



Submission No 4

Inquiry into the Economic, Social and Strategic Trends in Australia's region and the consequences for our Defence Requirements

Name : Dr Chris Rahman

Address : University of Wollongong
Wollongong, NSW 2522

Dr Chris Rahman

**Centre for Maritime Policy
University of Wollongong***

**Submission to the Joint Standing Committee on Foreign Affairs, Defence and
Trade – Defence Sub Committee**

Inquiry into

Australia's Regional Strategic Defence Requirements

* This submission represents the personal views of the author only and not necessarily those of the Centre for Maritime Policy, University of Wollongong.

SUMMARY

- Australia's region of primary strategic interest cannot be limited to archipelagic Southeast Asia and the Southwest Pacific, as regional security is increasingly impacted by the actions of, and interrelationships between, the major powers based in Northeast Asia and South Asia. The greatest future challenges for Australian strategic security are most likely to emerge from those more distant subregions.
- The connecting tissue of the Asia-Pacific region is the sea. The region, and Australia, are highly dependent on the sea, economically and strategically. This maritime reality needs to better inform Australian defence policy, strategy and force structure development.
- Non-traditional security challenges are unlikely to create new or different force structure priorities for the Australian Defence Force (ADF).
- The regional security environment is volatile and unstable: it is not benign and it should not be assumed that the threat of a significant conventional war is unthinkable.
- The rise of China and the expanding horizon of its regional ambitions lie at the heart of many of the region's strategic problems. Overall, and despite the benefits of increased trade and economic growth, the *strategic* impact of China's growing power is entirely negative.
- The proliferation of advanced conventional weaponry poses a problem for Australia and its allies, especially in the maritime and littoral environments.
- Maritime disputes are major irritants to regional security and hinder the creation of a more orderly and secure region.
- The freedom of navigation for warships, including the ability to conduct military operations in the EEZs of another state, continues to be important for the effectiveness of the U.S.-centred alliance system in the region, and thus remains important for Australia also.
- Australia's Defence Cooperation Programme is important to the process of regional engagement and capacity building.
- Australia has a particular responsibility for security in the Southwest Pacific, and Defence will need to plan for replacements for the Pacific Patrol Boats and should take the initiative in planning how to implement our obligations under the Western and Central Pacific Fisheries Convention for fisheries enforcement on the high seas in the Western and Central Pacific area.
- The ADF is evolving into a more mobile, flexible, expeditionary-focused military. This is a positive development, better designed to confront actual and emerging threats than the 1980s-vintage Defence of Australia doctrine. It is important that Australian strategy and, in particular, maritime strategy, are updated to reflect this new reality. It will also be important to ensure that important skills and capabilities are retained or enhanced across the ADF to allow the expeditionary force to fight effectively in the region's littorals.

Australia's Regional Strategic Defence Requirements

This submission addresses the terms of reference for the Inquiry by first making some general observations and, secondly, focusing on two particular issues that are driving strategic trends in the region: maritime security and the rise of China. Finally, it will assess the implications of these trends for Australia's defence capabilities.

I General Observations

a) *The "region"*

The initial observation regards the somewhat tedious, yet vital, definition of what constitutes our region. This idea in fact speaks to the heart of much of the defence debate over the last two decades. Ever since the Dobb Report of 1986 there has been a tension, on the one hand, between the preoccupation with the Defence of Australia doctrine and a "sphere of primary strategic interest" limited to Southeast Asia and the South Pacific, and the reality of Australia's geostrategic circumstances, on the other. This has been a problem even in academia, where works have been published by Australians, about "Asia-Pacific" security for example, which focus almost entirely on peninsular and archipelagic Southeast Asia and, to a lesser extent, on the South Pacific – thus largely ignoring the fact that security in these sub-regions increasingly has become shaped by the actions and ambitions of the major Asian powers located in Northeast and South Asia. The restrictive view of our region produced a political constituency wedded to the idea, amply demonstrated by the public controversy that surrounded the expanded definition of Australia's area of primary strategic interest to include the entire Asia-Pacific region in the *Australia's Strategic Policy (ASP '97)* document of 1997.

The restrictive view, however, is both geographically deterministic and lacking in strategic context, which inevitably changes over time. It also led to an ADF force structure tied to the physical defence of the continent and its maritime approaches that was imbalanced, relatively inflexible and incapable of adequately responding to the wide range of threats and challenges facing Australia, both regionally and globally.

It will be argued in this submission that our defence requirements need to be better tailored to take account of Australia's geostrategic situation as an island continent and the maritime character of the Asia-Pacific region. Increasingly, the security situation in the region at the macro level is being set by the interplay of the region's major powers, China, Japan and India – each of which lies beyond the narrow sphere deemed to have been Australia's area of primary strategic interest – as well the United States as an external Pacific (rather than Asian) power. This interplay of ambitions and interests is impacting security in Northeast, Southeast and South Asia, whilst competition between China and Taiwan in the South Pacific is having a negative impact on political developments in that subregion.

b) *Non-traditional security challenges and the ADF*

The reason I have chosen to include comments on non-traditional security challenges – or what some commentators like to call the "new security agenda" – is to make the point that the implications of these issues for Defence, and ADF force structure, in particular, should not be exaggerated. Non-traditional security challenges can include a gamut of possibilities – virtually every security challenge exclusive of traditional,

state-based conventional military threats, such as threats from environmental degradation, epidemic disease, food insecurity, unfavourable demographics and transnational crime, to name just a few candidate categories. The extent to which these types of issues pose a direct challenge to Australian security can be somewhat elusive, however, especially with regard to Defence. For the most part, the impact of these challenges will be indirect, such as producing large numbers of asylum seekers or would-be illegal migrants. To take one possible example, the single greatest threat to Australian civilians in the near-term may well be posed by an outbreak of an avian flu pandemic. Yet the direct implications for Defence are unlikely to be that significant: one may envisage limited ADF operations in a pandemic, for example, to evacuate Australians from affected countries, and to provide logistical and other support to the civilian authorities within Australia. For the most part, however, non-traditional security issues will be of little consequence for Defence planning and force structure development. To take another example, if a problem such as environmental damage were to create, in an indirect way, instability and civil conflict in neighbouring states, it would be that instability and conflict that would be of concern to Defence, not the environmental issues themselves. Thus, many of these types of broadly defined “security” issues will remain the responsibility of other, more appropriate Australian Government departments and agencies.

There is one leading exception to that rule, however: the protection of Australia’s maritime borders, and surveillance and enforcement of law and order within those boundaries. To label this exception “non-traditional,” though, would be somewhat misleading: constabulary duties are a traditional role for navies and will continue to be so for Australia. The Royal Australian Navy has time and again demonstrated its aptitude in conducting constabulary operations within our maritime zones of jurisdiction; and future challenges to the integrity of our maritime borders, sovereignty and sovereign rights at sea are unlikely to pose highly novel situations for the RAN. Navies (and, in the Australian case, also Air Force maritime patrol elements) have a distinctly different role and history to the other services with regard to domestic security and law enforcement.

Extreme Islamist terrorism also can be included as a non-traditional security threat – or at least terrorist groups which are not state-directed or sponsored. For the most part, the role of the military instrument will be limited in combating such threats. Rather, the primary instruments used to combat terrorism will tend to be intelligence and policing agencies. Whilst Australian Special Forces and their supporting elements may on occasion be employed, in the main the ADF contribution to the wider war against Islamic extremism will be a low-key, supporting role. The circumstances of Afghanistan and Iraq are probably unique with regard to the opportunities provided to United States-led coalition forces to employ significant conventional military force against terrorist groups. In the Iraq case, the scale of the terrorist activity is a direct, albeit unintended, consequence of the lack of sound planning for the post-invasion period. And Afghanistan was a unique case due to the way that most of the country – i.e., those parts controlled by the ruling Taliban regime – served as a safe haven and operating base for al-Qaeda forces. Given the almost inseparable nature of the relationship between the Taliban and al-Qaeda in Afghanistan, it does not seem likely that similar opportunities for significant conventional military operations against another “terrorist state” will arise elsewhere, notwithstanding the recent American

announcement that U.S. Special Forces may undertake counter-terrorist strikes against terrorist groups in other countries.

c) *The volatile character of the current strategic environment*

The common characterization of the regional security environment as relatively benign, albeit uncertain, is overly optimistic. Indeed, there is too much talk of “uncertainty”; insomuch as it is often employed euphemistically by policymakers and analysts unwilling to make judgements on burgeoning problems; and as uncertainty itself is a constant factor in international political and strategic life and thus possesses little explanatory value. I would in fact argue that the regional strategic landscape is less uncertain now than it was 15 years ago, at the end of the Cold War. It has been increasingly clear over the past decade – particularly since the Taiwan Strait missile crisis of March 1996 – that China’s rise lies at the heart of regional strategic developments, and instability. I expand on the China factor below, but suffice to point out at this stage that many adverse regional strategic trends centre on China.

The supposedly benign character of regional security is often explained away by the proposition that growing prosperity and economic interdependence make war virtually unthinkable. Unfortunately, such suggestions ignore previous experience (particularly the period prior to the First World War) and are “astrategic”: economic factors, whilst vitally important, comprise only one component of the many that make up national interests and priorities at any one point in time and, similarly, are but one driver of international political and strategic relations. Indeed, economic factors often are not the primary driver, especially in times of tension. Moreover, economic growth and interdependency can have negative as well as positive effects on international security, such as increasing both competition for natural resources and vulnerability to financial crises of the type experienced in Asia in 1997-98.

Despite the types of internal instability and transnational issues that are currently present or may occur in the future throughout the wider Asia-Pacific region, the danger posed by conventional conflict between states is considerably higher now than for decades; particularly in Northeast Asia. And inter-state war remains the most dangerous and destructive of international security threats. Asia is increasingly beset by a competition for influence by the region’s major powers, whilst leading middle powers are also manoeuvring to expand their strategic independence and “international space.” A leading example of this middle power phenomenon is South Korea, which is increasingly assertive over its claimed national jurisdiction. The inflammatory manner in which South Korea’s President Roh has manipulated the Tokdo/Takeshima island dispute with Japan, for example, is both highly irresponsible and dangerous. An important and far from benign factor in this process is the growth of nationalism. This is particularly problematic in Northeast Asia, where nationalist feelings are strong or on the rise in China, the Korean peninsula, Japan, Taiwan and Russia: the danger of clashes between nationalisms is real and growing. Nationalism is also potentially problematic for security in South Asia and parts of Southeast Asia. Therefore, the idea popular amongst some political scientists, that major war has become obsolescent, is at the very best premature in Asia.

Whilst the competition for regional influence amongst the major powers (in Southeast Asia, for example) is not in itself likely to lead to war, there exist very real clashes of interests over territory, maritime jurisdiction, access to mineral resources and regional

strategic leadership, complicated by some difficult history. This combination of rising powers, territorial disputes and nationalism and bad history is a potentially explosive mix. A popular academic theory, the security dilemma, is often used to describe this situation, of strategically competitive state behaviour, in which the supposedly defensive provisions of one state inadvertently threaten the security of another, which in response bolsters its own defences, thereby creating a dangerous spiralling of tensions. However, like the largely unhelpful use of the term “uncertainty,” the security dilemma can be a highly academic way of avoiding judgement on strategic developments and is not empirically well supported. In the Asia-Pacific region, as I have previously mentioned, the single most important driver of strategic developments is the rise of China. However, whereas many states can be viewed as developing their strategic capabilities strictly for defensive purposes (including even North Korea, whose nuclear weapon and ballistic missile programmes are of such concern), the same cannot be said for China.

II Strategic Challenges for Australia and the ADF

a) *Maritime security*

One of the defining characteristics of the Asia-Pacific region is that it is connected, primarily, by the sea. The geographical nature of East Asia, in particular, is complicated by a continuous line of narrow seas – semi-enclosed seas, straits and archipelagic waters – that surround mainland and peninsula East Asia, from the Sea of Okhotsk in the northeast to the Andaman Sea in the southwest. Because many regional coastal states abut shared narrow seas, we are faced with a series of maritime territorial and resource disputes, undelimited maritime boundaries and potential threats to shipping.

The countries of the Asia-Pacific region are heavily dependent upon international trade, the great majority of which is carried via the sea. Whereas intraregional land communications remain underdeveloped, maritime communications are essential to regional security and continue to grow in importance. The most strategically important aspect of regional seaborne trade is the dependence of the Northeast Asian states upon imported raw resources, especially oil and, increasingly, gas. The Persian Gulf and West Africa remain the most important sources for imported oil, and the Gulf, Australia and Indonesia are amongst the most important natural gas supply regions. Australia, Indonesia and other countries also are vital suppliers of commodities carried in dry bulk, such as coal and iron ore. Most of these resources must transit through the narrow seas of East Asia; and many through the natural chokepoints of the Indonesian straits. Even after accounting for diversified sources of supply, from Central Asia and Siberia, for example, the majority of these resources will continue to be transported by sea: indeed, in the absence of a significant global economic recession, dependence on maritime transportation is likely to grow rather than diminish.

The safety of that maritime traffic, therefore, is an important aspect of regional confidence and security. There are two realistic threats to shipping outside of an actual war situation: piracy and armed robbery, and maritime terrorism. Whilst armed robbery against ships has been a problem for many years in parts of Southeast Asia, especially in Indonesian waters, more effective patrolling and cooperation amongst the Straits states seems to be having a positive effect. Maritime terrorism remains

mostly a hypothetical threat in the region, with the notable exception of several deadly attacks on passenger ferries (and terminals) in the southern Philippines. Those attacks, however, seem to be entirely local in nature; a manifestation of the long running conflict in Mindanao rather than an indication of wider regional risks to shipping. Nevertheless, the potential for a serious terrorist attack by Islamic extremists against shipping or port facilities cannot be ruled out in the current ideological environment, although it should be pointed out that an effective attack of consequence would not necessarily be an easy task. A successful attack against or in a chokepoint, however, potentially could cause serious economic damage to regional economies by disrupting trade. Perhaps the most vulnerable chokepoints are the small number of hub ports which dominate seaborne trade, with Singapore probably most at risk. Luckily, Singapore takes maritime security extremely seriously and is well prepared in terms of intelligence, prevention, enforcement and response capabilities.

Even more vulnerable to terrorist attacks are offshore oil and gas installations. Ensuring the safety of these installations is important not just for maritime security, but also for regional energy security and the economic wellbeing of states for whom offshore petroleum exploitation is a vital source of income. Such developments are likely to proliferate as increased demand from rapidly growing economies such as China and India, and spiralling world oil prices, make development of previously unviable offshore fields increasingly attractive. Many regional countries also need to exploit offshore energy resources to fuel their own expanding economies.

Some regional offshore producer states and guardians of vital maritime thoroughfares, especially Indonesia, but also including the Philippines and Papua New Guinea, have only limited capabilities to conduct surveillance and enforcement of their maritime zones of jurisdiction. However, the role of outside forces in assisting those countries will remain heavily constrained due to deep political sensitivities over sovereignty. This factor was in evidence when Singapore promoted the idea of American patrols in the Malacca Strait: neither Jakarta nor Putrajaya were amused. There are, however, opportunities for external players to contribute. Indeed it is vital that they do so. In this respect it is desirable that states such as Australia, Japan and the United States continue to engage the archipelagic states, in particular, and provide politically acceptable assistance. For the most part this will comprise combined maritime security exercises, training and education programmes, equipment and other forms of capacity building. The U.S. Pacific Command and U.S. Coast Guard, and the Japan Coast Guard have active capacity building programmes, as does Australia. In Australia's case, a number of government departments and agencies are involved. Most importantly, the contribution of Defence and, in particular, the RAN, to capacity building for maritime security is an indispensable part of the Defence Cooperation Programme¹ and regional engagement, more generally. The deployment of Defence assets is also a possibility if regional states request support.

The piracy problem, and even to some extent the risk of maritime terrorism, are best viewed as constabulary or lower order security issues, rather than in high-level strategic terms. There is, however, one exception to that rule: the involvement of the major powers, even in the most benign or positive capacity-building roles, has

¹ For the record, the author and the Centre for Maritime Policy are involved in education and professional training programmes for the Defence Cooperation Programme.

become one aspect of their competitive behaviour. Increasingly, Japan is using its maritime forces, especially the Japan Coast Guard, not only to improve regional maritime security but also to counter Chinese influence and Chinese maritime expansion. India is also expanding its engagement programmes with Southeast Asia by using the Indian Navy and Indian Coast Guard, in large part as a hedge against the influence of Chinese maritime power in the Indian Ocean. The United States is the traditional protector of strategic order in maritime East Asia and, increasingly, the U.S. Pacific Command's longstanding engagement programmes also aim to act as a hedge against growing Chinese influence in Southeast Asia. China, for its part, has not only expanded its own maritime presence in the region, but is actively working to reduce American influence. Beijing has also pursued a policy of criticizing the Japanese maritime presence in the region, including that of the Japan Coast Guard, generally opposing any regional maritime security scheme proposed by Tokyo as a matter of principle.

With its increasing dependence on imported oil and other raw materials, China does have legitimate maritime security interests, and has recently offered to assist with safeguarding the Malacca Strait, although it is not known what form that assistance might take. Nevertheless, the seeds for growing naval rivalries have certainly been planted. Indeed, maritime force structures in general are being rapidly modernized in many leading states for combat in the littoral environment, especially by the major and leading middle powers. In particular, we are witnessing the proliferation of advanced conventional submarines (especially *Kilo*-class boats sold into the region by Russia); air, surface, sub-surface and land-launched anti-ship cruise missiles, many of which are advanced, supersonic types; advanced multi-role combat aircraft with maritime strike capabilities (such as the Russian Su-30); modern surface combatants; satellite-based surveillance capabilities; short and medium-range ballistic missiles; advanced torpedoes and mines; and the development of land-attack cruise missiles. Flat deck amphibious ships are also proliferating and may presage the proliferation of genuine aircraft carriers in East Asia.

The most important territorial disputes in the region are maritime, including Taiwan, the Senkaku islands, the Kurile islands, Tokdo/Takeshima and the Spratly and Paracel islands. There are related disputes over marine resources in maritime zones claimed around disputed territories, including fisheries and offshore oil and gas. In one example, that of the dispute between Malaysia and Indonesia over the islands of Sipadan and Ligitan off the east coast of Borneo, the territorial dispute itself was settled by arbitration. However, no finding was made on the corresponding maritime boundaries. As a result, the so-called "Ambalat" dispute, named after an offshore petroleum exploration block, resulted in a minor standoff between the armed forces of the two states in 2005 and remains a bone of contention.

In fact, most maritime boundaries in East Asia have yet to be successfully delimited: the geographical nature of the region noted above, with its arc of narrow seas, means that many maritime jurisdictional claims overlap. The United Nations Convention on the Law of the Sea and, in particular, its regime of the exclusive economic zone (EEZ), which, *inter alia*, allows coastal states to claim jurisdiction over marine resources out to a distance of up to 200 nautical miles from the territorial sea baseline, has exacerbated and even created many of these maritime disputes. Additionally, there is a growing problem with excessive maritime claims in East Asia, above and beyond

the commonly accepted limits to coastal state jurisdiction under the Convention. This is creating a particular concern with regard to the rights of maritime states to undertake military operations in the EEZs of other states, and the attempts by some coastal states to restrict such operations. The dangers are readily apparent, with “accidental” clashes at sea and in the air having already occurred, most notably in the collision between the American EP-3E surveillance aircraft and a Chinese fighter near Hainan in 2001. There have been many more less dramatic incidents, and the dangers of new international crises arising from such clashes remain ever present.

Several Asian states have been pursuing limits to such operations, including China, despite the fact that Beijing carries out one of the most aggressive campaigns of military surveillance, probing and intelligence gathering in the region, especially in the waters and airspace around Japan and Taiwan. The United States has been steadfast in maintaining its right to conduct such operations, including via the U.S. Navy’s Freedom of Navigation programme. The point needs to be made that the maintenance of these rights are vitally important to Australia also. As a significant maritime power highly dependent on the sea and situated in a largely maritime region, and as a willing member of a maritime-based alliance, it is in our interests to resist attempts to place tighter legal restrictions upon naval and other military operations at sea. The ability to use and, indeed, command the sea, has been a source of distinct strategic advantage for our primary great power allies (firstly Britain and now the United States), and as a consequence, also for Australia, for most of the past 200 years. The ability to employ dominant sea power will continue to accrue strategic advantages to the United States and its maritime allies in the 21st century, particularly given the current strategic focus upon the world’s littoral regions and the opportunities that American dominance at sea provides to allied and coalition forces to influence events on land, when necessary, through naval diplomacy, sea-based deterrence and expeditionary warfare. The ability of U.S. maritime forces based in the Arabian Sea to conduct operations in and over Afghanistan, one of the world’s most remote and inaccessible landlocked countries, is a startling example of what is possible. It is therefore vital for Australian and allied interests that that maritime-strategic advantage is not lost, especially in a time of growing threats.

Maritime security in the South Pacific also has implications for Defence. The small island states of the Southwest Pacific are extremely dependent on the sea. For some of them, fisheries are the only significant source of national income other than aid money. Given Australia’s responsibilities in the region and the heightened risks of instability in some of the island states, it is important that Australia continues to play a leading role as a security provider, demonstrated most visibly in the Regional Assistance Mission to the Solomon Islands. There are two aspects to the Defence involvement in the maritime security of the South Pacific worth considering. Firstly, the Pacific Patrol Boat project, whereby Australia designed, constructed and continues to support 22 Pacific Patrol Boats for twelve Pacific island states, has been a highly successful part of the Defence Cooperation Programme. Australia’s ongoing support to the project includes training and in-country RAN Technical Advisors and Maritime Surveillance Advisors, whilst further surveillance support to the region includes coordinated aerial patrols with France and New Zealand. The Pacific Patrol Boats remain the Pacific island countries’ only active, sea-based enforcement capability. It is important that Australia continues to support the project and begins planning for eventual replacement of the patrol boats. It should also be stressed that the RAN’s

own patrol boat fleet is an important tool for building capacity in the South Pacific through combined exercises and training. It is thus worth noting that, should a future Australian government establish a separate coast guard, the Navy needs to retain its patrol boat element as a necessary part of the Defence regional engagement programme and in order to maintain long-established institutional linkages.

Secondly, an emerging issue for Australia and Defence will be the need to plan for an Australian contribution to fisheries enforcement on the high seas in the Western and Central Pacific as a party to the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (WCPFC). The Western and Central Pacific Fisheries Commission, established by the WCPFC, is currently working on a draft Boarding and Inspection Scheme for high seas enforcement in the WCPFC area, consistent with post-Law of the Sea Convention legal instrument such as the UN Fish Stocks Agreement. It is clear that the Pacific island states themselves will not be able to enforce the active monitoring, control and surveillance aspects of the WCPFC on the high seas: their capabilities are already stretched in conducting enforcement in their respective EEZs.

It is inevitable that the responsibility for high seas enforcement will have to be carried out by the larger and more capable parties to the WCPFC. However, the major fishing state parties to the WCPFC are unlikely to be reliable enforcers of the conservation and management regime: at the very least, they would have serious conflicts of interest. Furthermore, it is not necessarily in Australia's interests that they do so. The competition for diplomatic recognition between China and Taiwan is already a disruptive force which is contributing to the corruption and instability problems within some Pacific island states. It is preferable that the influences of outside forces, especially from Northeast Asia, be limited: it would not be a positive development either for Australian or South Pacific security were external players to import their various strategic rivalries into the subregion. Therefore, it would be preferable to limit any military-strategic presence of those external powers. Indeed, Australia should be extremely wary of any defence cooperation between China, in particular, and South Pacific states, given China's negative overall impact on Asia-Pacific regional security and the likelihood of greater strategic rivalries developing around the Chinese role in the region, including with our major ally. It was thus an inadvertent benefit to Australia that the Chinese satellite and missile tracking station on Kiribati was dismantled when that state switched its recognition from Beijing to Taipei. Australia needs to take the initiative on this matter to avoid greater outside encroachment. One option would be to build on the aerial surveillance cooperation with France and New Zealand to include cooperative sea patrols on the high seas in the WCPFC area with the other major South Pacific powers: France, New Zealand and the United States. Military or police observers and fisheries inspectors from South Pacific island states could be carried on board as part of those patrols.

One final point on maritime security is that if, in the future, Australia feels it necessary to further press or defend its Antarctic claims, then it may have to consider building a specialist ice-hardened vessel for the Navy, particularly if civilian-operated ships such as *Southern Supporter* or *Oceanic Viking* failed to provide sufficient deterrent or enforcement effect.

b) *The rise of China*

As intimated earlier, China is not a status quo power. That may be in some ways self-evident for all rising powers: simply by increasing their national power relative to other states, rising powers are inherently altering the status quo. However, unlike other states at the present time, China is actively working to overturn the regional strategic order. Beijing seeks to reduce the role and influence of the United States in the region and, eventually, an American military exit from East Asia; and to assert its own strategic dominance. Moreover, it also seeks to limit the strategic influence and development of other regional powers that may try to prevent China from dominating the region, especially Japan in East Asia; and China has stated explicitly that it will not allow India to dominate the Indian Ocean region.

China's claim to Taiwan is undoubtedly one of the region's major flashpoints. It is important to recognize that it is China rather than Taiwan that is the non-status quo power with regard to the island's status. China's destabilization of the situation is not just rhetorical, but represents a well-targeted and unrelenting strategic campaign of military intimidation and political, economic, social, psychological and even cyber warfare. Even leaving aside the moral considerations of support for a fellow liberal democracy under constant threat from an authoritarian and covetous neighbour, there is a strong strategic rationale for wanting to oppose any usurpation of Taiwan by mainland China. The geostrategic balance in East Asia between American and Japanese sea power on the one hand, and Chinese land power on the other, increasingly is being challenged by China's maritime expansion. Although from a purely military perspective, the United States could probably cope with "losing" Taiwan, strategically, it would damage the U.S. Asian alliance system, perhaps beyond repair. In particular, a Taiwan that is functionally independent from China is a vital security interest for Japan, for if Beijing were able to control the island it would, as a result, be in a position to control the vital sea lanes connecting Japan to its energy and other resource suppliers. It is thus essential that members of the Western U.S.-led alliance system fully understand the actual dynamics and potential consequences of this issue, rather than continually relying upon the dissembling habits of international diplomatic practice to obfuscate, including blaming the processes of Taiwanese democracy for cross-Strait tensions; a practice which in fact contributes to the destabilization of the situation by appeasing Chinese revisionism. What is required from the United States and the Western democracies, therefore, including Australia, is not strategic ambiguity but a strong collective deterrent effect to maintain the geopolitical status quo.

The East China Sea dispute between China and Japan is also extremely dangerous, not least because it is not simply a dispute over maritime boundaries and marine resources, if that was not bad enough given the emerging strategic competition between Tokyo and Beijing. The dispute is inevitably tied to the territorial dispute over the Senkaku islands, which in turn involves Taiwan, another claimant to the Senkakus with an undelimited maritime boundary with Japan. The underlying political relationship between China and Japan continues to decay and is becoming an almost structural feature of the regional geopolitical landscape. China's claim to the Senkakus is in fact doubly dubious, given that it is dependent on the Chinese claim to Taiwan itself (China claims the Senkakus only as "islands appertaining to Taiwan"). Although the United States has tried to avoid becoming directly involved, invariably any conflict in the East China Sea would require an American response.

The situation in the South China Sea has stabilized somewhat in recent years, with the Southeast Asian claimants to the Spratly islands increasingly willing to accommodate China as a result of a pragmatic acceptance of China's growing political, economic and strategic clout in the region. Joint development of offshore resources now seems a distinct possibility, especially between China, the Philippines and Vietnam. This is generally a positive advance although all states in the region will be wary if it leads to an increased Chinese military presence. Beijing has successfully used the lure of improved trade access to the Chinese market to win over Southeast Asian states and seems to be pursuing a policy of tying the economies of Southeast Asia to China's as dependents, especially as sources of raw resources.

In the Indian Ocean, China has long maintained a policy of containment of Indian power. Amongst other things, this has unwittingly led to a dangerous global nuclear proliferation problem: as a result of passing nuclear weapon designs and technology to Pakistan, an inherently incompetent actor, China has inadvertently assisted some of the world's most thuggish rogue states to acquire weapon designs. China's occasional naval forays into the Indian Ocean, and even the possibility of securing a permanent presence there through bases or staging posts in countries such as Burma and Pakistan, has motivated India, itself a rapidly rising major power, to take countering actions. These actions include building up its own military capability, including nuclear and naval forces, and increased naval engagement with Southeast Asia.

Australia is thus faced with the reality that China's growing power and maritime expansion is spurring a significant new competition for influence with Japan and India, in particular, as well as posing a challenge to the U.S.-guaranteed regional order. In military-strategic terms, that competition is being played out primarily in the maritime environment of the Asia-Pacific; particularly throughout the region's narrow seas but increasingly also in the oceanic environments of the Pacific and Indian Oceans. As part of the U.S. maritime-based alliance system, Australia may well be called upon in the future to help defend that system, and needs to be prepared politically and strategically to do so. Debates over containment or engagement of China are facile and misleading: China is being engaged and containment as a political doctrine is probably impossible. What is required, however, in addition to engagement, is for deterrence to be enhanced. The enhancement of forums such as the Trilateral Security Dialogue between Australia, Japan and the United States may be aimed to achieve that end. For deterrence to work, however, it must be signalled diplomatically, and must be backed by strategically relevant military forces.

III Implications for the ADF

The dominant themes of this submission have been that firstly, the regional security environment is both unstable and dynamic, with the rise of China as the primary and largely negative driver of many of those dynamics; and secondly, the maritime geography of the region demands that a realistic Australian defence policy and strategy must have a significant maritime focus and that our forces need to be able to operate effectively in that environment across the spectrum of operations, from benign circumstances to low and also high-intensity warfare, over the vast distances that

make up the Asia-Pacific region. Forces designed for this purpose have the added benefit of employability farther afield.

One argument commonly made against viewing the entire Asia-Pacific region as the area of Australia's primary strategic interest is that Australia cannot afford the capabilities to fight farther afield and that we should avoid being drawn into dangerous conflicts in Northeast and South Asia. That argument is fallacious, however. The defence budget is a constant constraint irrespective of the planning parameters we may place on our defence capabilities. There are always opportunity cost decisions that need to be made. The argument also implicitly assumes that we will enjoy a degree of choice with respect to the threats against us and our interests. Unfortunately, the reality is that crises tend to choose us and new adversaries threaten our interests rather than the other way around, often when least expected. We did not seek fights with Islamic extremists or regional aggressors such as Saddam Hussein, just as we did not actively seek fights with global, expansionist Communism or German or Japanese aggression. Yet our vital national interests were threatened in each case and demanded a strategic response; which, it should be noted, have been substantially diverse in character and geographical location.

The implications for ADF development are that the Defence of Australia doctrine force structure set out in the Dobb Report and the 1987 Defence White Paper, which was poorly balanced and lacked mobility and "deployability" over large distances, increasingly has been supplanted by a force better able to respond to the actual threat environment. Major re-equipment programmes such as the sea control destroyers (commonly referred to as air warfare destroyers – yet they are highly flexible and capable ships not strictly limited to area air defence), the LHD amphibious ships and their helicopter element and the C-17 airlifters, in combination with a better equipped Army, are to be welcomed and should, over time, lead to a truly joint, expeditionary Australian Defence Force. The limited, continentalist maritime strategy of sea denial of the Dobb era needs to be supplanted by a more balanced one befitting a maritime nation such as Australia, in which we are able to exert sea control where possible and when required, and to be able to project power as part of a coalition force in conditions where sea control has been established. Regional strategic trends indicate that there will be an ever greater demand for the ADF to be able to employ maritime power in future regional contingencies. In some ways, the strategy needs to catch up with the emerging force structure.

In fact, the Defence of Australia doctrine at the intellectual level is a conceit, because it implies that the alternative, maritime-focused expeditionary force structure vision would be less well-equipped to defend the continent and our maritime jurisdiction. Nothing could be further from the truth: the ability to confront and defeat threats at the farthest possible distance from our shores is surely preferable than being limited to confronting them when they are in close range of the continent. Moreover, the fact that we simply cannot ignore crises in our unstable near neighbourhood does not alter the argument. Indeed, most of the new capabilities being developed will actually enhance our ability to respond to future scenarios of the types encountered in recent years in East Timor, the Solomon Islands and Aceh. And developments such as the induction of the *Armidale*-class patrol boats into service, new and upcoming surveillance assets and the establishment of the Joint Offshore Protection Command, all suggest that our ability to enforce our maritime jurisdiction will improve.

It is important, however, that the emerging expeditionary force structure be balanced and certain skill sets be maintained or enhanced. Regional submarine proliferation, for example, requires that our anti-submarine warfare (ASW) capabilities are continually improved, especially for but not limited to, the littoral operating environment. This will mean, *inter alia*, planning for eventual replacements for the *Collins*-class submarines and the ASW capabilities of the AP-3C maritime patrol aircraft. One hole in the force structure that realistically cannot be filled in the near term is sea-based organic combat air power, which means we will need to be able to deploy land-based combat aircraft to other countries, as we did in the Iraq War, and ensure that our forces are as interoperable as possible with our allies and possible coalition partners. Although the addition of a small number of STOVL F-35s for operation from the LHDs might be feasible, such a development would need to be weighed against the opportunity costs of perhaps not being able to deploy a large enough Army force by sea. In the medium to longer term, new options may open up, such as smallish sea-based unmanned combat aerial vehicles – but that is speculative.

The replacement of our long-range strike capability also needs further thought. Unfortunately, the debate over the F-111 replacement has been dominated by, if not necessarily the Air Force, then certainly air power enthusiasts. However, Australia will not replace the F-111 with a like aircraft simply because a like aircraft is not available. Whilst the F-35 armed with the joint air-to-surface standoff missile (JASSM) will provide a significant part of the replacement capability, it will not be sufficient given the range limitations of the aircraft and the limited number of tanking aircraft available. Indeed, the ability of the tanker aircraft to operate far from our shores in a high-threat environment may be dubious. One option worth serious consideration is to buy the latest generation of Tomahawk land-attack cruise missiles for the new SEA 4000 destroyers – as the Spanish and Norwegians are doing to equip their new classes of destroyers. The Tomahawk has been designed to operate with the Aegis combat system and from the standard U.S. Mk.41 vertical launch system (VLS), both of which will equip the SEA 4000 destroyers. Moreover, the beauty of this option is the inherent reach, forward presence, sustainability and deterrent effect that large surface combatants can provide. This would add a highly flexible component to our strike capabilities, capable of being deployed and sustained throughout the wider region, and globally if necessary. That option leads to the logical conclusion that the final design chosen for SEA 4000 should be as large as can possibly be afforded in order to squeeze in as many VLS cells as possible, thus maximizing both the platform's total potential combat power and the flexibility of its potential missile fit-out.

Finally, it needs to be reiterated that, whilst Australia currently has a sound force structure with which to carry out constabulary operations at sea, the demands on that force structure is likely to increase. In particular, the looming requirement for high seas fisheries enforcement in the Western and Central Pacific may require new deployment solutions, such as the semi-permanent forward basing of RAN patrol boats in the South Pacific.