There are two views about the current era of globalisation. The earlier view, which was commonplace after the end of the Cold War, was that the world had entered a new era of economic interdependence and absence of major military conflict. Some even believed that this marked the end of history and the decisive victory of the democratic free enterprise model of organising an essentially peaceful world order.

The more recent view is much gloomier. It paints a picture of the world in which international terrorism, the proliferation of weapons of mass destruction in the hands of rogue regimes, and violent clashes of civilisations will dominate the security agenda of the 21st century. Politicians in the United States and its close allies (including Australia) are of the view that the world changed forever on September 11, 2001. Some Australian ministers believe that the war on terror will be a more dangerous and prolonged struggle than the Cold War.

The official view in Canberra is that the danger of a military attack on Australia has diminished but there is an increased danger of asymmetrical threats, including from terrorism in Australia's own region. And there is now a much greater prospect of Australian military forces operating in coalitions with our United States ally -- as has already occurred in Afghanistan and Iraq. This will demand some important changes to Australia's military posture and force structure.

1. Australia's View of its Security Outlook

Before the tragic events of September 11, it was agreed by successive governments that Australia's defence policy should give priority to the defence of Australia and Australia's regional strategic interests. But historically there has always been tension between those who believe that priority should be given to the defence of Australia and those who claim that expeditionary operations with our allies should be our first priority. Australia has a long history of expeditionary operations in two World Wars, the Korean
War and the Vietnam War\textsuperscript{1}. Australia has long believed that it should contribute to the maintenance of the international global order.

But after the Vietnam War a new generation of strategic thinkers in Australia advised that priority should be given to the defence of Australia and to Australia's immediate regional strategic interests\textsuperscript{2}. In part, this was a reaction to the Nixon doctrine that expected US allies to be more self-reliant and to provide for their own basic self-defence\textsuperscript{3}. There was also a growing recognition that Australia was a vulnerable continent that was sparsely populated and resource rich. This school of thought proposed that Australia should give priority to demonstrating that it could defend its own territory\textsuperscript{4}.

These uniquely Australian defence priorities were endorsed by the then government's Defence White Paper of 1987, which gave priority to the concept of defence self-reliance and the ability of Australia to defend itself with its own resources\textsuperscript{5}. But this was not seen as an isolationist policy: defence self-reliance for a large country with such a small population and modest economic resources as Australia was to be pursued within the framework of alliances and regional defence associations. The support these relationships give Australia make the concept of self-reliance (which does not mean self-sufficiency) practically achievable.

These basic policies were re-endorsed in the 1994 Defence White Paper, which noted that Australia's strategic environment would become more demanding\textsuperscript{6}. With the end of the Cold War, important new uncertainties had emerged about the future strategic situation in Asia. The two major influences that could affect regional peace were seen to be the shifting new relationships between the major regional powers and rapid economic and political change throughout the region\textsuperscript{7}. Australia faced a more complex and changeable strategic environment with a wider range of possible outcomes than in the more predictable decades of the Cold War\textsuperscript{8}.

\begin{itemize}
  \item[7] Ibid, p.7.
  \item[8] Ibid, p.11.
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In the year 2000, the Howard Government undertook an unprecedented process of community consultation about Australia’s defence policy. The resulting Defence White Paper identified five strategic priorities for Australia:

1. Ensuring the defence of Australia and its direct approaches.
2. Fostering the security of our immediate neighbourhood.
4. Supporting strategic stability in the wider Asia-Pacific region.
5. Supporting global security.

This was the most detailed Defence White Paper Australia has ever produced. For the first time, it contained a comprehensive 10-year defence capability plan and it committed the government to 3% annual real growth in defence spending over the next decade. It had widespread and bipartisan political support. At the global level, the government recognised that two interrelated trends seemed likely to shape Australia’s strategic environment most strongly. They were: the spread of globalisation and the rise of US strategic primacy.

But the terrorist attacks of September 11 gave rise to calls for a radical rethink in the government’s security posture. The Minister for Defence led a debate, which suggested that geography and the defence of Australia were no longer important and that priority should be given to the new global threats of terrorism, asymmetrical threats and weapons of mass destruction in the hands of rogue states. Early in 2002 Australia sent Special Forces and tanker aircraft to fight the Taliban in Afghanistan. And in March 2003 it contributed over 2000 troops to the war in Iraq; these included a squadron of F-18 fighter aircraft, P3C Orion reconnaissance aircraft, naval warships, and Special Forces and clearance divers.

In February 2003, the Government released a defence update document, which reviewed Australia’s strategic circumstances. It identified two matters that had emerged to new prominence and created renewed strategic uncertainty for Australia. They were terrorism and the spread of weapons of mass destruction. In addition, adverse strategic trends in Australia’s immediate neighbourhood had continued to develop. Indonesia, East Timor, Papua New Guinea and the Solomon Islands were identified as areas of...
particular security concern to Australia\textsuperscript{13}. Compared to 2000, the significance of the global strategic and security environment for Australia's defence and security has become much more evident\textsuperscript{14}.

For the present, the prospect of a conventional military attack on Australian territory has diminished "because of the stabilising effect of US determination and willingness to act, the reduction in major power tensions and the increased deterrent effect of the US-Australia alliance flowing from US primacy."\textsuperscript{15} At the same time, Southeast Asia and the South Pacific face major challenges due to political weakness, decline in governance, difficulty in grappling with terrorism and the economic effects of terrorism. If these trends continue, there may be increased calls on the Australian Defence Force (ADF) for operations in Australia's immediate neighbourhood.

The changed global strategic environment, and the likelihood that Australian national interests could be affected by events outside of Australia's immediate neighbourhood, also means that ADF involvement in coalition operations further afield is somewhat more likely than in the recent past\textsuperscript{16}. But involvement in coalition operations is likely to be of the type witnessed in Afghanistan and Iraq -- that is, limited to the provision of important niche military capabilities.

In November 2003, the Minister for Defence announced the results of a major review of Australia's defence capabilities. The review reaffirmed that the defence of Australia and regional requirements should be the primary drivers of Australia's force structure\textsuperscript{17}. The review process identified an increased requirement to strengthen the effectiveness and sustainability of the Army, to provide air defence protection to deploying forces, to enhance the amphibious lift requirements for deployments, and to position the ADF to exploit current and emerging Network Centric Warfare advantages.

2. Australia's Attitude Toward International Security Cooperation

When it came to power in 1996, the Howard Government had a more cautious approach towards multilateral security organisations. Its natural ideological inclination was to give more emphasis towards well-proven alliances and bilateral regional relationships, rather than relying too heavily (as it believed did the previous Government)

\textsuperscript{13} Ibid, pp.18-22.
\textsuperscript{14} Ibid, p.23.
\textsuperscript{15} Ibid, p.23.
\textsuperscript{16} Ibid, p.23.
\textsuperscript{17} Media Release by the Minister for Defence, 7 November 2003.
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on the United Nations and regional organisations such as the ASEAN Regional Forum. The events of September 11 and its aftermath -- especially the decision to go to war with Iraq -- have confirmed the Government's view of the inadequacy of the United Nations' decision-making processes.

Australia's interests are global in scope and not solely defined by geography. As the recent Foreign Policy White Paper stated: "Australia is a Western country located in the Asia-Pacific region, with close ties and affinities with North America and Europe and a history of active engagement throughout Asia." Threats to Australia's security come not just from our region, but also from more distant points on the globe. As a consequence, the strategies Australia pursues to advance its national interest must be comprehensive.

Australia will continue to use the multilateral system to advance its national interests in key areas such as global and regional security, trade liberalisation, transnational threats, and the promotion of human rights and the environment. Australia will cooperate closely with countries that can produce the intelligence and bring to bear the resources, influence and capability that will be needed to combat terrorism. It will work multilaterally with all concerned members of the global community to freeze the finances and restrict the movement of terrorist groups.

The Australian Government saw Saddam Hussein's Iraq as representing a major challenge to international security. Its flouting of international norms and persistent defiance of the United Nations Security Council called into question the authority of the United Nations and the effectiveness of international law. The Australian Government considered continuation of the status quo with regard to Iraq to be unacceptable. It therefore agreed with the United States and the United Kingdom to go to war with Iraq.

The Government in Canberra is firmly of the view that collective responsibility is an increasingly significant test for the international community. It says that the challenge for our age is to ensure that collective action based on collective responsibility is the primary means for ensuring international security. Collective action requires the Security Council to play its part and shoulder the burden of collective responsibility. If it...
does not, "then either we deliver the next generation a legacy of proliferation or we rely on those willing to act in the common interest." 22 The Howard government was highly critical of the failure of the United Nations over the decision to go to war with Iraq. It has stressed the primacy of Australia’s alliance with the United States in this regard.

Even so, it is acknowledged that transnational crime, including the smuggling of people, drugs and arms, and environmental challenges such as the increasing scarcity of water, undermine the security, prosperity and sovereignty of nations. The management of these transboundary issues requires the cooperation of other states, without which effective counter-measures are difficult. The Australian Government will push for the United Nations and other international bodies to develop practical solutions to transnational problems.23

Australia’s world is an uncertain one and the challenges we face are complex and evolving. They flow to a significant extent, in the Government’s view, from opposition to democracy and open society as well as resentment towards, and perceived inequities from, the process of globalisation.24 At the same time, traditional security concerns remain as far as Australia is concerned. The Asia-Pacific region is still home to eight of the world’s ten largest armies and, after the Middle East, the world’s three most volatile flashpoints -- the Taiwan Strait, the Korean peninsula and Kashmir.

These fundamental strategic imperatives suggest that Australia can only be successful if it is able to consolidate its foremost regional relationships. Close engagement with the countries of Asia is an abiding priority for Australian policy. The Government has said it will pay particular attention to securing the long-term vitality of Australia’s successful partnership with Japan and to building a strategic economic partnership with China.25 Australia will play its part in helping to manage the major potential sources of conflict in Asia -- the Taiwan Strait, the Korean peninsula and India-Pakistan tensions.

Close cooperation with the ASEAN countries, in particular Indonesia--which is Australia’s largest neighbour, is seen as fundamental to the policy of active engagement with the region. Strong ties with ASEAN members are essential in dealing with shared security problems such as terrorism and people smuggling.

22 Ibid, p.xii.
23 Ibid, pp.xii-xiii.
East Asia's abiding strategic importance to Australia makes the development of regional architecture a significant issue for us. The Australian Government will encourage the countries of East Asia to develop regionalism on an open and inclusive basis and will seek opportunities for Australia to participate in the broader dynamic of regional cooperation in the region in whatever practical ways become available. But the exclusion of Australia from the ASEAN Plus Three security process is denying us involvement in an important development in regional security cooperation.

It needs to be clearly understood that Australia's links with the United States are fundamental for our security and prosperity. The depth of the security, economic and political ties that Australia has with the United States makes this a vital relationship. No other country can match the United States in terms of its power and global reach in international affairs. Further strengthening Australia's ability to influence and work with the United States is essential for advancing Australia's national interests. The Government is of the view that “even when US actions do not suit our interests, our strong ties mean that we are better placed to put our views to Washington and that the United States will listen to them”. Australia has a vital interest in supporting long-term US strategic engagement in East Asia because of its fundamental contribution to regional stability and prosperity. In the Australian view, an East Asia without a US presence would be a much more dangerous place. While relations among the major powers are at present stable, Australia has an enormous stake in the successful management by the United States of its relationships within the region, including its complex relationship with China.

Australia is America's closest ally in the entire Asia-Pacific region and the second most important US ally in the world after the United Kingdom. In some ways, Australia is even closer ideologically to the US than is the United Kingdom. There is probably now an expectation in Washington that Australia will unquestioningly support the US in whatever military operations it is involved in--including on the Korean peninsula and across the Taiwan Strait. While Australia's ability to make a significant military contribution is modest, such contributions as have been made in Iraq and Afghanistan have been crucial to the international legitimacy of US actions. We can expect to see Australia continuing to be a strong supporter of America's stance on the

26 Ibid, p.xvi.
27 Ibid, p.xvi.
28 See Paul Dibb, Austraila's Alliance with America (Melbourne: Melbourne Asia Policy Papers, University of Melbourne, March 2003).
need for international security cooperation in the war on terror.29

Finally, economic globalisation is having a profound impact in shaping Australia's world. Globalisation brings opportunities, but also tests countries' institutions and governance. Globalisation has raised living standards in Australia. Globalisation has also increased the vulnerability of many countries to transnational threats. Terrorists and criminal organisations are able to take advantage of the ease of international travel and modern communications technology. As a consequence, the strategies Australia pursues to advance its national interests must be bilateral, regional and, increasingly, global.30

3. Transformation of the Australian Military

There have been some significant adjustments to Australia's security with regard to the war on terror. The government has invested substantially more money in intelligence collection and analysis and has introduced much tougher internal security legislation. The Army's Special Forces have been increased in size and the counter-terrorist Tactical Assault Groups have been doubled. Also, the chemical, biological, radiological, nuclear and explosive Incident Response Regiment created at the time of the Sydney Olympics has been increased. Army's part-time Reserve Forces are to have a new role in protecting vital assets in major Australian cities.

There is also a clear recognition by the Government that the Australian Defence Force is likely to be deployed more frequently overseas in concurrent operations. This raises some serious issues for a small Permanent Military Force of only 52,000 troops and a Reserve Force of less than 20,000. Concurrent military operations in Iraq, East Timor and the Solomon Islands are proving highly demanding of both personnel and equipment. The Army's Special Forces, in particular, are being rotated almost continuously on overseas operations. For a small Defence Force such as Australia's, the additional costs are not negligible either -- over $1 billion for the East Timor operation and at least $700 million so far for Iraq.

The tempo and concurrency of these overseas military operations are unprecedented in Australia's recent military history. Lessons have been learnt with regard to deficiencies in certain types of military equipment. And it is clear that for such a small force logistics are a major challenge, even when projecting power relatively close offshore.

29 For an incisive view about the new America see Owen Harries, Understanding America (Sydney: The Centre for Independent Studies, April 2002). He is an Australian who for many years was editor of the US journal The National Interest.
30 Advancing the National Interest, p.ix.
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in East Timor. The Australian Army is now going to build two 25,000 tonne amphibious ships (LPAs), each capable of lifting a battalion ashore, as well as a new sealift ship. The Army will acquire new Armed Reconnaissance Helicopters and additional troop lift helicopters for amphibious transport. The force will be significantly hardened and better networked. One of the lessons of the Iraq war was that the Australian Army requires a new main battle tank. The Government has also agreed to move rapidly to acquire combat identification for our forces, more capable communications, and increased provision of night vision equipment.

These changes do not amount to a major revision of the December 2000 Defence White Paper or the 10-year defence capability plan. Other than the decision to buy new main battle tanks, all of the capability enhancements announced in November 2003 by the Minister for Defence build on projects already contained in the 2000 Defence White Paper.

But some interesting questions about the Howard Government’s strategic priorities remain. Despite the Defence Minister’s suggestion in a number of speeches since mid-2002 that the emphasis on the defence of Australia and Australia’s region was outdated, and that a major shift in priorities was needed towards an ability to respond to global threats of a transnational nature, this in fact has not occurred. Instead, the Government has said that the defence of Australia and regional requirements are the primary drivers of force structure for Australia. It seems that Australia’s contributions to coalition operations beyond our region will continue to be at the level of niche capabilities.

Important enhancements to Australia’s high technology capabilities will occur over the next decade, thus ensuring our margin of technological superiority on regional standards. We will have fewer but more capable strike aircraft and major surface combatants. The Government plans to acquire up to 100 Joint Strike Fighters (F-35s), 4 to 6 AEW&c aircraft (Boeing 737s), and up to 5 new tanker aircraft capable of refuelling F-111 strike bombers (which will be withdrawn from service by 2010) and F/A 18 fighter aircraft. There are plans to acquire Global Hawk unmanned aerial vehicles and a replacement for the P3C Orion maritime patrol aircraft. In addition, three new air warfare destroyers will be acquired that will probably have a variant of the Aegis air

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31 East Timor is some 600 kilometres north of Darwin.
33 Ibid.
warfare system and perhaps a ballistic missile defence capability. Clearly, these high technology acquisitions have limited relevance to the so-called war on terror.

The conclusion must be that the goal of the Government has been to ensure a balanced force that recognises, amongst other things, "the extra complexity of unconventional threats". 34 But the high technology capability enhancements outlined above suggest that their relevance "is primarily in more conventional operations against the armed forces of other nation states, rather than in meeting unconventional threats, which normally call on lighter forces suited to less traditional operations".35 This reflects the uncertainty inherent in the outlook for Australia's longer-term strategic environment.

Successive Australian governments have aimed to provide the Defence Force with a clear margin of superiority against any credible adversary.36 Australia takes account of the expected trend of capability developments in the region over the next 10 years and beyond, and plans for sustained improvements in our capabilities to meet those expected trends. We do not base our planning on the forces or capabilities of any particular country or set of countries, but we look at capability trends throughout our wider region. Maintaining a capability edge will not be easy in the future, but it remains a key force-planning construct for Australia. A significant part of this capability edge will be to exploit successfully network centric warfare and effects based operations. In many ways, this will be the real challenge for the transformation of Australia's military forces.

34 Ibid, p.3.
35 Ibid.