

The Security Environment of the Seas in East Asia: the Strategic Position of Australia

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(Draft paper for International Conference on “The Security Environment of the Seas in East Asia” convened by the Ocean Policy Research Foundation of Japan, Singapore 28-29 February 2012)

Australia’s Geo-Strategic Environment

Australia has a major stake in the security environment of the seas in East Asia. Most of Australia’s overseas trade passes through these waters on its way to or from our main trading partners in East Asia. This trade will increase significantly in the years ahead as new oil and gas fields off the West coast of Australia and new coal and other mineral mines in Queensland come into production. Australia is locked into the Asian region by virtue of geography. Unlike other Western countries in Europe and North America, Australia is unable to distance itself geographically from adverse developments in the East Asian seas. If Australia gets things wrong in the region, it does not have the luxury of being able to walk away from its mistakes.

Australia is a major maritime country with a keen interest in the management of regional oceans and seas, particularly the seas of Southeast Asia. It is the only country comprising a continent surrounded by water. Australia has one of the largest areas of maritime jurisdiction in the world. Within the Indo-Pacific region, Australia’s area of maritime jurisdiction of 8.51 million square kilometres (mill.sq.km) might be compared with that of Indonesia (6.16 mill.sq.km), Japan (3.09 mill.sq.km), India (2.30 mill.sq.km), the Philippines (1.89 mill.sq.km) and China (1.36 mill.sq.km).

This area of maritime jurisdiction and the resources within it are vitally important to the nation’s future prosperity and security, but managing this area is a major national challenge. Furthermore, the maritime environment around Australia, particularly the East Asian seas, is becoming more complex and contentious. Over the past decade, there have been increased differences

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between Indo-Pacific nations on maritime issues, such as the disputes between China and Southeast Asian nations in the South China Sea; the disputes between China and Japan over the Senkaku Islands in the East China Sea; North Korea's sinking of the South Korean warship *Cheonan* in May 2010; and the differences of view between the United States and major Asian nations over freedoms of navigation.

The 21st Century represents a decided shift “from Mackinder to Mahan” with a noticeable focus in strategic thinking, particularly in China, on a maritime strategy rather than a continental one. Said another way, perhaps the most profound difference between the 20th and 21st centuries is this: Europe is a landscape, the Indo-Pacific region is a seascape. The nexus of world power is shifting dramatically to this region. As the only country-continent fronting both the Indian and Pacific Oceans, Australia is a critically important player in this region with a clear responsibility to promote maritime cooperation in all its dimensions.

Australia's future largely depends on how it *acts* as a maritime power and protects its diverse maritime interests, including its seaborne trade and offshore resources and territories. Nowhere is this remit more clearly articulated than in Australia's most recent Defence White Paper, *Defending Australia in the Asia Pacific Century: Force 2030*.¹ As Jack McCaffrie and Chris Rahman pointed out in the *U.S. Naval War College Review*, during the past decade Australia has shifted from fielding a defence force with a continental focus to building one that is predominantly maritime.² While, clearly, Australia's maritime challenges surely not all defence related, the military component is an important one, and a careful reading of *Defending Australia in the Asia Pacific Century: Force 2030* lays out how Australia has made this shift to a maritime focus more clearly than any other recent policy statements.

2009 Australian Defence White Paper

The Defence White Paper released by the Australian Government in May 2009 identified Australia's most important strategic interest as the security, stability and cohesion of the immediate neighbourhood comprising Indonesia, Papua New Guinea, East Timor, New Zealand and the South Pacific island states.³ It identified also an enduring strategic interest in the stability of the

¹ Australian Government, *Defending Australia in the Asia-Pacific Century: Force 2030*, Defence White Paper, Canberra: Department of Defence, 2009.

² Jack McCaffrie and Chris Rahman, “Australia's 2009 Defense White Paper: A Maritime Force for Uncertain Times,” *U.S. Naval War College Review*, Winter 2010, pp. 73-74.

³ Australian Government, *Defending Australia in the Asia-Pacific century*, para 5.7, p. 42.

wider Asia-Pacific region, stretching from North Asia to the Eastern Indian Ocean, in particular, it saw a deep Australian stake in the security of Southeast Asia.⁴ A key component of Australia's military strategy is shaping the regional strategic environment in order to minimise threats to Australian and regional interests.⁵ Australia's defence policy continues to be founded on the principle of self-reliance in the direct defence of Australia and our unique strategic interests.⁶

As the title of the paper, *Defending Australia in the Asia Pacific Century: Force 2030*, suggested, the White Paper looked out to the year 2030. It saw the world then as possibly a more uncertain place. Nevertheless, it was not quite as hawkish on the issue of China's military expansion as was anticipated. Rather than focussing on China, the paper painted a broader picture of regional uncertainty with a relative decline of U.S. regional influence and the possibility of confrontation in the longer term between the emerging great powers of the region – China, India and Russia.⁷ It believed that it would be premature to judge that war among states, including the major powers, had been eliminated as a feature of the international system.⁸

The White Paper assessed that the Indian Ocean will have greater strategic significance in the period to 2030, including as a possible area for conflict between major regional powers.⁹ In noting that shows of force by rising powers could become more common as their military capabilities expand, the document could have been considering India as a rising power as much as China.

The fundamental obligation of the Australian Defence Force (ADF) is to deter and defeat attacks on Australia.¹⁰ As Australia is an island continent with a sea-air gap between it and its neighbours, meeting this obligation requires a fundamentally maritime strategy.¹¹ In support of this strategy, the White Paper outlined plans for a major build-up in Australia's naval capabilities. Of the three Australian military services, the Navy emerged the winner with plans to double the size of the submarine force, and to acquire a new large strategic sea-lift ship, new frigates, long range land attack cruise missiles, and a new

⁴ Ibid., para 5.12, p.42

⁵ Sea Power Centre – Australia, "RAN International Engagement", *Sermaphore*, Issue 4, March 2008, p. 1.

⁶ Australian Department of Defence, *Annual Report, 2010-2011*, p. 53.

⁷ Australian Government, *Defending Australia in the Asia-Pacific Century*, para. 4.9, p. 33

⁸ Ibid., para 2.17, p. 22.

⁹ Ibid., para 4.43, p. 37

¹⁰ Ibid., para 8.6, p. 58.

¹¹ Ibid., para 8.7, p. 59.

class of offshore patrol combatants, in addition to existing commitments to acquire three air warfare destroyers and two large air-capable amphibious ships. The building of these latter vessels is now well advanced but the submarine programme remains the subject of much debate, including the possibility of acquiring nuclear submarines.

While the Navy receives the biggest share of the cake, there was something for all three services in the White Paper. The Air Force is to receive additional Joint Strike Fighters and new maritime surveillance aircraft. The government's commitment to expand the Army is maintained, along with the projected acquisition of new battle-field helicopters and deployable fighting vehicles.

Australia's Regional Military Engagement

The 2009 Defence White Paper noted that central to Australia's strategic posture is its network of alliances, its bilateral and multilateral defence relationships and the growing range of multilateral security forums and arrangements in the region.¹² The alliance with the United States is Australia's most important defence relationship. It gives Australia significant access to American materiel, intelligence, research and development, communications systems, and skills and expertise that substantially strengthen the ADF.¹³ This relationship underpins virtually all Australia's defence policies and day-to-day activities.

The Five Power Defence Arrangements (FPDA) is Australia's major alliance in the region. The FPDA remain important to Australia as an accepted entry point into the defence and security environment of Southeast Asia. As the 2009 Australian Defence White Paper observed, "we have a deep stake in the security of Southeast Asia" "strategically our neighbours in Southeast Asia sit astride our northern approaches through which any hostile forces would have to come in order to substantially project force against Australia".¹⁴ In attending the seventh FPDA Defence Ministers' Meeting in Kuala Lumpur in June 2009, Australia's Minister for Defence reiterated Australia's strong commitment to the FPDA.¹⁵

Despite occasional criticism that the FPDA has lost its relevance, the arrangements still offer benefits to the participants but in different ways. They

¹² Ibid., para 11.1, p. 93

¹³ Ibid., para 11.5, p. 93

¹⁴ Ibid., para. 5.12, pp. 42-43.

¹⁵ The Hon. Joel Fitzgibbon, Minister for Defence, "Minister for Defence attends Foreign Defence Ministers Meeting in Malaysia", *Media Release 102/2009*, 1 June 2009.

provide a potentially useful operational security link into Southeast Asia for Australia, New Zealand and the United Kingdom. They retain some deterrent value for Singapore. They remain a comfortable cooperative agreement between generally like-minded nations that share a common doctrinal and cultural background in the British armed forces. The defence forces of these nations are able to come together to exercise and develop their tactical doctrine and share practical experiences in an environment that is mainly non-threatening.

Australia's regional military engagement occurs at three broad levels: strategic, operational and tactical. At a strategic level, Defence to Defence talks occur regularly with many regional countries, including China, India, Japan, South Korea and most Southeast Asian countries, particularly Indonesia, Malaysia and Singapore. The Lombok Treaty on Security Cooperation, ratified in 2008, is the key element in a framework of bilateral defence agreements with Indonesia.¹⁶ Australia participates actively in a range of regional defence and security forums, including the Western Pacific Naval Symposium (WPNS), which Australia was instrumental in establishing, and the Indian Ocean Naval Symposium (IONS).

At an operational level, Australia is regularly involved in a large number of international exercises in the Asia-Pacific region. These include¹⁷:

- RIMPAC. The RAN and RAAF regularly participate in the RIMPAC series of exercises conducted by the United States off Hawaii bi-annually. As well as Australia, other regional countries, including Japan, South Korea, Malaysia and Singapore have also participated in recent RIMPACs.
- TALISMAN SABRE. This is a major joint exercise held every two years off the Northern Territory and Queensland coasts involving Australian and US forces. It is aimed at exercising high level war-fighting skills and is the largest exercise in which the ADF regularly participates.
- BERSAMA PADU/LIMA and SUMAN WARRIOR. These are all exercises conducted under the auspices of the FPDA. BERSAMA LIMA or BERSAMA PADU are joint and combined multi-threat exercise that were originally aimed at defending peninsula Malaysia and Singapore but have evolved to include defence against a range of

¹⁶ Australian Government, *Defending Australia in the Asia-Pacific century*, para 11.22, p. 97.

¹⁷ Based on Sea Power Centre – Australia, “RAN International Engagement”.

maritime threats, including piracy and the protection of shipping. SUMAN WARRIOR are land force exercises.

- KAKADU. The Kakadu naval exercises conducted by Australia off Darwin every two or three years bring together naval and air forces of regional countries. The last Kakadu exercise was held in August-September 2010 with the participation of ships and aircraft from Australia, Japan, Singapore and Thailand.¹⁸ Malaysian naval officers also participated as members of the exercise control staff.

A range of interactions at the tactical level occur between the ADF and regional military forces, including through Australia's leading role in the Integrated Area Defence System (IADS) under the FPDA and regular lower scale passage exercises between RAN ships and regional naval vessels. Australia also has exchange personnel in the Malaysian and Singaporean armed forces and a liaison officer at the Information Fusion Centre at the Changi Naval Base in Singapore.

Is China a Threat to Australia?

Throughout its history, Australia has relied for its security on overseas partnerships first on British primacy in Asia and then on American. The economic and strategic rise of China, including the Chinese military build-up, profoundly change the regional security environment and challenge regional countries, including Australia, with how to respond to these changes. It is a particularly daunting challenge for Australia that American primacy in East Asia may not be sustainable.

Opposing Views

Opinion is divided in Australia as to the extent that China should be seen as a threat to Australia. At one extreme, we have Ross Babbage from the Kokoda Foundation and at the other, Hugh White, along with other eminent strategic thinkers associated with the Strategic and Defence Studies Centre (SDSC) at the Australian National University in Canberra.

Babbage's basic argument is that China's development of military forces and assertive strategic and operational behaviour pose serious challenges to United

¹⁸ "Exercise Kakadu 2010 draws to a close", *Defence News*, 3 September 2010, <http://www.defence.gov.au/defencenews/articles/0903/0903.htm>

States and allied forces in the Western Pacific.¹⁹ He believes that there is insufficient appreciation in Australia of “China’s clever asymmetric strategy that is carefully designed to exploit American and broader allied vulnerabilities”.²⁰

Babbage argues that the intent of Australia and its close allies “should be to offset and balance the PLA’s more threatening force developments and operations, deter adventurism and work to restore adventurism and work to restore regional confidence.”²¹ He goes on to postulate an active involvement for Australian forces in the Air-Sea Battle concept being adopted by the United States in the Western Pacific, including advanced cyber and information warfare capabilities, advanced underwater combat capabilities with the possible acquisition of at least 12 nuclear attack submarines, and the basing of significant US combat capabilities in Australia.²²

White and his colleagues have a less reactive approach. In a major essay, he argues that the rise of China is inevitable and that Australia has no choice but to come to terms with Chinese hegemony and encourage the United States and other allies and friends to do the same.²³ He believes that it would be in everyone’s best interests for the United States “to relinquish primacy in Asia, but remain engaged as a member of a collective leadership, staying in Asia to balance, not to dominate.”²⁴

White sees the current United States position of reinforcing its presence in East Asia and seeking to enlist friends and allies to help preserve the US-led order as “a policy of containment, notwithstanding American denials”.²⁵ While a policy of containment may have worked against the Soviet Union, it will not work against China which is in an infinitely stronger economic and strategic position than the Soviet Union ever was.

Paul Dibb and Geoffrey Barker from the SDSC have gone further than White. They have strongly attacked the Babbage approach as verging on hysteria and

¹⁹ Babbage’s main work on this issue is: Ross Babbage, “Australia’s Strategic Edge in 2030”, *Kokoda Papers*, No. 13, February 2011.

²⁰ Ross Babbage, “Our Defence Capabilities in need of a Reality Check”, *The Australian*, 20 July 2011, p. 14.

²¹ Babbage, “Australia’s Strategic Edge”, p. iv.

²² *Ibid.*, pp. 90-91 and 104-105.

²³ White’s main work on this issue is: Hugh White, “Power Shift – Australia’s Future between Washington and Beijing”, *Quarterly Essay*, Issue 39, 2010,

²⁴ Hugh White, “Our role in Asia’s superpower shuffle”, *The Australian*, 4 September 2010.

²⁵ Hugh White, “ANZUS at 60 not too old to adjust as Asian realities change”, *The Weekend Australian*, 29-30 October 2011, Special Defence Report, p. 3.,

“at once contradictory and radical: it is panicky, even extremist”.²⁶ They believe the Babbage approach is contradictory because his proposals are “a recipe for confrontation with China”, while he is also arguing that the United States and its allies should not seek to confront China. They question whether the Australian defence budget could sustain the level of spending that the Babbage approach would require and counsel a cooler response to China’s military expansion while maintaining the strength of the alliance with the United States.

The Australian Government Position

Australian foreign policy is much more ambivalent about the rise of China and possible threat to Australia than the two polar views just discussed. Among all the countries of the Indo-Pacific, Australia has one of the largest stakes in “hedging its bets” between the United States and China. The United States is Australia’s major and long-standing strategic partner while China is our major trading partner – one-quarter of all Australian exports now go to China.

Australia recognises that China is central to the development of a cooperative security community in the Asia-Pacific region,²⁷ and is sensitive to any Australian involvement in activities that appear to be isolating or containing China. During a visit to China in April 2011, Australia’s Prime Minister Julia Gillard flatly rejected any notion that the United States and its allies should seek to contain China.²⁸ She called for closer defence ties between Canberra and Beijing, saying that China’s naval vessels are welcome in Australia and that she wanted to promote “step-by-step collaboration and links between Australian and Chinese military officials.”²⁹

The bilateral Defence Strategic Dialogue between Australia and China was upgraded in 2008 to talks at the Secretary of Defence and Chief of Defence Force level.³⁰ At a practical level, Australia seeks to pursue joint military activities with China, including educational and professional exchanges. For example, Exercise Co-operation Spirit between the ADF and the Chinese military was held in November – December 2011. The disaster relief exercise

²⁶ Geoffrey Barker and Paul Dibb, “Is China a military threat to Australia? The Babbage fallacies”, *East Asia Forum*, 21 February 2011.

²⁷ Australian Government, *Defending Australia in the Asia-Pacific century*, para 11.15, p. 95.

²⁸ Matthew Franklin, “Julia Gillard rejects need to contain China”, *The Australian*, 27 April 2011,

²⁹ Matthew Franklin, “Julia Gillard calls for closer defence ties with Beijing”, *The Australian*, 28 April 2011.

³⁰ Australian Government, *Defending Australia in the Asia-Pacific century*, para 11.16, p. 96.

took place in Sichuan, and involved emergency rescue teams locating and evacuating “casualties” in a fictitious earthquake-ravaged country.³¹

Tensions between the United States and China, particularly in the maritime domain, threaten regional stability and constitute a major obstacle to good order at sea in the Indo-Pacific. As Hugh White pointed out, “The drift in antagonism is already underway” between the United States and China, and this is in no one’s best interests.”³²

The United States has long been Australia’s major strategic partner and that was recently confirmed by the recent announcement of an increased American military presence in Australia. On the other hand, China is Australia’s major trading partner. Australia is challenged to keep the American and Chinese “balls in the air” without either bouncing. There is also the reality of geography. China is locked into the region, but the staying power of the United States is open to question. There are grounds to question whether the current policy from Washington is overly ambitious in its ability to deliver its substantially increased strategic investment in the Asian region.³³ In the worst case scenario of conflict between China and the United States, Australia cannot up anchor and sail across to the Californian coast.

Given the duality of Australia’s strategic and economic interests, it could play a key role in helping to bridge the gap between the United States and China. Foreign Minister Rudd in a recent speech in New York said that Australia must play a key power-broker role to ensure strategic competition between China and the United States does not lead to war.³⁴ Australia could make greater use of the soft power of its great skills and capabilities in marine environmental and resource management, either separately or in conjunction with the United States, to help introduce concepts of functional management of marine areas in the region to which Part IX of UNCLOS applies, including the South China Sea and the Bay of Bengal. More problematically, but just as importantly, Australia could help bridge the gap that exists between the United States and regional countries on law of the sea issues.

³¹ Australian Department of Defence, “Joint Australia – China Disaster Relief Exercise ends”, *Media Release*, 9 December 2011,

<http://www.defence.gov.au/defencenews/stories/2011/dec/1209b.htm>

³² Hugh White, “Power Shift – Australia’s Future between Washington and Beijing”, *Quarterly Essay*, Issue 39, 2010, especially pp. 44-47.

³³ Stephan Richter, “At Asia’s table but not head of it”, *The Straits Times*, 9 November 2011, p. A31.

³⁴ Brendan Nicholson, “We must bridge China-US ties”, *The Weekend Australian*, 14-15 January 2012, p. 2.

US Military Presence in Australia

The strategic alliance between Australia and the United States is long-standing and the most enduring of any that the United States has in the Western Pacific and Indian Ocean. The Alliance was recently reinforced by the announcement by President Obama and Prime Minister Gillard in November 2011 of an increased American military presence in Australia. This is likely to involve the following:

- US Marines to be based on a rotating basis in Robertson Barracks near Darwin.
- USN use of the HMAS Stirling naval base south of Perth.
- American access to naval facilities at HMAS Coonawarra base near Darwin.
- US access to additional testing sites in Australia.
- Rotation of some US troops through the Australian military base in Townsville, North Queensland.³⁵

The increased United States military presence in Australia is a strong practical demonstration that this alliance is as strong as ever. There are strategic benefits for both parties. For the US, its military presence increases its strategic footprint in the Indian Ocean and Southeast Asia. It would place American assets at further range from China in the event of conflict between China and the United States with the inevitable exchange of missiles that such a conflict would bring.³⁶

This military presence is another demonstration that the United States has a long-term strategic commitment to East Asia and the Indian Ocean. The US marines in Darwin will have access to training facilities not available elsewhere in the Western Pacific. Key front-line fighting units of the Australian Army are based at Robertson Barracks, including the 1st Brigade, the 1st Armoured Regiment with its Abram tanks, and the 1st Aviation Regiment with Tiger armed reconnaissance helicopters. Extensive training areas outside of Darwin provide unique opportunities for joint exercises involving American and Australian land forces.

Australia gains strategic benefit from the increased US military presence at a time when there is increased concern in Canberra about stability both in the

³⁵ Jonathan Perlman, "US boosts Pacific reach via Australia", *The Straits Times*, 12 November 2011, p. A8.

³⁶ Brendan Nicholson, "Planners make the case for US bases", *The Weekend Australian*, 25-26 June, 2011, Inquirer p. 2.

Indian Ocean and East Asia. The close links evident between Australian and US force postures will help buttress US presence in the Indian Ocean, as well as in the Western Pacific. The announcement of the increased US military presence in Australia, particularly in the western part of the continent, is in line with Canberra's plans to increase its own military presence along the West coast and in the Indian Ocean.

Last Thoughts

Measures to encourage China's positive international engagement and to reduce the risk of confrontation between China and the United States and other major regional powers are the cornerstone of Australia's strategic position in the East Asian seas. Without some deterioration in current regional strategic circumstances, the Australian defence budget is unlikely to see the increased spending required to support a hawkish response to the rise of China along the lines suggested by Ross Babbage.

There is no Cold War between China and the US. They are not yet strategic competitors in the same way as the Soviet Union and the US were. The bottom line is that both Beijing and Washington should avoid strategies that invite a "tit for tat" response from the other side. Increased dialogue between American and Chinese military officials would help avoid that outcome.

Apparent efforts to contain the military rise of China only add to the security dilemma of both China and other regional countries. Public advocacy of concepts such as the Air-Sea Battle provide excellent justification for military planners in Beijing to seek increased military spending across the board. China will continue to grow, and given the current budgetary outlook in the United States and elsewhere, attempts by the United States including with the support of its allies could well become unsustainable. The only ones to benefit from such an approach will be the arms manufacturers.