Submission to the consultation process on
Australia’s 2015 Defence White Paper
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This submission is made as part of the consultation process in respect of the 2015 Defence White Paper. It focuses on two key issues, Australia’s strategic environment and our international engagement on defence and security, and makes the following main points:

- Australia will always need to continually adjust its defence resources along points on the Indo-Pacific arc, but the balance of Australia’s strategic concerns may now be swinging back towards the Indian Ocean region.
- The evolution of Islamist threats and the growth of Indian and Chinese military power in the Indian Ocean region may lead to the formation of new non-Western military coalitions with which Australia must be better prepared to participate.
- Australia’s defence diplomacy program has been extremely successful in furthering Australia’s interests in Southeast Asia and the Pacific, but must now be rebalanced towards partners in the Indian Ocean region, particularly Southern Asia.
- Defence diplomacy is a key part of Australia’s preparation and moulding of the strategic environment and must be funded accordingly.

1. Australia’s strategic environment

The recent official recognition of the Indo-Pacific as a strategic region with which Australia must be concerned is a welcome development. But in some ways it is merely an acknowledgement that from the earliest days as an independent country, Australia’s vital strategic interests have stretched right across an arc from the Middle East to northeast Asia – and that Australia will be continually forced to make difficult decisions in balancing and adjusting its defence resources through different points in that arc. The recent deployments to the Persian Gulf is a reminder that this balancing act will continue for the foreseeable future. In my view the balance of Australia’s strategic concerns may swing even further away from the Pacific side of this arc towards the Indian Ocean side.

In coming years, the Indian Ocean is likely to experience increased strategic instability as a result of several separate developments: the further evolution and metastasisation of Islamist threats, the development of India’s role as a regional security provider and China’s increased military role in the region. It is possible that recent events in Iraq/Syria signal the beginning of an unravelling of the traditional borders and state structures in the Middle East that could spread further into the Persian Gulf. There is also a relatively high risk of a breakdown of state authority in Afghanistan following the withdrawal of international forces, with possible consequential effects on the stability and viability of Pakistan. This is, in turn, could have a significant impact on India and other countries in South Asia, such as

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Bangladesh. Australia may find it very difficult to stand aloof from such a course of events in Southern Asia.

At the same time, India is increasingly moving towards a more active role as a regional security provider, with Australia’s support. Simultaneously, China’s military presence in the Indian Ocean is growing and will grow further in coming years. This could involve some uncomfortable adjustments for Australia. While much of the recent focus has been on China’s growing naval presence in the Indian Ocean, there is also the potential for the deployment of PLA ground forces in the region if Chinese economic interests or citizens come under threat from Islamist elements (as has already been seen in northern Pakistan).

Australia may find these developments difficult to manage either separately or in combination. Australia has long experience in operating in US-led coalitions in the Middle East and elsewhere. However these developments could potentially lead to new coalitions in the Indian Ocean. Australia could, for example, potentially find itself as part of military coalitions with India or even China in responding to as yet unknown crises. In such an event, is Australia properly prepared in terms of doctrine, relationships, and operational capabilities to work within non-Western led coalitions?

2. **International engagement on defence and security**

The importance of Australia’s defence diplomacy program should be considered as being virtually on par with its hard power capabilities and should be funded accordingly.

Australia’s defence cooperation program, which over the last several decades has been largely focussed on Southeast Asian and Pacific partners, should be judged a significant success in developing personal and institutional relationships, developing capabilities and in expanding Australia’s influence within those regions.

This highly successful program now needs to be revised to better reflect Australia’s interests right along the southern Asian littoral. This may involve a rebalancing of resources from traditional recipients in Southern Asia towards other regional partners, including India, Bangladesh and Myanmar. Australia should also consider the benefits of building stronger defence relationships with the Indian Ocean island states. In pursuing these relationships, the program may require some adjustment for the circumstances and strategic traditions of these partners. Engaging with these partners may, for example, require Australia to work on a longer time frame than it is used to and with little immediate prospects of reciprocity or return. However, the development of these military to military relationships should be seen as an essential part of Australia’s preparation and moulding of the Indian Ocean strategic environment and Australia should be prepared to make substantial investments accordingly.

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