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# *An effective and affordable defence policy for a changing world*

an address to the Institute on 28 July 2015 by

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*Brian Toohey traces the evolution of Australia's defence policy since World War II – from forward defence, to defending the continent and its approaches, to security in and with Asia, and how this is now being challenged by the rise of China. He then assesses the Chinese threat and proposes an effective and affordable strategic posture and force structure for Australia based on that assessment.*

**Key words:** Australia; United States; China; defence policy; forward defence; ANZUS Treaty; continental defence; security in Asia; expeditionary forces; Air-Sea Battle Plan; strategic posture; force structure.

There is nothing surprising, or necessarily threatening, about the fact that we live in a changing world. Yet one of the great recurring themes in Australian defence policy reflects a fear that a changing Asia presents a threat that can only be countered by wooing a powerful protector. At times, this is associated with the doctrine of forward defence – “it’s better to fight them up there than down here” – sometimes supplemented by an injunction to “populate or perish”. At other times, the declared focus is on defending the approaches to Australia, while still accommodating overseas military deployments designed please a sometimes reluctant protector.

## **Forward Defence and the ANZUS Treaty**

In the 1950s and 1960s, many Australians feared that decolonisation would remove the constraints on impoverished Asian masses pouring down into Australia’s “empty spaces”. This fear was typified in the late 1940s by the influential foreign correspondent, Dennis Warner, who wrote, “A new chaos has spread through the Japillaged lands of East Asia; the lust for independence has quickened”. Mao Zedong’s 1949 victory in China ensured these concerns were reinforced by repeated claims that the “downward thrust of communism” would produce the same result. Consequently, a forward defence policy — usually requiring troop deployments far from Australia’s shores in conjunction United States (US) forces — became entrenched in the 1950s.

The implicit assumption was that the US would remain sufficiently grateful in future to back Australia militarily. The US bluntly refused to do so during Indonesia’s “confrontation” with Malaysia in 1963, despite the Menzies government committing troops to the Vietnam War in 1962.

The rejection stunned some ministers who had placed unwarranted faith in the protection afforded by the 1951 ANZUS treaty<sup>1</sup>. After American officials made it

plain that ANZUS did not oblige the United States to send troops during confrontation, the Minister for External Affairs, Sir Garfield Barwick, wrote a sobering minute of enduring importance. Far from ANZUS being an enforceable security contract, Barwick wrote in October 1963, “The government is of the opinion that discussion of [the ANZUS treaty’s] meaning is almost certain to narrow its meaning ... In practice, each of the parties to the ANZUS treaty is going to decide whether to take action under the treaty according to its own judgement on the situation that exists.”

Article One of the ANZUS treaty contains the only clear obligation. The signatories must settle their international disputes by peaceful means and “refrain in international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations”. Yet George Bush and John Howard unhesitatingly discarded this core obligation when invading Iraq in March 2003 without a United Nations mandate.

Future US presidents are likely to act, first and foremost, in their own political interest — depicted as some version of the national interest. There is nothing wrong, or surprising, about this. Future presidents could be extremely reluctant, for example, to take sides if Australia’s adversary, as occurred in 1963, is a country like Indonesia that is important to the US.

## **Defending the Continent and its Approaches**

While Australia’s desire for the US to remain engaged in the region never went away, Coalition governments in the late 1960 started to depart from the forward defence doctrine by putting more stress on the direct defence of Australia. This new emphasis was retained and developed in more detail by the strategic papers written for the Whitlam and Hawke governments. The underlying premise of the Hawke government policy, adapted from a paper that the then Defence minister Kim Beazley commissioned from Paul Dibb, was that any attack on Australia has to come from, or through, the island chain to our north that stretches from Aceh at least to The Solomons. This enduring geographic reality’s strategic

<sup>1</sup>The 1951 Australia, New Zealand, United States Security Treaty

relevance is not altered by the possibility that China might acquire conventionally armed missiles that could hit Australia from its mainland. Australia could do the same in relation to China, without such weapons being decisive to a successful invasion in either case.

Invading Australia from far beyond the island chain would require a huge effort, and many years, to create the capacity to project large scale power over long distances. Even launching a serious invasion from the island chain would be an immense task against a suitably armed Australia. This is why Beazley's policy concentrated on developing a force structure primarily designed to deter or defeat an attack across the air and sea approaches to Australia. Some forces would still be available for deployment overseas, as subsequently happened.

### **Security in and with Asia**

Paul Keating as Prime Minister went a step further in rejecting earlier fears about a threat from Asia by adopting a policy based on his premise that Australia should seek its security "in and with" Asia, not against it.

John Howard as Prime Minister was determined to show that he could get along with Asia. For example, he did not treat China as an overt enemy and claimed there was no tension between good relations with the nation's biggest trading partner and its US ally. In practice, Howard returned to the theme that Australia had to pay a protection insurance premium by participating in distant wars, in this case in Iraq and Afghanistan. Before the disastrous invasion and occupation of Iraq, Howard said Saddam Hussein's possession of weapons of mass destruction was the only sufficient condition for the use of force. In his memoirs, however, he said a key justification for participating was to strengthen the American alliance and its "priceless component" of "timely and accurate intelligence".

Far from being priceless, US intelligence on Iraq was grotesquely wrong. Although the CIA<sup>2</sup> often does high quality work, it relied on self-serving liars and blatant fabrications to give the Bush administration false intelligence to influence other governments and public opinion. But the allies paid a high price for deposing a secular dictator. No Islamist terror groups existed in Hussein's Iraq. The invasion left Iraq in chaos and terrorists now control large parts of the country.

Although Howard did not seem to notice, his government's last major national security analysis, its 2007 *Australia's National Security: Defence Update*, makes the prudent assessment: "We must be the sole guarantor of our own security. It is not healthy for a country to become dependent on another for its basic defence ... If Australia was ever to be directly threatened, our allies may well be engaged elsewhere, and unable to assist."

### **Responding to China**

As Labor Prime Minister, Kevin Rudd took a much

harder line on China than Howard. WikiLeaks revealed a record of conversation with the then Secretary of State Hilary Clinton that shows Rudd, almost casually, proposed going to war with China "if everything goes wrong" [with integrating it into the US's desired global model]. Now that Rudd wants Chinese support for his bid to become UN Secretary General, he is singing a different tune.

His 2009 defence white paper outlined a nebulous danger in which China's economic rise creates a "strategic risk" for Australia. As a leaked classified appendix revealed, this risk supposedly warranted a big arms build-up against China. Previously, China was seen as a threat because its impoverished masses could descend on Australia. Under Rudd, it became a threat because it is richer and can afford better arms. The white paper overlooked intelligence assessments noting that hundreds of millions of Chinese remain far from well off, making potential internal unrest a primary security concern for the government. Once again the motivating factor for an Australian leader was fear – fear of change and fear of a threat from Asia. Rudd even resurrected the "populate or perish" doctrine when he cited defence as his sole reason to call for a "big Australia".

Rudd wanted a crucial change in the nation's force structure that represented a partial return to the doctrine of forward defence abandoned in the 1960s. The main difference is that forward deployed would not rely on ground troops, but on big submarines equipped with long range, land-attack cruise missiles for firing into China. Never mind that the submarines would need an extended intermission in hostilities while they make the long, slow journey to reload back at Perth before another long slow journey to resume their part in the war.

Julia Gillard as Prime Minister showed little interest in defence issues, but allowed a 2500-strong US Marine Air-Ground Task Force to rotate through Darwin and approved a bigger future presence of US Navy ships at Freemantle. She also let officials discuss with their American counterparts details of Australia's future involvement in the Pentagon's 2010 Air-Sea Battle Plan for a war with China. This includes an intense electronics warfare offensive, deep missile strikes into China's mainland and a blockade of merchant ships, including those ships carrying Australian natural gas and iron ore to China.

As Prime Minister, Abbott's tone was often more temperate than Rudd's in relation to China. Nevertheless, he basically adopted, and extended, the thrust of Rudd and Gillard's reliance on the US and their proposed force structure aimed at mainly at China. As well as big new submarines, he stuck to Rudd's preference for eight big new locally built frigates to follow the construction of three air warfare destroyers. Abbott wanted Japanese submarines because US policy makers want to support Japan for geopolitical reasons, whether or not the chosen boats best suit our needs. The US Navy does not care what we get provided they work. The refusal to import – as we do for fighter planes and other aircraft – will cost many billions of dollars more than necessary. This comes at the expense of more spending on other parts of the

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<sup>2</sup>United States Central Intelligence Agency

Australian Defence Force (ADF), but neither side of politics appears concerned.

### **Assessing the Chinese Threat**

Much of the military weaponry of the potential adversary, China, is no match for that of the US and its allies: nor is its command and control apparatus. Its military leadership has not been tested in war for many decades. It is near impossible for it to ensure the choke points along its shipping lanes remain open in a war. The combination of the US's massive first strike capability and its growing missile defence shield could destroy China's small number of long-range nuclear missiles.

When these factors are taken into account, China is a long way from dominating the Asia Pacific. At this stage, it seems that the feared change in the strategic balance is likely to reflect little more than a gradual increase in Chinese military power compared to the US's. But the overall balance may not change much as many of China's nearby rivals, such as India, South Korea, Vietnam and Japan, are also modernising their military forces. Japan has also removed some of the constitutional constraints on the overseas use of its military forces.

Provided there is intensive diplomacy to take the steam out of issues involving disputed offshore territory and provided interlocking investment and trade continues with the rest of the world, there is a reasonable chance China will play a positive role in the international community in future. But it will be much harder to ensure this occurs if the predominant response of countries like Australia is military build-ups aimed at containing China in a replay of an old-style balance-of-power game that can lead to war. A more muscular military posture alone, however, is unlikely to reduce the risks in a tense atmosphere in which an accidental skirmish could escalate into a war that would collapse the global economy and kill millions.

The risks suggest it is worth revisiting the then foreign minister Gareth Evans' 1990 idea for an Asian security and co-operation agreement based on the 1973 Helsinki Accords that reduced tensions between the Soviet bloc and the West. But the US opposed the idea in 1990 and change will take a concerted diplomatic effort.

### **Territorial Claims in the South and East China Sea**

Concern about China's behaviour has understandably increased since it has become more assertive in pressing its territorial claims in the South and East China Seas against counter-claims by Vietnam, the Philippines, Japan and others. Taiwan pushes the same claims, which China inherited from the Nationalist government in 1949. In contrast to its mostly low key approach in earlier decades, China's land reclamation activities around disputed rocks in the Spratly Islands are unduly provocative, although other claimants also reclaim land. Even so, a former Asia-Pacific chief of US forces, Dennis Blair, recently told *The Wall Street Journal* that the US was "playing whack-a-mole" in the dispute and called for co-ordinated diplomacy rather than a military response.

Although China, in my view, is being foolish, it is not blocking the freedom of navigation for commercial shipping in the South or East China Seas. Given it is the world's biggest trading nation it has no motive to do so.

Perhaps the best hope is that China can be persuaded to agree with the Association of South East Asian Nations for all sides to put their claims in the South China Sea on hold for 80 or more years. Something similar occurred when all seven claimants, and potential claimants, agreed to support the 1961 Antarctic Treaty. Further north, Japan seems as intransigent as China over uninhabited rocks in the sea between the two countries. The late Malcolm Fraser argued Japan should be more conciliatory, because it originally took them as bounty in a war.

Despite the stridency of China and some other claimants, border disputes are not uncommon. After almost 20 years, the Indonesian parliament is yet to ratify the seabed boundary with Australia. The US strongly opposed the Hawke government's attempt to extend Australia's offshore claim in the Antarctic. At a minimum, this attempt breached the spirit of the treaty that put all claims on hold. However, the US's position on territorial disputes in the South China Sea would carry more weight if joined the other 167 nations that have ratified the law of the sea convention.

We should be careful not to treat all Chinese force structure decisions as signalling hostile intent. Some think tanks, such as the ANU's<sup>3</sup> Strategic and Defence Studies Centre, recently expressed deep concern at China's plans to gradually build a "blue water" navy. Australia has had a blue water navy for over 100 years. Unsurprisingly, China now wants a more capable navy when its busy trade routes are highly vulnerable, particularly at choke points through which it imports 80 per cent of its oil.

The Coalition Government repeatedly urges China to embrace a rules-based international order, seemingly oblivious to its own less than exemplary record. Ignoring Australia's participation in the disastrous invasion of Iraq, the foreign minister Julie Bishop recently told the ABC's *7.30* program that the rules are "founded on the principle that you don't invade other countries". During the 1980s Australian submarines snuck into Shanghai harbour in clear violation of the rules.

China has no motive to invade Australia when it can get what it wants by trade and investment. This is much cheaper than trying to invade— as two former defence department heads, Ric Smith and Alan Hawke, noted in an official force structure report in 2012.

### **A Strategic Posture and Force Structure for Australia**

So what should guide Australia's strategic posture, not just in the particular case of China? The Williams Foundation, an independent defence research organisation, made a useful contribution in 2009. The then board members, all former high-ranking military officers, endorsed a policy statement concluding that Australia

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<sup>3</sup>Australian National University

should only support wars of necessity, which usually means avoiding traditional “expeditionary” operations. The Foundation said, “If we are going to learn anything from the disasters of the last fifty years in Vietnam, Iraq, and Afghanistan, it should be that that model has failed politically, socially, militarily and ethically”. It argued that it is a “delusion” to believe that “foreign armies can successfully fight a war among the people of an invaded country when more often than not those people and the enemy are one and the same.” The foundation advocated a defence posture that “unambiguously distinguishes between wars of necessity and wars of choice; does not invent threats; recognises that there are things we cannot and should not do; explicitly connects our national security to that of our neighbours; and is not an adjunct to someone else’s policy.”

In some ways, this suggests a force structure similar to the one implicit in the Hawke government’s primary focus on preventing hostile forces from approaching Australia from, or through, the island chain to our north. The core requirement is air power. Air power offers flexibility and quick response times that surface ships and submarines cannot match. Good combat aircraft need to be integrated into a network of refuellers, early warning planes, communications satellites, over-the-horizon and other radars. Much has been achieved, but doubts remain about the choice of the F-35<sup>4</sup>. But Australia has been slow to buy low-cost, long-endurance drones such as the US Reapers<sup>5</sup> that have shown they perform well in a combat role against lightly defended targets. They also provide an impressive surveillance capability. The latest version, with a 40-hour endurance at 50,000 feet, will be even better. The US Navy’s big drone, the Triton<sup>6</sup> is an exception. It is extremely expensive and lacks any combat capability.

Perversely, Defence is cutting the number of manned maritime patrol aircraft from 18 Orion P3Cs to eight new Boeing P8s and adding six or seven unarmed Tritons. The decision to reject drones like the Reapers, partly for this role, leaves a large gap in the Australia’s ability to detect and sink ships well beyond the short (unrefuelled) combat radius of its fighter planes.

Importantly, submarines can greatly complicate the task of any hostile navy heading ultimately towards Australia, as well as sink ships further away.

Australia successfully imported and operated the European designed and built Oberon submarines. Then the Hawke government took the foolish decision to try to build the Collins class locally to a unique Australian design. The annual sustainment costs for the Collins could easily go past \$1 billion well before they are due to retire in 2025.

Defence should have already recommended a quality replacement submarine long ago from an overseas maker with a strong export history. The meticulous Singaporeans only took two years to choose an

advanced version of the German Type 214 submarine, which displaces about 2200 tonnes, yet has the same range as the Collins and a longer range than Japan’s 4200-tonne Soryu class. As several hard-headed analysts note, there is nothing so special about Australia’s needs that cost-effective submarines cannot be imported from what is available, perhaps with some simple modifications. But there is a strong case that big submarines are a bad choice. The US Navy chief Admiral Jonathan Greenert has warned that advances in computing power and sensors make it easier to detect big submarines. A senior analyst at the Australian Strategic Policy Institute (ASPI), Andrew Davies, expects this to “revolutionise anti-submarine warfare” and make sneaking large submarines into contested spaces “prohibitively difficult”. Australia should also look at rapidly developing surface and subsurface drones that can often be launched from sea, air and land.

Nor is it clear that Australia needs big frigates, almost double the size of the well-performed Anzac class still in service. But the government is determined to go for very expensive big ships. But big is not necessarily less vulnerable. Medium-sized German submarines, for example, can fire missiles from underwater that destroy sub-hunting helicopters flying from frigates.

South Korea is buying 20 Anzac-sized new frigates. They are much cheaper than big ones, yet have the latest weapons and a quiet electric propulsion system for anti-submarine work. The Perth-based shipbuilder, Austal, also has a well-priced Anzac-sized option. Unlike the Adelaide-based Australian Submarine Corporation, Austal is internationally competitive, including selling very fast (44 knots/h) versatile warships to the US Navy. The US’s latest hardened versions are designated frigates. Austal is offering a slightly bigger version as the new Australian frigate.

## Conclusion

There is a strong argument that China would lose against the US’s vastly superior high-tech military in offshore battles. But ultimately, there could be no lasting victory against China unless foreign forces succeeded in the almost impossible task of winning horrific land battles to subdue and occupy a country of over 1.3 billion people. That is something to bear in mind for those who advocate a prominent role for Australian expeditionary forces in the northern hemisphere.

**The Author:** Brian J. Toohey is one of Australia’s most influential journalists. A former Canberra and Washington correspondent with a strong interest in defence and economic matters, he won the 1999 Walkley award for journalism leadership. He still writes for the *Australian Financial Review* and *Nikkei Asian Review*, and several Australian online publications; and is a panellist on the ABC programme, *Insiders*. He is the author or co-author of four books: *Oyster: the story of the Australia Secret Intelligence Service*; *Tumbling dice: The story of modern economic policy*; *The book of leaks*; and *The Winchester scandal*. [Photo of Mr Toohey: Colonel J M Hutcheson, MC].

<sup>4</sup>Lockheed Martin F-35 Lightning II Joint Strike Fighter

<sup>5</sup>General Atomics MQ-9 Reaper unmanned, remotely-piloted aircraft

<sup>6</sup>Northrop Grumman MQ-4C Triton unmanned, remotely-piloted aircraft