

AUKUS, the Defence Strategic Review and Australia's quest for deterrence

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This is the first of a four-part UTS:ACRI Analysis series that examines an inter-linked set of questions for Australian defence and strategic policy stemming from the Defence Strategic Review (DSR) released in April 2023. The series begins by providing an assessment of the consistency between the stated concept of deterrence at the heart of the DSR, and the capability acquisitions (including the AUKUS nuclear-powered submarines) that are flagged to implement that strategy. It asks whether both the strategy and capabilities are in fact fit for their stated purpose. Part 2 then turns to the broader question of how the defence concept and capabilities detailed in the DSR are aligned with that of Australia's alliance partner, the United States. Part 3 provides an examination of how well tailored Australian strategy and capabilities are to meet the challenge from China's current strategic posture and military capabilities. Part 4 concludes the series with a discussion of how Australia may overcome the political, strategic and capability obstacles the preceding analysis has identified.

Key takeaways

- Australia's 'China choice' has been made. The September 2021 trilateral AUKUS agreement and the April 2023 Defence Strategic Review (DSR) have demonstrated that rather than accept declining American power and accommodate itself to growing People's Republic of China (PRC) power and influence, Australia will actively seek to bolster American power in the Indo-Pacific.
- Given the shifting relativities of power between the US and the PRC, Australia has committed to restructure its defence and strategic policy around the objective of deterrence as a means of ensuring Australian national security and contributing to 'collective security' in the Indo-Pacific.
- The DSR, however, provides an incomplete guide to how Australia will achieve these goals as it fails to adequately answer the what, where and how of deterrence. In particular, there is a misalignment between the current and future capabilities of the Australian Defence Force, and the strategy of 'deterrence by denial' recommended for their use.

Introduction

For successive Australian governments over the past two decades, how to manage the impact of a powerful and assertive People's Republic of China (PRC) on both Australian and regional security has been perhaps *the* defining national security question.

For much of this period, Canberra embraced an approach that sought to reap the benefits of deepening economic and trade linkages with the PRC, while simultaneously hedging against the downside risks of the growth in PRC power by deepening the alliance with the US and encouraging its continued enmeshment in the security and economic institutions of the Indo-Pacific.¹ Here, American power – and Australia's alliance with it – amounted to an insurance policy should the PRC translate its growing economic heft into military and strategic power to undermine regional security.

This was perhaps best exemplified by Prime Minister John Howard's (1996–2007) stewardship of the simultaneous deepening of Sino-Australian and US-Australia relations. The core operating assumption of Howard's approach was that so long as the PRC accepted continued US presence in Asia, Australia would not have to choose between its chief security partner (Washington) and its chief economic partner (Beijing).² This approach has, however, been of declining utility since the late 2000s as crises of American power induced by the global financial crisis, military misadventure in the Middle East, and fracturing domestic political consensus have combined with growing PRC power and assertiveness to undermine faith in the assumption of continued American primacy in Asia.³

These shifting structural conditions have served to heighten Australian sensitivity to what has often been an enduring concern informing its defence and strategic policy since at least the Second World War: that direct threats to national security can spring from shifts in the balance of power beyond its immediate region.⁴ This sensitivity has been expressed in the consistent identification in defence and strategic policy since 2007 of the need to build up Australia's long-range maritime strike and intelligence collection capabilities as a means of contributing to regional security and as a hedge against both US relative decline and future PRC assertion.⁵

Since 2016, however, this sensitivity has been expressed in increasingly febrile ways. Indeed, such has been the temper of the times that leading political figures, public servants and journalists have regularly invoked the 'drums of war' to warn the Australian public that the country has entered, in the words of former prime

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- 1 Michael Clarke, 'China in Australia's strategic policy, 2007–2021: The diminishing returns of hedging in an era of great power competition?', in Chien-wen Kuo and Brian Job (eds.), *The Strategic Options of Middle Powers in the Asia-Pacific* (London: Routledge, 2022), pp. 171–194.
 - 2 See Shannon Tow, 'Diplomacy in an asymmetric alliance: Reconciling Sino-Australian relations with ANZUS, 1971–2007', *International Relations of the Asia-Pacific*, 12 (2012), pp. 89–93; John Lee, 'Foundations for modern approaches to the China security question', *Working Paper No. 405* (Canberra: Strategic and Defence Studies Centre, 2007) <https://www.files.ethz.ch/isn/35393/wp_sdsc_405.pdf>; and Roy McDowall, 'The strategic depiction of China in Howard government policy from 1996–2006', *Security Challenges*, 5 (1) (2009), pp. 85–102.
 - 3 On Iraq see Michael J. Mazzar, *Leap of Faith: Hubris, Negligence, and America's Greatest Foreign Policy Tragedy* (New York: Public Affairs Press, 2019); for the Obama and Trump years see Michael Clarke, *American Grand Strategy and National Security: The Dilemmas of Primacy and Decline from the Founders to Trump* (Cham, Switzerland: Palgrave, 2021), chapters 11 and 12; and for the fracturing of US domestic political consensus on foreign policy see Emma Ashford, 'Strategies of restraint: Remaking America's broken foreign policy', *Foreign Affairs* (September/October 2021) <<https://www.foreignaffairs.com/articles/usa/2021-08-24/strategies-restraint>>; Benjamin Tze Ern Ho, 'A finely fractured consensus: American motivations for rules-based order', *Washington Quarterly*, 45 (4) (2022), pp. 61–76; and Dina Smeltz, 'Are we drowning at the water's edge? Foreign policy polarization among the US public', *International Politics*, 59 (2022), pp. 786–801.
 - 4 See Michael Clarke and Matthew Sussex, *China, Australia's national security choices and great power competition in the Indo-Pacific*, Australia-China Relations Institute, University of Technology Sydney, August 8 2022, pp. 1–62 <<https://www.uts.edu.au/acri/research-and-opinion/research-reports/china-australias-national-security-choices-and-great-power-competition-indo-pacific>>.
 - 5 These themes run through, for instance, the 2009, 2013 and 2016 Defence White Papers. See Merriden Varrall, 'Australia's response to China in the Pacific: From alert to alarmed', in Graeme Smith and Terrence Wesley-Smith (eds.), *The China Alternative: Changing Regional Order in the Pacific Islands* (Canberra: ANU Press, 2021), pp. 108–110; Benjamin Schreer, 'Business as usual? The 2013 Defence White Paper and the US alliance', *Security Challenges*, 9 (1) (2013), pp. 35–42; and Iain Henry, 'The 2016 Defence White Paper's assessment of Australia's strategic environment', *Security Challenges*, 12 (1) (2016), pp. 31–40.

minister Scott Morrison, a period of geopolitical turbulence analogous to the ‘existential threat we faced when the global and regional order collapsed in the 1930s and 1940s’.⁶

Such ‘war talk’ has been stimulated by multiple developments in Sino–Australian bilateral relations that have strengthened the view that the PRC under Xi Jinping’s leadership is a revisionist power bent on reshaping regional and global order in its favour.⁷ Over the course of the Turnbull (2015–2018) and Morrison (2018–2022) governments, in particular, Sino–Australian relations were punctuated by developments – such as exposure of cyberattacks on Australian government agencies,⁸ controversies regarding the links of a number of Australian politicians to PRC state or state-linked entities and individuals⁹ and attempted economic coercion¹⁰ – that appeared to demonstrate the growing risks to Australian national security that would flow from a region dominated by Beijing.

Australia’s ‘China choice’ and the return of deterrence

A major part of Canberra’s response to the shifting structural dynamics in the region, and to the souring of bilateral Sino–Australian relations, has been to return deterrence as an objective to the forefront of Australian defence and strategic policy.

The Morrison government’s 2020 Defence Strategic Update (DSU) enunciated the reasoning for this when it asserted that as the Indo–Pacific was increasingly characterised by great power competition, ‘accelerating military modernisation’, utilisation of ‘grey zone’ activities and ‘emerging and disruptive technologies’, Australia could ‘no longer rely on a timely warning ahead of conflict occurring’ as in the past.¹¹ Although the document noted that ‘only the nuclear and conventional capabilities of the US can offer effective deterrence against the possibility of nuclear threats against Australia’, it was nonetheless ‘essential’ given the ‘nature of current and future threats’ that Australia ‘grow its self-reliant ability to deliver deterrent effects’.¹² The DSU thus identified investment in long-range precision guided munitions (including hypersonic missiles), unmanned systems and intelligence platforms as key to achieving ‘more potent capabilities to hold adversary forces and infrastructure at risk further from Australia’.¹³

6 See, e.g., Scott Morrison, Address - Launch of the 2020 Defence Strategic Update, July 1 2020 <<https://pmtranscripts.pmc.gov.au/release/transcript-42881>>; Andrew Greene, ‘Home Affairs Secretary Mike Pezzullo warns ‘drums of war’ are beating in a message to staff’, *ABC News*, April 26 2021 <<https://www.abc.net.au/news/2021-04-26/mike-pezzullo-home-affairs-war-defence-force/100096418>>; Daniel Hurst, ‘Mistakes of the 1930s’: Peter Dutton ramps up China rhetoric as Keating calls him a ‘dangerous personality’, *The Guardian*, November 21 2021 <<https://www.theguardian.com/australia-news/2021/nov/26/mistakes-of-the-1930s-peter-dutton-ramps-up-china-rhetoric-as-keating-calls-him-a-dangerous-personality>>; and Peter Hartcher and Matthew Knott, ‘Australia faces the threat of war within 3 years – and we are not ready’, *Sydney Morning Herald*, March 7 2023 <<https://www.smh.com.au/politics/federal/australia-faces-the-threat-of-war-with-china-within-three-years-and-we-re-not-ready-20230221-p5cmag.html>>.

7 For a discussion on the concept of ‘revisionist’ states in international relations scholarship and its application to China see Michael Clarke, ‘What type of revisionist is China (and why does it matter)?’, *Australian Journal of Defence and Strategic Studies*, 3 (2) (2021), pp. 147–174.

8 See, e.g., Colin Packham, ‘China responsible for Parliament House hacking, Australian intelligence agencies believe’, *Canberra Times*, September 16 2019 <<https://www.canberratimes.com.au/story/6387361/china-was-behind-australia-hack-sources/>>; and Daniel Hurst, ‘Australia joins allies in accusing China of ‘malicious cyber activities’’, *The Guardian*, July 20 2021 <<https://www.theguardian.com/world/2021/jul/19/australia-joins-allies-in-accusing-china-of-malicious-cyber-activities>>.

9 Tom Rabe and Kate McClymont, ‘\$100,000 cash in an Aldi plastic bag delivered to ALP Sydney headquarters, ICAC hears’, *Sydney Morning Herald*, August 27 2019 <<https://www.smh.com.au/national/nsw/100-000-cash-in-an-aldi-plastic-bag-delivered-to-aldp-sydney-headquarters-icac-hears-20190826-p52kyy.html>>; Michelle Grattan, ‘Asking questions about Gladys Liu is not racist’, *The Conversation*, September 12 2019 <<https://theconversation.com/grattan-on-friday-asking-questions-about-gladys-liu-is-not-racist-123445>>.

10 Kath Sullivan, ‘China’s list of sanctions and tariffs on Australian trade is growing. Here’s what has been hit so far’, *ABC News*, December 17 2020 <<https://www.abc.net.au/news/2020-12-17/australian-trade-tension-sanctions-china-growing-commodities/12984218>>.

11 Australian Government Department of Defence, *Defence Strategic Update 2020*, pp. 11–14 <<https://www.defence.gov.au/about/strategic-planning/2020-defence-strategic-update>>, quotation from para 1.13.

12 *Ibid*, at para 2.22, p. 27.

13 *Ibid*, at para 3.3, p. 33. With respect to capabilities, the Defence Strategic Update noted, for instance, that ‘Australia requires a technologically advanced strike and air combat capability which must be capable of defeating threats as far from Australia or its deployed forces as possible’. See *Ibid*, at para 3.17, p. 38. Author’s emphasis.

The conclusion of the trilateral Australia, United Kingdom and United States (AUKUS) security agreement in September 2021 – comprised of three core ‘pillars’ of tripartite cooperation on Australian acquisition of nuclear-powered, conventionally-armed submarines (SSNs); ‘advanced capabilities’ such as cyber, artificial intelligence, quantum technologies; and ‘long-range strike’ capabilities – further embedded deterrence as the cornerstone of defence and strategic policy. The three pillars of AUKUS, according to one analyst, demonstrated that the agreement would provide immediate and longer-term contributions to the Australian Defence Force’s (ADF) capacity to deliver ‘deterrent effects’ as Pillars 2 and 3 (advanced capabilities and long-range strike) were ‘designed to shift the military balance over the 2020s and through the 2030s’, while Pillar 1 (SSNs) would add ‘further deterrent power after that’.¹⁴

More broadly, however, the AUKUS agreement demonstrated that the much-debated ‘China choice’¹⁵ had been definitively decided in favour of the US. Rather than accept declining American power and accommodate itself to growing PRC power and influence, Australia through AUKUS had effectively chosen to actively bolster American power in the region.¹⁶ Put simply, as the University of Sydney’s United States Studies Centre analyst Ashley Townshend argued, the agreement represented ‘an acceleration of Australia’s push to assume a larger and more active geostrategic role in upholding a favourable balance of power in the Indo-Pacific’ by enhancing its own ‘advanced military and defence industrial capabilities’ and by “supporting the strongest possible US security presence in our region, including through longstanding efforts to deepen high-end military integration between Australia and the US’.¹⁷

Australia’s ‘China choice’ has thus been *for* a balance of power world. Significantly, balance-of-power systems are ultimately not geared towards avoiding war. Rather, they are geared towards avoiding hegemony, if necessary at the price of war.¹⁸ That Australia would make such a choice is not surprising given that American hegemony has provided Australia with an extraordinarily amenable regional status quo since 1945.

National security is, if anything, an endeavour that requires acceptance of risk. In the case of AUKUS, and the trajectory for Australian defence and strategic policy that it implied, Canberra has accepted the risk that deterrence might fail, leading the balance of power to slide into conflict. Indeed, in the case of AUKUS, as American political scientist Van Jackson has noted, Australia’s ‘strategic wager’ – the equation of ‘if you do X, you expect Y to occur because of Z’ – had shifted to something like: ‘If we invest in SSNs and long-range strike (X), the result will be no Chinese aggression in Australia’s immediate region (Y) because (Z)’.¹⁹ Despite the high stakes of Australia’s new strategic wager, the core question of *how* the capabilities envisaged under the DSU and AUKUS would be operationalised nonetheless remained underspecified for the remainder of the Morrison government’s time in office.²⁰

The Defence Strategic Review and unanswered deterrence questions

The answer to this pivotal question would not come until the Albanese government’s Defence Strategic Review (DSR), the publically released version of which was made available in April 2023. Deputy Prime Minister

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- 14 Michael Shoebridge, ‘What is AUKUS and what is it not?’, *ASPI Strategic Insight*, no. 166, Australian Strategic Policy Institute, December 8 2021, p. 3 <<https://www.aspi.org.au/report/what-aukus-and-what-it-not>>.
 - 15 Hugh White, *The China Choice: Why America Should Share Power* (Melbourne: Black Inc, 2013).
 - 16 See Ye Xue, ‘Balancing against China with confidence: Australia’s foreign policy toward China in 2020–22’, *Asia Policy* 30 (1) (2023), pp. 115–141; and Jingdong Yuan, ‘Australia-US alliance since the pivot: Consolidation and hedging in response to China’s rise’, in Tsuneo Akaha, Jingdong Yuan, and Wei Liang (eds.), *Trump’s America and International Relations in the Indo-Pacific: Theoretical Analysis of Changes and Continuities* (Cham: Springer, 2021), pp. 77–98.
 - 17 Ashley Townshend, ‘Far from breaking with the past, AUKUS advances Australia’s commitment to collective defence’, *The Strategist*, Australian Strategic Policy Institute, September 24 2021 <<https://www.aspistrategist.org.au/far-from-breaking-with-the-past-aukus-advances-australias-commitment-to-collective-defence/>>.
 - 18 Hans Morgenthau, *Politics among Nations: The Struggle for Power and Peace* (New York: Alfred Knopf, 1969), pp. 161–63.
 - 19 Van Jackson, ‘The risks of Australia’s solo deterrence wager’, *War on the Rocks*, July 20 2020 <<https://warontherocks.com/2020/07/the-risks-of-australias-solo-deterrence-wager/>>.
 - 20 See, e.g., Michael Clarke, ‘The AUKUS nuclear submarine deal: Unanswered questions for Australia’, *The Diplomat*, September 22 2021 <<https://thediplomat.com/2021/09/the-aukus-nuclear-submarine-deal-unanswered-questions-for-australia/>>; Hugh White, ‘SSN v SSK’, *The Interpreter*, Lowy Institute, September 29 2021 <<https://www.loyyinstitute.org/the-interpreter/ssn-vs-ssk>>; and Jogn Bruni and Pat Tyrell, ‘AUKUS: A tale of politics, strategy, and submarines’, *Australian Outlook*, Australian Institute of International Affairs, August 4 2022 <<https://www.internationalaffairs.org.au/australianoutlook/aukus-a-tale-of-politics-strategy-submarines/>>.

and Defence Minister Richard Marles framed the document as paradigm-shifting, proclaiming on the eve of its release that it would constitute the ‘cornerstone of future Australian strategic thought’.²¹ In some ways this was correct. The DSR, for instance, was blunt in its assessment that the ADF was not currently positioned to meet the challenges of an uncertain and dangerous regional security environment. Its emphasis, too, on transforming the ADF from a ‘balanced’ force to a mobile, maritime littoral force constituted a fundamental shift in Australian defence strategy.²²

Yet, given the centrality of deterrence as an organising concept for the renovation of Australian strategic and defence policy, the document’s lack of clarity around the what, where and how of deterrence – *where* are the core geographical region or regions in which the ADF has to deter potential adversaries in order to maintain Australian security and protect Australian interests; *what* capabilities will the ADF use to deter potential adversaries with; and *how* are actions of potential adversaries to be deterred? –) was surprising.

Measured against these three questions, the DSR exhibits a tension between geographical focus, current and flagged ADF capabilities, and the stated strategy of deterrence that will animate those capabilities. The outcome is a disjuncture between ADF capabilities and the explicit deterrence strategy identified in the DSR.

The DSR identifies five core interlinked tasks for the ADF: it must have the capacity to: (1) ‘defend Australia and our immediate region’; (2) ‘deter through denial any adversary’s attempt to project power against Australia through our northern approaches’; (3) ‘protect Australia’s economic connection to our region and the world’; (4) ‘contribute with our partners to the collective security of the Indo-Pacific’; and (5) ‘contribute with our partners to the maintenance of the global rules-based order’.²³

The mission the document sets for the ADF is one that combines a classic Defence of Australia (DoA)²⁴ focus on deterring potential adversaries’ abilities to project power into our immediate region (points 1 and 2) with elements (points 3, 4, and 5) reminiscent of the era of ‘forward defence’ during the first two decades of the Cold War, which rested on the assumption that the prospects for Australian security would be determined at the global level.²⁵ The era of ‘forward defence’, as military expert Graeme Cheeseman noted, presented Australia as ‘the southern support base for allied operations in the Asia-Pacific area’, shaped the ADF ‘to operate as an adjunct to much larger allied armies’, and resulted in force structure planning that emphasised ‘interoperability with allied forces’.²⁶ Significantly, each of these themes have been evident in the 2020 DSU and in the DSR.

In this sense, then, the DSR’s attempt to position the ADF to simultaneously respond to both local and regional threats/challenges represents an evolution rather than revolution in the trajectory of defence and strategic policy. It builds on the approach first embedded in the final years of the Howard government whereby the classic DoA focus was supplemented by a greater emphasis on security and defence cooperation and coordination with allies and partners beyond Australia’s immediate region.²⁷

21 James Curran, ‘Australia must be able to defend itself at a distance’, *The Australian Financial Review*, April 24 2023 <<https://www.afr.com/politics/federal/australia-must-be-able-to-defend-itself-at-a-distance-20230424-p5d2xk>>.

22 Amy Remeikis, ‘Australia’s defence force is expected to get its biggest overhaul in decades. Here’s what we know so far’, *The Guardian*, April 24 2023 <<https://www.theguardian.com/australia-news/2023/apr/24/australias-defence-force-is-expected-to-get-its-biggest-overhaul-in-decades-heres-what-we-know-so-far>>.

23 Australian Government Department of Defence, *National Defence: Defence Strategic Review*, 2023, p. 6 <<https://www.defence.gov.au/about/reviews-inquiries/defence-strategic-review>>.

24 For discussion of the strategic rationale of the Defence of Australia approach see Hugh White, ‘Four Decades of the Defence of Australia: Reflections on Australian Defence Policy over the Past 40 Years’, in Ron Huiskens and Meredith Thatcher (eds.), *History as Policy: Framing the Debate on the Future of Australia’s Defence Policy* (Canberra: ANU Press, 2007), pp. 163-184; and Stephan Fruhling, ‘Australian defence policy and the concept of self-reliance’, *Australian Journal of International Affairs*, 68 (5) (2014), pp. 531-547.

25 Peter Edwards, ‘From Korea to Vietnam: Australian strategic policy after the Korean War’, in John Blaxland, Michael Kelly and Liam Brewin Higgins (eds.), *In from the Cold: Reflections on Australia’s Korean War* (Canberra: ANU Press, 2019), p. 283.

26 Graeme Cheeseman, ‘From forward defence to self-reliance: Changes and continuities in Australian defence policy, 1965–90’, *Australian Journal of Political Science*, 26 (3) (1991), p. 430.

27 See, e.g., Hugh White, ‘Beyond the Defence of Australia’, *Lowy Institute Papers*, no. 16, Lowy Institute, December 7 2006 <<https://www.lowyinstitute.org/publications/beyond-defence-australia>>.

However, the problematic nature of this dual deterrence mission of the ADF (deterrence of adversaries projecting military power into our immediate region *and* contributing to regional deterrence missions) becomes apparent when one considers the overall strategy of deterrence that is to animate the use of these capabilities.

The DSR recommends that the ADF adopt a strategy of deterrence by denial. A strategy of denial, it notes, 'is a defensive approach designed to stop an adversary from succeeding in its goal to coerce states through force, or the threatened use of force, to achieve dominance'.²⁸ Developing such a capacity, it continues, is 'key in our ability to deny an adversary freedom of action to militarily coerce Australia and to operate against Australia without being held at risk'.²⁹ To do so the ADF 'must focus' on acquisition of anti-access/area denial (A2AD) capabilities. The former capabilities (anti-access) 'are usually *long-range* and designed to detect an adversary and *prevent an advancing adversary from entering* an operational area', while the latter (area denial) are "shorter-range and designed to limit an adversary's freedom of action *within a defined operational area*"³⁰ (author's emphasis).

The majority of capability investments and acquisitions that have been flagged and/or announced between the 2020 DSU and the release of the DSR – such as the Precision Strike Missile (PrSM, range 500km)³¹, Army Tactical Missile System (ATACMs, range 300km) for high-mobility artillery rocket system (HIMARS)³², Long Range Anti-Ship Missile (LRASM)³³, naval strike missile (NSM, range approximately 185km)³⁴ and Joint Air-to-Surface Standoff Missile-ER (JASSM-ER) cruise missile (range approximately 1000km)³⁵ – appear at first blush to be aligned with the area denial requirements of the deterrence by denial task envisaged by the DSR.

On further inspection, however, there remain some unanswered questions here.

The DSR explicitly states that while at present there is 'only a remote possibility of any power contemplating an invasion of our continent', the 'proliferation of long-range precision strike weapons has radically reduced Australia's geographic benefits, the comfort of distance and our qualitative regional capability edge'.³⁶ If an invasion of Australia is a remote possibility, are substantial investments in land-based systems such as PrSM (range 500km) and ATACMs (range 300km) for HIMARS warranted? If, however, the greater risk is increased vulnerability to the 'long-range precision strike' capabilities of potential adversaries (e.g. the PRC), how will capabilities such as the anti-ship JASSM-ER (range 1000km) – to be deployed by the Royal Australian Air Force's F/A-18F Super Hornets – or the naval strike missile – an anti-ship attack cruise missile to be deployed by the Royal Australian Navy (RAN) ANZAC Class Frigates and Hobart Class Destroyers – mitigate that risk? Given the range constraints of these two weapons systems, the Super Hornets or RAN frigates would have to be operating far beyond Australia's immediate environment to deliver 'deterrent effects'.

These systems (JASSM-ER and NSM), by contrast, are well suited to an area denial mission. Area denial – as the DSR states – is about limiting 'an adversary's freedom of action within a *defined operational area*'³⁷ (author's emphasis). A clear case can be made for the utility of these systems in hardening Australia's

28 Australian Government Department of Defence, *National Defence: Defence Strategic Review, 2023*, p. 49 <<https://www.defence.gov.au/about/reviews-inquiries/defence-strategic-review>>.

29 *Ibid.*

30 *Ibid.*

31 Charbel Kadib, 'Australia, US to collaborate for precision missile project', *Defence Connect*, August 12 2021 <<https://www.defenceconnect.com.au/strike-air-combat/8564-australia-us-to-collaborate-for-precision-missile-project>>.

32 Nigel Pittaway, 'Army chooses HIMARS', *Australian Defence Magazine*, May 27 2022 <<https://www.australiandefence.com.au/defence/land/army-selects-himars>>.

33 'Australia confirms A\$800m long range anti-ship missile acquisition', *Defence Brief*, July 1 2020 <<https://defbrief.com/2020/07/01/australia-confirms-a800m-long-range-anti-ship-missile-acquisition/>>.

34 'Kongsberg signs contract with Australia for naval strike missiles (NSM)', *Naval News*, January 3 2023 <<https://www.navalnews.com/naval-news/2023/01/kongsberg-signs-contract-with-australia-for-naval-strike-missiles-nsm/>>; and 'Naval Strike Missile (NSM)', *Naval Technology*, July 14 2023 <<https://www.naval-technology.com/projects/naval-strike-missile-nsm/>>.

35 Robin Hughes, 'Australia approved for JASSM-ER package', *Janes*, July 25 2022 <<https://www.janes.com/defence-news/news-detail/australia-approved-for-jassm-er-package>>.

36 Australian Government Department of Defence, *National Defence: Defence Strategic Review, 2023*, p. 25 <<https://www.defence.gov.au/about/reviews-inquiries/defence-strategic-review>>.

37 *Ibid.*, at p. 49.

northern maritime approaches. But this addresses only the first two (to ‘defend Australia and our immediate region’ and ‘deter through denial any adversary’s attempt to project power against Australia through our northern approaches’) of the five-part deterrence mission the DSR has set the ADF.

The SSNs envisaged under AUKUS, in turn, due to their ability to stay at sea for extended periods and their advanced anti-detection capabilities, could be seen as contributing to the ADF’s ability to achieve the broader objectives of protecting Australia’s ‘economic connection to our region and the world’, contributing ‘to the collective security of the Indo-Pacific’ and ‘the maintenance of the global rules-based order’.³⁸ Richard Marles has stated this explicitly, noting that SSN capability will allow Australia to contribute to “the maintenance of the rules-based order” and “would give any adversary pause for thought about disrupting the trading routes to Australia and the way in which we connect to the world”.³⁹

But the strategy of deterrence recommended in the DSR – deterrence by denial – appears to be misaligned with this particular capability.

This is due to two interrelated factors. First, the question of how SSNs directly contribute to a strategy of denial is under-specified. The DSR simply notes that such an acquisition is ‘key to effecting a strategy of denial and in the provision of anti-submarine warfare and long-range strike options’.⁴⁰ A strategy of denial, as the DSR states, is about denying an ‘adversary freedom of action to militarily coerce Australia and to operate against Australia without being held at risk’.⁴¹ This begs the question as to what types of actions, and in which geographical contexts, we envisage SSNs as playing such a deterrence function?

Second, given the operational benefits of SSNs (extended stays at sea and anti-detection capabilities), they appear more suited to a strategy of deterrence by punishment rather than denial. Punishment, in contrast to denial, works by cost imposition, i.e. convincing an adversary that any military action will be met by retaliation severe enough to outweigh the benefits it may hope to achieve from the action.⁴² Such a strategy is implied in Richard Marles’ assertion that an SSN capability ‘will increase Australia’s freedom to operate around our region, putting doubt in our enemies’ minds about where their assets are at risk’.⁴³

Yet is this a deterrence mission Australia should be adopting?

Deterrence by punishment is a risky proposition as its focus is ‘not the direct defence of the contested commitment’ – for instance Australia’s northern approaches – but ‘rather threats of *wider* punishment that would raise the cost of an attack’.⁴⁴ It is thus an inherently escalatory deterrence posture to adopt. With respect to its application to the PRC, for example, in the most likely theatres in which conflict is conceivable – e.g. South China Sea or the Taiwan Strait – both geographic proximity and PRC anti-access/area denial capabilities⁴⁵ means that for a punishment strategy to be credible, Australia would have to have the will and capability to strike the PRC mainland ‘in order to destroy its military power and ensure that it pays enough cost to forego further aggression’.⁴⁶

³⁸ *Ibid*, at p. 6.

³⁹ Quoted in Anthony Galloway, ‘New submarines will deter blockades that cut us off from the world: Marles’, *Sydney Morning Herald*, March 19 2023 <<https://www.smh.com.au/politics/federal/new-submarines-will-deter-blockades-that-cut-us-off-from-the-world-marles-20230316-p5css4.html>>.

⁴⁰ Australian Government Department of Defence, *National Defence: Defence Strategic Review*, 2023, p. 56 <<https://www.defence.gov.au/about/reviews-inquiries/defence-strategic-review>>.

⁴¹ *Ibid*, p. 49.

⁴² See Thomas Schelling, ‘The strategy of inflicting costs’, in Roland McKean (ed.), *Issues in Defense Economics* (Washington DC: National Bureau of Economic Research, 1967), pp. 105-127.

⁴³ Quoted in Justin Bassi and Alex Bristow, ‘AUKUS subs defend our sovereignty’, *The Australian Financial Review*, March 9 2023 <<https://www.afr.com/policy/foreign-affairs/aukus-subs-defend-our-sovereignty-20230220-p5cltt>>.

⁴⁴ Michael Mazzar, ‘Understanding deterrence’, *RAND Perspectives*, 2018 <https://www.rand.org/content/dam/rand/pubs/perspectives/PE200/PE295/RAND_PE295.pdf>.

⁴⁵ For Chinese A2/AD capabilities see James Johnson, ‘Washington’s perceptions and misperceptions of Beijing’s anti-access area-denial (A2-AD) ‘strategy’: Implications for military escalation control and strategic stability’, *The Pacific Review*, 30 (3) (2017), pp. 271-288; ‘China naval modernization: Implications for US navy capabilities—background and issues for Congress’, *Congressional Research Service*, November 10 2022 <<https://crsreports.congress.gov/product/pdf/RL/RL33153/263>>.

⁴⁶ Michael Petersen, ‘The perils of conventional deterrence by punishment’, *War on the Rocks*, November 11 2016 <<https://warontherocks.com/2016/11/the-perils-of-conventional-deterrence-by-punishment/>>.

Given the considerable mismatch in capabilities, this would seem to be neither an achievable nor prudent posture for Australia to adopt. Ultimately, as Van Jackson argues, we must ask whether there are ‘any scenarios in which holding the PRC mainland at risk of *conventional strike* with submarines actually puts fear into the People’s Liberation Army sufficient to deter it from some unwanted action?’ (author’s emphasis).⁴⁷ If there is no plausible answer to this question, what, then, is the deterrence function of the SSNs envisaged under AUKUS?

Conclusion: Toward making sense of the DSR

There is therefore a lack of clarity and specificity regarding how the capabilities committed to under the Morrison and Albanese governments will achieve the deterrence missions set out in the DSR. This is concerning as the potential misalignment of capabilities and strategy detailed above runs the risks of scuppering one of the supporting planks of Australia’s ‘China choice’, i.e. developing the capabilities and strategy to bolster American power in the Indo-Pacific.

We should recall in this context, however, a few important ways in which the echoes of the ‘forward defence’ era of Australian defence policy have been expressed in current policy. The first of these is the DSR’s rhetorical commitment to building an ADF that is capable of contributing to the “collective security of the Indo-Pacific” and ‘the maintenance of the global rules-based order’. The second, and perhaps more important, expression of this is how the Morrison and Albanese governments have committed to, and emphasised, Australia’s role as a support base for US operations and force rotations, and underscored the necessity of making the ADF ‘interoperable’ with the US military along with the need for ‘defence industrial integration’.⁴⁸

Each of these elements suggests greater integration of Australian defence strategy and capabilities with that of the US. Leaving to one side debates as to whether the Morrison and Albanese governments have or have not diminished sovereign control over the ADF in future conflicts through these steps⁴⁹, there remains the fundamental question as to how the capabilities Australia has now committed to contribute to ‘collective security’ in the Indo-Pacific. Much depends on how the DSR, and the capabilities and strategy enunciated therein, fits (or does not) with the evolving strategy of the US.

This is the question to which Part 2 of this UTS:ACRI Analysis series will turn.

47 Van Jackson, ‘What is integrated deterrence? A gap between US and Australian strategic thought’, *Australian Journal of Defence and Strategic Studies*, 4 (2) (2022), p. 271.

48 See, e.g., ‘Joint Statement Australia-US Ministerial Consultations (AUSMIN)’, September 16 2021 <<https://www.dfat.gov.au/geo/united-states-of-america/ausmin/joint-statement-australia-us-ministerial-consultations-ausmin-2021>>; Tom Corben, ‘Marles’s focus for the US–Australia alliance: Integrate, integrate, integrate’, *The Strategist*, Australian Strategic Policy Institute, July 21 2022 <<https://www.aspistrategist.org.au/marless-focus-for-the-us-australia-alliance-integrate-integrate-integrate/>> and David Hardaker, ‘“Interchangeable”: Richard Marles in lockstep with the US Navy’s holy grail of integrated forces’, *Crikey*, April 21 2023 <<https://www.crikey.com.au/2023/04/21/richard-marles-us-navy-aukus-integrated-forces/>>.

49 For a sample of views on this question see, e.g., Peter K. Lee, ‘Fears AUKUS will undermine Australia’s defence sovereignty are misplaced’, *The Conversation*, March 29 2023 <<https://theconversation.com/fears-aukus-will-undermine-australias-defence-sovereignty-are-misplaced-202607>>; Justin Bassi and Alex Bristow, ‘AUKUS subs defend our sovereignty’, *The Australian Financial Review*, March 9 2023 <<https://www.afr.com/policy/foreign-affairs/aukus-subs-defend-our-sovereignty-20230220-p5cltt>>; Rebecca Strating, ‘Those worried about Australia’s sovereign capability under AUKUS miss the point. That ship has sailed’, *The Guardian*, March 15 2023 <<https://www.theguardian.com/commentisfree/2023/mar/15/those-worried-about-australias-sovereignty-under-aukus-miss-the-point-that-ship-has-sailed>>; Katherine Murphy and Daniel Hurst, ‘Malcolm Turnbull says Labor has failed to answer if AUKUS deal compromises Australian sovereignty’, *The Guardian*, February 2 2023 <<https://www.theguardian.com/world/2023/feb/02/malcolm-turnbull-says-labor-has-failed-to-answer-if-aukus-deal-compromises-australian-sovereignty>>; and James Curran, ‘AUKUS is setting up Australia to be a US auxiliary in war over Taiwan’, *The Australian Financial Review*, March 12 2023 <<https://www.afr.com/policy/foreign-affairs/aukus-is-setting-up-australia-to-be-a-us-auxiliary-in-war-over-taiwan-20230312-p5crfk>>.

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