



## **Submission No 4**

### **Inquiry into Australia's Defence Relations with the United States**

**Name:** Dr Rod Lyon & Ms Lesley Seebeck

**Address:** University of Queensland  
ST LUCIA QLD 4072

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*Inquiry into Australia's Defence Relations with the United States*

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**Submitted by:**

- **Dr Rod Lyon, Lecturer in International Relations, University of Queensland**
- **Ms Lesley Seebeck, PhD candidate, School of Information Technology and Electrical Engineering, University of Queensland\***

**Key judgments**

- the bilateral defence relationship between Australia and United States is fundamentally sound, and it should remain central to Australian security policy
- still, the relationship faces transformational challenges, in relation to both strategic principles and military developments
  - strategic principles are changing in relation to both the overall shape of the global security environment (US dominance and unipolarity) and the increasing importance of 'weak actor' threats (because of globalisation and the diffusion of technology)
  - the military capabilities of advanced powers are being transformed by network centric warfare, requiring the close, real-time intermeshing of allied forces
- as a direct consequence of those transformational changes, the future of the relationship will be characterized by a much higher operational tempo than was normal during Cold War years
- intelligence exchange will remain a critical part of the relationship
  - but the exchange will become even more contentious, as intelligence collection agencies in both countries struggle to overcome the poor signal-to-noise ratio generated by weak-actor threats
- exercises must evolve to nurture capacities to deal with new weak actor threats
  - the ADF, like its American counterpart, is currently focused too heavily on achieving military success in large-scale interstate warfare
- Australians should expect to see much closer levels of common procurement with the United States, and a much earlier pattern of cooperation on future weapon systems at the Research and Development stage
  - purchasing 'orphan' systems, or attempting relentlessly to 'Australianize' all equipment will not be a route to achievement of Australia's fundamental strategic objectives.

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\* The views represented here are the personal views of the authors. They do not purport to represent the views of the University of Queensland.

## AUSTRALIA'S DEFENCE RELATIONS WITH THE UNITED STATES

### **Introduction**

Australia's defence relations with the United States are currently in excellent shape. Historically, the relationship has always been close. And the trend of recent years has been towards even closer patterns of cooperation. Almost since the Australian-led intervention in East Timor in 1999, we have seen the bilateral defence ties develop a cadence and rhythm that bode well for the future. The relationship has been tested and found useful in a variety of scenarios. And it has been enriched by new levels of collaboration and interoperability, including the deployment of Australian military officers in US command structures, and US communicators with Australian forces. Further, policymakers in Canberra and Washington openly acknowledge the importance of the relationship: Richard Armitage, for example, has spoken of the current ties — and of Australia's role on a global stage — in fulsome terms.

### **Strategic transformation**

But those overall judgments conceal key issues within the relationship. Australians tend to underestimate the extent to which the relationship is changing. The changes are deep and profound: transformational in the true sense of the word. The bulk of Australia's 'strategic experience' over the last fifty years has been founded upon ideas that threats can be contained and deterred. That experience permitted Western strategies during the Cold War to be reactive and defensive, and this was even more the case in the Asia-Pacific region than it was in Europe. At the core of Western strategy was a set of principles concerning the use of force, and those principles said military forces were useful principally through their deterrence qualities rather than through their actual use.

In such a strategy it was comparatively easy to tie together alliance structures within which threat perceptions and nationalist intensities varied widely: so it was possible for Australia, in which nationalism tends to be social and constitutional (as Michael Evans has argued), to work smoothly with the United States, in which nationalism tends to be ideological and moralistic. But the strategy of the Cold War is now outdated. US grand strategy is no longer based upon a belief that all important threats can be contained and deterred. It is now interventionist and proactive; ideas about the use of force are no longer centred around principles of non-use.

Western alliances are now important to Washington because they can provide the sorts of advanced, competent well-equipped troops that are capable of undertaking robust actions in challenging military environments. So alliances have been 'operationalised' to a much greater degree than they ever were in the Cold War, and we might reasonably expect this change to be a durable one. Alliances that cannot successfully reinvent themselves as 'operational' alliances will die: Washington will have no time for summer soldiers, nor for those allies 'all dressed up with nowhere to go'.

But the reach of this strategic transformation seems underappreciated in Australia. The emergence of such strategic doctrines during a condition of global unipolarity has excited suspicion that the driver of those doctrines is actually America's desire for hegemony. Consequently, no consensus exists within Australia about this country's strategic position in a world of unipolarity. Similarly, no consensus exists within Australia about the relative threat priorities that we must counter, and whether our security environment has been fundamentally transformed by the events of 11 September 2001. And no consensus exists on the meaning and durability of traditional strategic doctrines, nor on the possible implementation of new ones.

### **Military transformation**

Intersecting that transformation of security environment and strategic doctrine is a transformation in Western military capabilities. That transformation arises because of the emergence of network-centric warfare, sometimes called simply 'netwar'. This form of warfare focuses on the multiplier effects of networked military systems. It is as useful to Osama bin Laden as it is to advanced Western states, although bin Laden has different forces at his disposal from which to build networks. His networks, like ours, are global in reach, making geography a less important determinant of strategy than it has been in the past.

In its Western manifestation, netwar means that military force will increasingly only be able to be wielded with 'networked' support: that a 'tank' will no longer be effective principally because of its armour and shells, but because of its real-time linkages to reconnaissance and targeting systems and to other weapon systems across the force structure. That, in turn, means the devaluation of orphan weapon systems and, to a lesser extent, of orphan platforms. In the past, some Australian governments have been inclined to see the ADF as a mechanism that liberates us from policies of dependency on great and powerful friends. The growth of network-centric warfare does not favour that line of argument. Rather, it emphasizes the extent to which Australian interests can only fully be secured by patterns of interdependency. And it suggests that procurement policies for the ADF will have to be pursued with that new limitation in mind.

### **Whither Australia's 'strategic trajectory'?**

In large part, the future of the bilateral defence relationship will depend upon its ability to satisfy Australia's interests. Those interests do not stop at our coastline. Australia is a stakeholder in both the global and regional order. The defence relationship with the United States provides us with opportunities to further a wide spectrum of our interests. Australia's engagement at the global level is often marginal. But it is not irrelevant, as some critics would have us believe. Throughout history, Australian governments have judged that the judicious application of Australian military capabilities to conflicts far from home is meaningful and beneficial. In the league of global power, Australia currently stands comparatively tall: it has a strong economy, a capable ADF, and the political will to undertake interventionist engagements in pursuit of better outcomes, both locally (East Timor and Solomon Islands), and globally (Afghanistan and Iraq).

Australian interests intersect American interests at many levels, the more so in an increasingly globalised world. It is trite to imagine that Australia can live in the sort of world it most wants without close cooperation with the US. This pattern of cooperation serves Australian interests in many different ways: by fostering stability at the fulcra of key global balances; by enhancing a similar stability in key regional balances; and by leveraging the development and deployment of a highly-capable ADF able to make positive contributions to Australia's own continental security.

### **Costs and Benefits**

The defence relationship comes with a set of costs. The relationship requires a commitment by successive Australian governments to maintain a high degree of interoperability between Australian and American forces. And it requires a force structure suited to 'acting in concert' to meet common dangers, whilst also providing Australia with options to act 'self-reliantly' when it chooses to do so. Further, operational security engagements entail risks, and it would be fatuous to pretend that they don't. There are risks for the ADF personnel involved, and risks for Australians both at home and overseas. Those are costs Australians must be prepared to bear if they wish to be a stakeholder in the global order.

Overall, it is important to remember that the bilateral defence relationship is just a mechanism, and not an end in itself. It does not prevent us from using other mechanisms better suited to other issues: trading, institution-building, norm-creating, economic, legal, and soft-power mechanisms. Still, the bilateral defence relationship is important to us: it provides us with a set of benefits that we could probably not otherwise attain at any price.

### **Outlook**

In the face of those deep challenges, should we be optimistic or pessimistic about the future of the Australian-US defence relationship? On the positive side a range of factors suggest a more intimate relationship. Broadly, a growth of interdependence via procurement, technology and increasing globalisation, suggests that a closer defence relationship may be emerging. On the negative side, some slippage in bipartisan support within Australia for the US defence connection is already apparent. Alliances are like icebergs: their durability depends on a strong layer of 'hidden support'.

#### **A. The applicability of the ANZUS Treaty to Australia's defence and security**

The treaty is over 50 years old. It has shown remarkable adaptability. Its durability is testimony to its ability to contribute to the satisfaction of Australian interests in a wide variety of scenarios.

ANZUS is persistently criticized for not being more than it is:

- for not being an 'unambiguous guarantee' of US assistance (often argued by the same people who want to dilute Australian obligations under the Treaty)

- for not leading automatically to better trade outcomes for Australia
- for not giving Canberra a greater role in determining US foreign policy
- and supposedly for complicating Australia's 'Asian engagement'.

All of these are ridiculous claims.

The 'test' of the alliance is whether we are more secure with it or without it, not whether we can derive a Free Trade Agreement from it. Washington would not be receptive to the idea that security treaties are merely mechanisms for economic pay-offs. The expected 'pay-offs' from security cooperation must be seen in terms of improved security, else why cooperate? Most Australians would not be receptive to ideas that increased access to American markets should be garnered from the shedding of their soldiers' blood.

In each generation of its existence, ANZUS has been what we have made it: a reassurance against a resurgent Japan, a bulwark against communism, or a hedge against the uncertainties of a post-Cold War world. A key hurdle for the alliance now is, as we have argued above, whether it can address the transformational challenges that confront it. Current evidence suggests that the ANZUS alliance is much better placed than some other Western alliances (e.g. NATO) to survive the transition to the post-September 11 security environment. But this is still a work in process.

#### **B. The value of U.S.-Australian intelligence sharing**

There are few places in the world where discussion of the world's problems is frank and where analysts draw upon similar databases. The special virtue of the intelligence exchange between Washington and Canberra is its intimacy and its quality. Sharing involves exchange of an irreplaceable line of material. Australia does not enjoy an endless range of potential intelligence partners willing to exchange such large quantities of raw and processed intelligence material. Even in the current relationship, Canberra must bring coin to the table, and not be merely an intelligence 'taker'. Sometimes that coin can take the form of high quality assessment; at other times it takes the form of special sources or intimate understanding of particular intelligence targets.

The intelligence exchange has suffered a range of explicit and implicit criticisms in recent months over the issue of WMD stockpiles in Iraq. But it is unlikely that intelligence controversies will wither anytime soon in the new strategic era. For one thing, policy-makers are not going to abandon intelligence product, and intelligence itself is still the best guide available to the proactive and interventionist use of force. What makes current intelligence collection difficult is the changing nature of threats: 'weak actors' represent hard targets for collection agencies. The signal-to-noise ratio is poor in relation to such targets, and the threats are no longer neatly geographically bounded. So it would be reasonable to expect arguments over intelligence — and what it means — to become something of a regular *motif* in Western polities.

Central to those controversies must be an understanding of what intelligence can and cannot do. Intelligence doesn't represent a perfect picture of the world. Intelligence

analysts do not live their lives one week, month or year ahead of everybody else. They are not possessed of perfect foresight. But having access to the large quantities of intelligence that the US is willing to share with us is much better than not doing so.

### **C. The role and engagement of the U.S. in the Asia-Pacific region**

Washington remains closely engaged in the region, but shows signs of wanting to 'reposition' itself for a new strategic era. Its priority remains the North East Asian region, where the region's great powers reside, and the critical flashpoints are to be found. It would not make sense for Washington to think its priorities lay elsewhere. Within Northeast Asia, profound changes are afoot. The regional order of the great powers is shifting, as China moves to a more prominent position of regional influence and Japan takes on the mantle of a 'normal' power. Even on the Korean peninsula, the future of the North Korean regime now looks more uncertain than it ever has. Reunification may be a lot closer than we anticipate: the record of Westerners in forecasting collapse is not strong.

Despite this continuing prioritization of Northeast Asia, Southeast Asia exercises new capacity for engagement of Washington's interests. That especially so because of the War on Terror, and the need for the United States to forge alliances with moderate Muslim countries in the hope of offsetting extremist Islamic movements. Australia sometimes claims special consideration in Washington from its interest and engagement in the Southeast Asian region. We do have a level of special expertise there. But Australia's own interests range far more widely, and our own approach to the region should be broad.

### **D. The adaptability and interoperability of Australia's force structure and capability for coalition operations**

Australia's ADF faces a severe test in coming years. The United States is moving rapidly towards a form of warfare that few (perhaps no) other countries on the planet will be able to emulate. At the core of that form of warfare is an emphasis on networking and the exchange of real-time intelligence. The ADF will have to be able to blend seamlessly with that force structure if it wishes to be a serious alliance partner for Washington. And, by contrast, Washington will always find it easier to cooperate with allies whose forces achieve such a level of interoperability.

### **E. The implications of Australia's dialogue with the U.S. on missile defence**

Closer cooperation is a good thing: its greatest advantage is that it enhances Australian security by diluting the value of ballistic missiles in the hands of rogue states. But missile defence is one of those issues where it may not be possible to nurture bipartisanship across the Australian body politic, in part because the idea of missile defence carries considerable 'baggage' from the Cold War era.

For some decades, missile defence has been a topic that has divided good strategic analysts. If anything, the gap seems to be diminishing in favour of a limited deployment of such defences. Indeed, consensus about the virtues of a limited capacity is probably actually outrunning the technical capacity to provide such a system, which will emerge only slowly over the next couple of decades. Missile defence should not be expected to engender large financial costs for Australia over the next decade: the program is still in its infancy, and Australia would not be purchasing hardware until a more effective and proven capability has evolved.

#### **F. The development of space-based systems and the impact this will have for Australia's self-reliance**

Space-based command and control systems will be important to networked warfare. And Australia will control few of its own systems. Still, will this make much difference in practice to what happens now? True, network-centric warfare is grinding down the ability of advanced Western nations to develop independent forces and use them autonomously. But it would be wrong to assign blame for the slippage in Australia's policies of self-reliance solely to space-based systems: such systems are merely 'cogs' in a network, and it is the broader network that is the central cause of the slippage.

In one sense, of course, the greater prominence of space-based systems will have no impact on the Australian policy of self-reliance, since that policy has only ever required one standard: that Australia not rely on the combat forces of other nations for its own continental defence. The policy has never required us to have our own space-based support systems. Still, it would be fair to note that the 'narrowness' of Australia's definition of self-reliance might be exposed a little more frequently in coming years.

#### **G. The value of joint Defence exercises between Australia and the US, such as Exercise RIMPAC**

Exercises are fundamental to military competence. Indeed, one US analyst (Stephen Biddle) has argued persuasively that Western militaries should still place a higher premium on good training than on having access to the latest weapons technology. His point is essentially that modern conventional battlefields have become much more complex, and that flaws upon those battlefields are now severely punished.

RIMPAC develops a certain sort of competency within the ADF, and as Frederick Kagan recently noted in his article 'War and Aftermath' (Policy Review), it is a competency for which modern Western armies are renowned, the ability to achieve rapid military success on the modern interstate battlefield. Australia wants to retain that competency. Still, Australian military leaders would be advised to re-examine the issue of the sorts of exercises in which Australia is currently engaged.

It is not clear that the current bilateral exercise pattern develops the sort of training skills that the ADF will most frequently need. The future of warfare looks more like current conflict in Fallujah, and not really like the 'Big Fight' for which Western forces often



train. Opportunities should be explored to maximize the range of joint training between the two countries, including training in the difficult areas of urban operations and 'stabilization' missions.

#### **H. The level of Australian industry involvement in the US defence industry**

This has to be an area of increasing cooperation. For Australia to continue to build and operate orphan systems, like the Collins class submarines, will no longer be possible. So Australian defence industry — already clogged with multiple small companies bringing multiple fixed cost structures into contract pricing — will be winnowed by a Darwinian process whereby those best adapted to interacting with their US counterparts will survive and others won't.

An indication of the likely future direction of major platform development is provided by the JSF project. That project, thus far, has been characterized by lean manufacturing technologies, networked development and burden-sharing, and a multi-user paradigm—each US service will receive a slightly modified version of the same aircraft. Burden-sharing with allies helps lower the unit-cost to the US, but also buys in a network of allies with similar capability. Those allies receive an advanced capability they could not otherwise hope for, interoperability with the US, and R&D and technical opportunities for their own economies. The latter needs to be seen as an opportunity not merely for that companies benefiting from involvement, but as seedbeds for sustaining the technical skill-base for such advanced capabilities.

#### **I. The adequacy of research and development arrangements between the U.S. and Australia**

R&D linkages are growing rapidly between Australia and the United States. It will be increasingly important for Australia to become involved in the early stages of weapons design and development, because fewer options will exist to 'Australianize' particular weapons systems after they come off the production line. Indeed, we need to question the value of Australianization in the new environment. If the focus of concern and capability is interoperability and small wars, and geography is declining in importance as a determinant of strategy, then surely such customization is less important than ensuring adaptability, flexibility and 'fit'.

A second reason for increasing involvement is that within the US system agencies such as DARPA are looked upon to lend direction to the military transformation. By way of example, contrast DARPA's primary mission 'to foster advanced technologies and systems that create "revolutionary" advantages for the US military' with DSTO's role 'to ensure the expert, impartial and innovative application of science and technology to the defence of Australia and its national interests'. While there isn't a direct correlation between DARPA and DSTO, suffice it to say we have little or no effort dedicated towards such transforming research and integrating it into capability.

Like other aspects of the alliance, R&D is not a one-way street. Australia is recognized for having niche areas in which it does, and is seen to do, rather well: JORN, and data integration are two examples. As well, we can do as well, if not more, for less—consider systems integration used to support commanders in East Timor, as well as, outside the military arena, Hyshot. The difficulties faced in the relationship are those faced by Australian researchers more generally—distance, a lack of critical mass and networks, and limited infrastructure and funding. But for all that, researchers in DSTO and their associates are well served by the nature of the linkages that currently exist.

### **Policy Recommendations**

The terms of reference for this inquiry are wide. We have attempted to focus analysis and judgment according to those terms of reference. We would offer the following policy recommendations:

1. In an era of strategic transformation, it will be critical for Australia to remain at the forefront of strategic comprehension, analysis and assessment. We would recommend the commissioning of a new Defence White Paper, principally to reassess the pace, direction and consequences of the transformation in strategic doctrine that is already under way.
2. We might need to assess whether the ANZUS alliance would benefit from a greater degree of institutionalization. While we would be reluctant to burden the alliance with a cumbersome committee structure, 'operational' alliances require greater efforts at coordination and interoperability.
3. Globalisation and technology are forcing greater interdependence into the Australian-United States defence relationship. Australian civilian and military defence personnel should be encouraged to explore options for enhancing such interdependence.
4. Senior intelligence officials should also be encouraged to discuss means of improving joint intelligence collection against weak actor threats.
5. Australian officials should examine options to widen the scope of current bilateral exercises, to enhance ADF capacities in particular areas, including urban combat.