic disruption to emerge from this crisis has been significantly increased confrontation between China and America. What previously was a serious rift primarily over trade issues has now become what some observers are calling a new Cold War. There can be no doubt that the US now increasingly perceives China as a threat.

The increasing geostrategic confrontation between these two major powers is becoming increasingly harsh and it bears all the hallmarks of an ideological confrontation over values, as well as a balance of power struggle over which country will be the dominant global power, with worrying uncertain results for third countries such as Australia.

In our view, China’s status has been undermined, not because its economic power will not recover but because its ideology resulted in this pandemic spreading rapidly to the rest of the world when it could have been contained at the outset. In Washington’s view, the Communist leaders of China are culpable because of their incompetence and deception over the outbreak of this deadly pandemic. Beijing’s response has been angry denials, which in US eyes have only made it look more evasive. The result is an even harsher confrontation between the US and China. As the pandemic spreads yet further, other nations can be expected to call out China for its behaviour.

China is perceived as having undermined some of the key advantages of globalisation – not only in a health sense but also in Western countries’ dependence on China for key medical drugs and personal protection equipment. Many countries – including Australia – are now looking at diversifying away from such reliance on China, even if this increases costs.

America’s reputation has also been damaged by its total absence from providing leadership in arguably the worst global crisis since the end of the Second World War. Allan Gyngell, a former head of Australia’s Office of National Assessments, has said that the US now “looks irrevocably weakened as a global leader.” While China is belatedly offering its resources and experience in managing the virus to build relationships with other countries, the US is absent from any international leadership.

Ashley Tellis, who is a senior fellow at the Carnegie Endowment for International Peace, argues that the US will face significant transitions in the aftermath of this pandemic in at least two directions that bear on the future of its national power. First, it is likely that the unrestrained globalisation that evolved over the last several decades will be replaced by a more constrictive version of interdependence in which states, including the US, seek to protect critical aspects of the production chain within national boundaries as an insurance against future vulnerability. Second, the competition in America for public resources between non-defence and defence goods is likely to intensify. Tellis states that it is unlikely that US defence expenditure at the 2019 level of US$676 billion will be sustained over the next decade.
While the damage caused to the US economy will make the task of preserving US hegemony after the pandemic harder at a time when most assessments suggest that China is likely to recover faster than America, “the reputational damage to Washington is just as serious.” Washington can no longer be relied upon to uphold the international order that it once created. Tellis says that if this pessimism takes root, it will denude US alliances of their coherence and effectiveness, compelling allies to seek refuge in deeper self-help rather than to invest in cooperative action.

Tellis concludes that the US is preparing for the return of great power rivalry with China at a time when its own relative power is declining and may be eroded further, depending on the outcomes of the current pandemic. Although there is no assurance that China will come out of this crisis greatly advantaged, he argues that prudence demands the US reinvest in those resources that offer the most promise to revitalise its own national power, as well as doubling down on its alliances and partnerships. Only such a “U.S.-led confederation” will durably immunise what he calls “the strategic West” against future challenges emanating from China.

The President-elect of the US is more likely to approve of such a grouping than his predecessor. A Biden President will have a less antagonistic approach to allies even though he may expect that allies should contribute more to common interests in our region. Regarding China, the substance of US policies will perhaps change but little, given the strong bipartisan attitude now in the Congress. Overall, we expect to see a more predictable and common-sense approach to foreign policy from the Biden Administration.

New Regional Alignments

Even before the COVID-19 pandemic, the global geopolitical landscape was changing rapidly and not only with the rise of an increasingly assertive China. For example, Russia has reasserted itself as a major regional player through its use of military force in Crimea and eastern Ukraine (and before that in Georgia), as well as in Syria where it has re-established its military presence and its role as a significant power in the Middle East. In Europe, we have seen a weakening of the EU through the United Kingdom’s decision to leave that organisation. For Moscow, this is a welcome development that undermines the cohesion of the EU and NATO. At the same time, several European countries have drifted away from democracy and towards increasingly authoritarian right-wing governments (for example, Hungary and Poland) that further weaken European cohesion.

In the Asia-Pacific region, however, multipolar centres of power were in evidence well before the onset of the coronavirus pandemic. Japan, India and some of the Southeast Asian countries have increased their influence in recent years. But it remains to be seen how COVID-19 will affect the longer-term performance of certain countries. During the initial devastating outbreak of this pandemic in the first half of 2020, countries such as South Korea, Singapore and Taiwan performed exceptionally well in containing this virus through their disciplined government decision-making and advanced health services. But other countries, such as India, Indonesia and the Philippines have performed poorly because of their late reactions to the serious health challenge of this virus and the sheer size of the population at risk. It may take them several years to recover economically.

As the International Institute for Strategic Studies observes, the COVID-19 outbreak will reinforce the propensity for weaker governments in the region to rely more on China. The reasoning here is that countries already inclined to rely heavily on China for infrastructure and other development needs are likely to depend even more on Beijing’s largesse as the economic impact of the virus weighs heavily on them. Some ASEAN countries might tilt in that direction, “even as they continue to seek good ties with the US and China and to hedge between them.”

ASEAN’s weakness in responding to the common challenge of fighting the coronavirus has proved to be as ineffective as that of the European Union.
ASEAN’s weakness in responding to the common challenge of fighting the coronavirus has proved to be as ineffective as that of the European Union. In both parts of the world, countries have gone their separate ways, driven by fear of the potential devastation both to national health and their economies. Even so, we might see an increase in the importance of the role played by middle powers in maintaining the balance of power in our region and especially Japan which in a recent survey came out as the most trusted major power among Southeast Asians.14 Japan and Australia could stand in good stead to contribute to the region’s economic recovery efforts, and the rebuilding and development of weak healthcare systems.

A recent article in Foreign Policy makes the important point that China has a tremendous ability to be its own worst enemy by pushing too hard on its neighbours, including in Southeast Asia. Facing the unprecedented health and economic crises spawned by COVID-19, and China’s post-coronavirus aggression, Asian leaders will hopefully continue pursuing new forms of coordination with each other.15

It is not in Australia’s national interest for us to allow an increasingly assertive China to become the major external player in this part of the world.

Important Geopolitical Implications for Australia

For Australia, our primary external regional focus must be on Southeast Asia and the South Pacific. This is our region of primary strategic interest because of its relative proximity to Australia. It is not in Australia’s national interest for us to allow an increasingly assertive China to become the major external player in this part of the world. Given the uncertainty now surrounding the nature and level of America’s commitments in the Asia-Pacific region, it behoves Australia to develop our national capabilities to be able to compete with and challenge China’s increasing influence in our part of the world.

This must include enhancing our relationships with other significant regional players, such as Japan, India, Vietnam and Indonesia. These countries have the size and actual or potential economic strength, and cultural predispositions, to resist Chinese hegemony. Each of these powers has a long history in dealing with China, in a way that we do not. What we are talking about here is not a formal alliance but developing ‘a community of strategic interests’ that recognises common challenges to shared vital national interests.16

In our own strategic neighbourhood, it is highly likely that neighbouring countries critically important to us strategically will suffer severe structural damage to their societies and economies as a result of this pandemic. The health systems of Indonesia, Papua New Guinea, Timor-Leste, Solomon Islands and Vanuatu will need our help to fight this virus and to restructure their economies. Australia and New Zealand should lead the way because, if we do not, China will step in and offer economic and medical assistance as it seeks to entrench a sphere of influence in our strategic space. We need to ensure that our natural focus at home on containing the damage from this pandemic does not lead us into the trap of international introversion.
Australia’s Watershed Defence Policy

In his speech on 1 July 2020 launching the 2020 Defence Strategic Update, Prime Minister Morrison stated that we have not seen the conflation of global, economic and strategic uncertainty “now being experienced here in Australia in our region since the existential threat we faced when the global and regional order collapsed in the 1930s and 1940s.” The Prime Minister said that Australia has moved into a new and less benign strategic area, one in which the Indo-Pacific is at the centre of rising strategic competition. He observed that tensions over territorial claims were rising across the Indo-Pacific region, and “the risk of miscalculation and even conflict is heightening” with regional military modernisation occurring at an unprecedented rate.

The Prime Minister has effectively heralded a major defence policy change to meet the demands of this much more pessimistic world. He talked about a poorer and more disordered post-COVID-19 world that is less benign and more unpredictable. He saw relations between China and the US that were “fractious at best”, as they competed for political, economic and technological supremacy.

Morrison announced that the Government had directed defence to prioritise the ADF’s geographical focus on our immediate region. He defined this as the area ranging from the north-east Indian Ocean through maritime and mainland Southeast Asia to Papua New Guinea and the southwest Pacific. The new strategic policy will require force structure and capability adjustments that are focused on the region, including the possibility of high-intensity conflict. The previous reliance on having ten years or more warning time of a direct threat to Australia no longer applies. Australia must now be alert to a full range of current and future threats, including ones in which Australia’s sovereignty and security may be tested.

The 2020 Defence Strategic Update defines three strategic priorities. The first priority is to shape Australia’s strategic environment to ensure that we have a stable, secure and sovereign region. The Indo-Pacific is where Australia has the greatest influence and requires intensified commitment including with major regional powers, such as Japan, India and Indonesia. The second priority is to deter military activities in the nearer region that are against our interests. For this, the ADF needs stronger deterrent capabilities including long-range strike, cyber-attack and area-denial systems. The third priority is to respond with credible military force when required. This requires improving the ADF’s logistics, stockholding, fuel supplies, and military bases and acquiring strike weapons including possibly hypersonic missiles in the future.

This demands that we have the military capability to defend ourselves and to prevent any predatory power from dominating our military approaches, establishing military bases in our proximate region, or directly threatening us. The central mission of our new defence policy is that – if necessary – we can hold an adversary’s forces and infrastructure at risk further from Australia by using long-range strike weapons, offensive cyber capabilities and area denial capabilities.

The Prime Minister wants to ensure that our own region is now what he terms “front of mind” for the ADF and that is prioritised in the decisions that are made on deployments and force structure capabilities. This involves shifting the ADF from being a largely defensive force to one that needs stronger offensive capabilities to deter attack on Australia and deny operations directed against our interests. Morrison reconfirmed “our ever-closer alliance with the United States, which is the foundation of our defence policy.” He stresses that security assurances and intelligence-sharing and technological industrial cooperation that Australia enjoys with the United States are, and will remain, “critical to our national security.” There is, nevertheless, an implied degree of concern about the extent to which the United States would be able – or willing – to support Australia in a crisis. As preceding paragraphs have
set out, the level of America’s commitment to its allies in the Indo-Pacific is now less clear than in previous decades. Australia’s focus on increased self-reliance, discussed later in this paper, is consistent with responding to the challenge of these uncertainties.\textsuperscript{26}

There is nothing in the 2020 Defence Strategic Update or the accompanying 2020 Force Structure Plan that suggests any lessening of Australia’s continuing dependence on access to high technology US military equipment. In our view, the ADF would not be a credible military force capable of engaging in high-intensity conflict without continuing access to US military equipment, which is the most advanced in the world.

The Prime Minister also confirmed that Australia remains prepared to make military contributions outside of our immediate region, including in support of US-led coalitions. However, he makes it plain that consideration of such contingencies cannot be allowed to drive our force structure to the detriment of “ensuring we have credible capability to respond to any challenge in our immediate region.”\textsuperscript{27} This is now an important qualifying factor when it comes to the ADF’s military operations beyond our immediate region.

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**Force Structure and Capability Priorities**

We now turn to the greatest challenge ahead, which is how best to respond to the demanding strategic changes that Australia now faces and to implement the new policies. The three recent update documents (the 2020 Defence Strategic Update, the 2020 Force Structure Plan, and the Defence Science and Technology Strategy 2030) make important statements about how this will be done.

Four aspects stand out: as already mentioned, the priority given to operations in Australia’s immediate region is unequivocal; the days of extended warning for more intense conflict are now a matter of the past; planning for the force structure and preparedness reflects the more-demanding new strategic reality; and greater attention will be given to sovereignty and self-reliance.

**Australia’s Immediate Region**

The strong refocus on operations in Australia’s region removes the ambiguity of the 2016 Defence White Paper about the central priority of our region. This is not so much a new policy as a restatement of the policies of earlier years which the 2016 Defence White Paper had in part moved away from.\textsuperscript{28} It reflects the recognition that Australia’s new strategic environment has become significantly more demanding and that Australia’s power and influence are limited – leading to the need to make hard choices. The renewed emphasis on the region will help ensure that the allocation of resources to the development of the force structure will avoid the waste and inefficiencies that occur when lower priorities get funded.

There is room, however, to ask what the Strategic Update means by the north-eastern Indian Ocean and its inclusion in Australia’s immediate region. This makes eminent strategic sense if it is a reference to the Bay of Bengal and its adjacent waters. There would be less sense if it were a reference to the sea areas off, say, Mumbai or Karachi. These are a long way from home, and, in most circumstances, operations there would have a lower priority than those in areas closer to Australia. Operations to protect sea lines of communications, for example oil from the Persian Gulf, would be part of a multi-national effort, not an endeavour involving Australia alone. Closer to home, Australia does have important territory in the Christmas and Cocos Islands. In the new strategic environment, the latter especially will become an important forward operating base for Australian interests in the eastern Indian Ocean.

*Australia’s new strategic environment has become significantly more demanding and Australia’s power and influence are limited – leading to the need to make hard choices.*

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10
Shortened Warning Times

It is difficult to overstate the importance of shortened warning time. This is a significant break from the strategic framework of most of the past 50 years, where warning times of ten years or more for “a major attack on our territory” (twenty years in the case of the 2016 Defence White Paper) were integral to the basis for defence planning. This conceptual framework gave rise to the concept of the core force and expansion base, with force expansion occurring in response to intelligence assessments that Australia’s strategic circumstances were deteriorating. In contrast, because potential warning times are now much shorter, the new framework for strategic risk management and decisions on preparedness and the force structure will be much different from the old. It brings a need for a more-capable defence force and one at higher states of preparedness. It does not mean that there will be no warning of the possibility of armed conflict but rather that the potential warning will be much shorter and possibly ambiguous.

Consequences for the Force Structure

The government’s commitment to improve the ADF by acquiring capabilities based on modern technologies is impressive. A dominant theme is that Australia should become able “to hold potential adversaries’ forces and infrastructure at risk from a greater distance.” Examples of this modernisation include: long-range precision strike weapons; improved undersea surveillance; remotely operated or autonomous undersea vehicles, surface vessels, and aerial vehicles; sovereign capabilities in space-based imagery and satellite communications; improved capabilities for mine warfare and mine countermeasures including area denial systems; and modernised surveillance, mobility and firepower for the army. The coverage of the Jindalee radar at Longreach will be doubled to 180 degrees in order to include our eastern approaches (an expansion for which provision was made in the original decision in 1990), and Australia’s abilities in cyber operations (attack and defence) will be improved.

Such an extensive program of modernisation will take time, not least because there is no additional money in the Defence forward estimates (beyond that already planned). It is also noticeable that there is no planning for additional destroyers or combat aircraft. As these numbers will be much the same as those during the era of extended warning time, this requires some suspension of disbelief. Perhaps the answer is to be found in the plan for the extensive acquisition of autonomous and remotely operated platforms and smart weapons, with the need for increased numbers of traditional major platforms thus being reduced.

Alternatively, there could be work still to be done on how Australia would expand its capabilities if our strategic outlook became more severe than presently envisaged. We do not have access to the analysis of the scenarios that has informed the development of the force structure plan, so we do not know what the assumptions have been in considering the timescales over which the plan will be implemented, or what the contingency planning might be against the event that strategic circumstances deteriorate yet further and more quickly. It is worth remembering that the ninth and final Hunter-class frigate will not enter service until about 2040, and the twelfth and final Attack-class submarine until 2050 or so.

If strategic change can surprise the government in the four years between the 2016 Defence White Paper and now, how much greater is the potential for strategic surprise over the next twenty to thirty years? It would be disturbing to learn that the plan to be implemented over the next twenty years were predicated on the absence of further unforeseen strategic deterioration. There would be value if the Government were to issue regular updates on changes to Australia’s strategic environment, including an account of any slippages in the implementation of the 2020 Force Structure Plan.

An area that would benefit from further public justification is the modernisation of the Army. While funding for the Land Domain over the next decade is less than that for the Air and Maritime Domains (in terms of fractions of the forward investment program, the figures are Air 24%, Maritime 28%, Land 20%), it is still a sizable sum ($55 billion). This is not the say that the Army should not be modernised. Rather, the language used to describe what is intended is generic and not easy to relate in a direct way to Australia’s unique geo-strategic circumstances. It is unclear what role is proposed by equipping Army with “a land-based operational strike capability.”
Consequences for Preparedness

It is highly appropriate that, in the light of shortened warning times, there is a clear commitment to increase preparedness (readiness and sustainability), with close attention, for example, to munitions, fuel stocks, and facilities. Nevertheless, the Force Structure Plan implies that much of this is work in progress and will take some time to be fully implemented. For example, at this stage Defence is only developing options to increase supplies of munitions, and funding for the recapitalisation of the Reserves (who ought to have a critical role in increased preparedness and force expansion) does not start until 2030. There appears to be little provision in the shorter term for significant increases in stocks of sustainment spares, although this is not entirely clear. Moreover, there is no acknowledgement – at least in the public domain – of the need to re-examine the numbers of combat pilots needed to sustain even limited high-intensity conflict.

Self-Reliance

The renewed focus on self-reliance is important and confirms the centrality of sovereignty in planning for the nation’s security. While still relying on the nuclear and conventional forces of the United States to deter nuclear threats against Australia, the government’s “intent is that Australia take greater responsibility for its own security”. There is a parallel here with the policies set out in 1987 Defence White Paper and the notion of “defence self-reliance pursued within a framework of alliances and agreements.” This increased attention to self-reliance, however, goes well beyond the ambitions of earlier years, and reflects the greater demands of today’s strategic environment.

There is a sense in which enhanced self-reliance pervades the entire modernisation program. The intention to acquire a self-reliant capability in space-based imagery is a prominent example. This will allow a sovereign approach to the provision of targeting data for the inventory of new and more-capable missiles. Increased self-reliance here means less reliance on the capabilities of the United States, perhaps because of concerns over capacity and the difficulties of securing priority access at times of high demand, and will result in a greater ability to contribute to alliance warfighting.

Similar observations can be made about the intention to acquire communications satellites and ground control stations under sovereign Australian control. The intention to explore the potential for a sovereign capability to produce guided weapons in Australia is also an important initiative, with funding to start in about 2022.

Increased self-reliance is reflected as well in Defence’s response to the opportunities offered by the Next Generation Technologies Fund. This is bold and visionary and is based around the benefits that will come from a structured approach that focuses on those capability areas where sovereignty is critical. The intention is to harness the abilities and commitment of the universities, other publicly funded
research organisations, and industry, as well as the DST Group. Implied in this initiative is the recognition that Australia’s scientific communities have much to contribute to high-priority defence innovation. This is most welcome, as the record of this over many previous decades has often been patchy.

The Science and Technology Strategy recognises the need to set priorities. It states there is a clear need to “make hard choices about what we do and what we do not do.” It reminds the reader that “There are some Defence capabilities that must be developed domestically, because overseas sources may not provide the assurances we need, or the capability requirement might be unique to Australia.” It comments that through international collaboration, “systems that are under development can be appropriately tailored to meet Defence’s unique needs.” An initial eight set of what are known as STaR Shots will provide the general framework within which priorities will be set.

However, the STaR Shots, like the initial ten Sovereign Industrial Capability Priorities set out in the 2018 Defence Industrial Capability Plan and to which the Strategic Update refers, are long on principle and, so far, short on the level of detail that well-structured implementation requires. In other words, the hard decisions on what gets funded and what does not are yet to be made. Work is in hand on developing this detail, and when it appears it will be most welcome. Overall, the renewed focus on self-reliance that these initiatives represent is an important step forward. Nevertheless, any new-found enthusiasm for developing defence equipment in Australia must be tempered by recognising that the costs of such development, especially on a grand scale, can be crippling.

**Funding and Implementation**

The government’s commitment to Defence funding over the next ten years provides a firm basis on which to plan the implementation of the new policies. This implementation would be a formidable challenge even at the best of times – given its scope and ambition. But with pressures on government expenditures arising from its response to the COVID crisis, there is scope to question whether these levels of funding will be achieved, at least over the next few years. Even without funding constraints, the limitations of the workforce in Defence and industry would likely be a barrier to a faster rate of implementation.

It is important, however, that any slippage or deferment be minimised. As the discussion in previous sections has shown, there is already a sense that the planned rate of implementation is based on assumptions about strategic deterioration that are too optimistic.

In summary, these new directions in Defence policy are consistent with what some of us have been advocating over recent years and are much to be applauded. In our November 2017 ASPI paper, we argued that Australia had now entered a period of significant strategic uncertainty and that it was no longer appropriate to rely on extended warning times for higher levels of conflict. Much more thought now needed to be given to planning for the expansion of the ADF and its capacity to engage in high-intensity conflict in our own defence. We also said it was imperative that planning for the defence of Australia and for operations in our immediate region resume the priority that it once had.

We returned to this subject again in October 2018 in a paper we jointly authored with the former Associate Secretary of Defence Brendan Sargent, which argued that we needed a radically new defence policy. Our policy recommendations included that we needed to focus on our own region of primary strategic concern; Defence planning needed to recognise that warning times could now be much shorter than in previous decades; we should develop a Defence Force capable of denying our approaches to a well-armed adversary capable of engaging us in high-intensity conflict; readiness and sustainability, force expansion, and improved strike capabilities needed critical attention; we needed to strengthen Australia’s capacity to act independently in the Indo-Pacific and be able to lead a response to a major regional crisis.

There are, of course, some points in the 2020 Defence Strategic Update that might be contested – this is always the case with initiatives of this nature. But overall, the new policies are sound. The challenge will be in their implementation. It will be critical for the government to ensure that the rate of implementation does not get overtaken by further deterioration in Australia’s strategic circumstances.
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Christopher B. Roberts

Endnotes


2 ibid.


4 ibid.


7 ibid, p. 3.

8 ibid, p. 6.

9 ibid, p. 9.

10 ibid.


12 ibid, p. 5.

13 ibid.

14 ibid, p. 10.


16 Rory Medcalf, Head of the National Security College at the ANU, provides an interesting comparison between the purchasing power parity (PPP) GDP of China and the combined PPP GDPs of Japan, Indonesia, Australia and India. The figures for 2018 are US$25 trillion for China, compared to US$21 trillion for the other four countries; by 2050, he assesses that the comparison will be US$58 trillion for China and US$64 for the other four. The point of this comparison is to show that China’s sheer economic size is not in itself a sufficient reason to conclude that it will be able to sweep all before it. Rory Medcalf, Contest for the Indo-Pacific, Why China won’t Map the Future, La Trobe University Press, in conjunction with Black Inc., Carlton, 2020, pp 7,8.


18 ibid, p. 4.

19 ibid, p. 5.

20 Defending Australia and its Interests, Media Release Prime Minister, Minister for Defence, 1 July 2020.

21 Address – Launch of the 2020 Defence Strategic Update, p.5.

22 Defending Australia and its Interests, Media Release, p. 2.

23 ibid, p.1.


25 ibid.

26 Further discussion of the role of the United States in Australia’s security, and uncertainties about the future of US commitment to the Indo-Pacific, is to be found in two publications by the SDSC: Peter Dean, Stephan Fruehling, and Brendan Taylor (eds), Australia’s American Alliance, Melbourne University Publishing, Carlton, 2016, and Peter Dean, Stephan Fruehling, and Brendan Taylor (eds), After American Primacy, Imagining the Future of Australia’s Defence, Melbourne University Press, Carlton, 2019.

27 Address – Launch of the 2020 Defence Strategic Update, p.9.
While the three objectives of the 2016 Defence White Paper were stated as being of equal importance, a careful reading of the text made it clear that, even in that document, the Defence of the Australian homeland had priority. Nevertheless, there was sufficient ambiguity in this respect to cause complications in Defence’s planning processes—not least for the Army.


For a further discussion, see our November 2017 ASPI paper “Australia’s management of strategic risk in the new era, pp. 3-4.

Defence Strategic Update p27 para 2.21. Funding for this initiative starts in 2021 and continues for the next 20 years, and presumably beyond (Force Structure Plan p.85 Chart 7). Funding for supply chain upgrades starts in 2030 (ibid.).

The authors played a major role in defining the strategic priorities and geographical reach in the meeting of the Force Structure Committee in 1990 which recommended that project Jindalee be implemented.

The further acquisition of such modern weapons and platforms could also provide a more-timely mode of force expansion were worsened strategic circumstances to require this.

2020 Defence Strategic Update, Foreword by the Prime Minister and the Minister for Defence, p 3.

The scenarios used to derive the priorities for the new force structure covered a 20 year period, and included a number of concurrent tasks. See the Force Structure Plan p. 11 para 1.5.

Defence Strategic Update p 35 Chart 1.

Force Structure Plan p 69 para 7.8

Force Structure Plan p 82 para 8.7


While there is increased program provision for force sustainment, more of this is likely to be for new capabilities than for increased sustainment of existing capabilities. The authors are grateful to Marcus Hellyer of ASPI for his insights into this subject.


S&T Strategy p 2

S&T Strategy p 7

ibid.

S&T Strategy centre spread. The initial eight of the STaR Shots are: resilient multi-mission space; information warfare; agile command and control; quantum assured position, navigation, and timing; disruptive weapon effects; operating in chemical, biological, radiation, and nuclear environments; battle-ready platforms; and remote undersea surveillance.

2018 Defence Industrial Capability Plan, p 20, para 1.22

Defence Strategic Update p 46 para 4.7

ibid, p 47 para 4.8

The costs of conducting the research, designing, developing and building our own defence equipment, especially on a grand scale, is a recurring theme in Defence policy documents. The reference to crippling costs is to be found at 1976 Defence White Paper p 48 paragraph 4.

Paul Dibb and Richard Brabin-Smith, Australia’s management of strategic risk in the new era, Australian Strategic Policy Institute, Strategic Insights, November 2017, pp. 2, 4.

Paul Dibb, Richard Brabin-Smith, and Brendan Sargent, Why Australia Needs a Radically New Defence Policy, Centre of Gravity Series, Strategic and Defence Studies Centre, ANU, October 2018.

ibid, pp. 3, 7, 12.
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