



Royal United Services Institute of Western Australia

# Newsletter

April, 2011

## *Promoting National Security and Defence*

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*Australia's Strategic Edge in 2030, by Ross Babbage*

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## Editorial

The movement for democratic change that is now sweeping North Africa and the Middle East is a welcome if largely unexpected development. That this movement should be based on ideas of democracy rather than the tenants of fundamentalist Islam is doubly welcome.



Undoubtedly, fundamentalist Islam is present in each of the areas where the demand for regime change has been expressed with such determination. In each case, however, the fundamentalists appear to have been caught off guard and have had to scramble to join in the popular protest. No doubt the fundamentalists will try to take over the various popular movements, although those with more moderate views appear to be aware of the danger of swapping a secular dictatorship for an even more restrictive religious dictatorship. No doubt many will look at the experience of Russia where the Tsarist dictatorial rule was overthrown by moderate liberals who were in turn overthrown by Soviet Communism and the dictatorship of Joseph Stalin.

The process of change is still in its early days. How it will turn out is difficult to predict. However, one thing is certain: those who claim that Islam and democracy are incompatible have been proven wrong. Maybe fundamentalist Islam and democracy are incompatible; not so moderate Islam and democracy.

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## Program

Luncheon                      Tuesday, 12 April                      12 noon

The topic for this month's discussion will be:

### **“No Fly Zones: What, Why, How and With What Result?”**

with Robert Mitchell as discussion leader.

Come and join in the discussion of this very topical subject, and enjoy Otto's tasty luncheon (\$10 per person) and convivial company. Guests are most welcome.

Lecture                      Thursday, 28 April                      5.30 for 6 pm

## Understanding and Planning our Energy Future

If Australia is to address the enormous challenge of climate change, we will need the collective action of individuals, communities, companies and government. This is a challenge to which there is no easy solution. Australia's future and security is linked to providing cleaner energy to a larger energy-hungry population in a region where many nations will be competing for the same resources and technologies. A speaker from CSIRO will outline models and options to achieve this goal.

Here is a topic of great concern from the personal, political and defence points of view. It is a “not to be missed lecture”, so do note it in your diary, and make a special effort to attend.

### **For Your Diary**

Tuesday, 10 May – Luncheon discussion

Thursday, 26 May – Lecture

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## Review Article

# Australia's Strategic Edge in 2030

by Ross Babbage

In February 2011, prominent Defence analyst Professor Ross Babbage offered a radical and controversial view of the way ahead for Australia's Defence in the light of China's rapidly expanding military power. Below are edited extracts from the Executive Summary of his paper, which was published by The Kokoda Foundation in Canberra.

This report addresses a key question for Australia's future security. What should be Australia's strategic edge in 2030? What capabilities will give the level of strategic and campaign superiority that will be needed to ensure Australia's security in 20 years time?

This paper argues that while the range of priority tasks in 2030 will be similar to those of recent years, the security environment is likely to be markedly different. This will largely be a consequence of the very rapid rise of China's People's Liberation Army (PLA) and China's more assertive behaviour which directly challenges United States and allied forces in the Western Pacific. These changes to Australia's security environment generate an urgent need to refocus Defence development for the next two decades on the direct defence of Australia to offset and deter the rapidly-expanding PLA in Australia's approaches.

While Australia should work cooperatively with China in trade, investment and other endeavours, we cannot overlook the way that the scale, pattern and speed of the PLA's development is altering security in the Western Pacific. This rapidly shifting strategic balance has profound consequences for Australia's security priorities and also for those of the United States and other allies in this theatre.

It is the contention of this paper that Australia and its close allies should not seek to confront China unless forced to do so by extreme PLA actions. Rather, the intent should be to offset and balance the PLA's more threatening force developments and operations, deter adventurism and work to restore regional confidence.

The rapid growth of PLA capabilities comes at a difficult time for the United States. The US economy remains seriously damaged by the global financial crisis, with economic growth persistently slow, unemployment high, debt levels still climbing and a heavy political focus on domestic issues. When the US Government looks abroad, it is inclined to focus on regions other than the Asia Pacific and it is very hesitant to take firm stances that might lead to new or expanded international commitments.

The United States Department of Defense has recognised a clear need to counter the rapidly growing anti-access area-denial capabilities of China and Iran. It is working to formulate an integrated range of counters within a framework called Air-Sea Battle.

Australia does not have the option of standing aloof from these developments because they threaten a number of the country's most critical interests. Indeed, by 2030 the PLA's capabilities will probably pose an even more direct challenge to Australian sovereignty.

This paper argues that Australia has four primary options for the development of its national security structure to 2030.

**Option 1** envisages a modernised general purpose force structure along the lines described in the 2008 National Security Statement and the 2009 Defence White Paper. This evolutionary option offers capabilities to undertake many types of operation moderately well. However, it offers only limited strategic leverage against major powers, and it would be capable of providing only modest support to the forces of the United States and other allies and friends in the event of a major crisis in the Western Pacific.

**Option 2** entails substantial efforts to strengthen regional and alliance engagement as a means of balancing and offsetting growing Chinese regional influence. When compared to Option 1, this option involves slightly reduced purchases of conventional defence capabilities, but it does envisage further investment in cyber and underwater capabilities. Option 2 seeks to develop a degree of independence from the US but, in doing so, it builds a new dependence on regional countries and tends to assume that they share Australia's deep concerns about the PLA.

**Option 3** also aims to retain a level of reduced dependence on the United States but it envisages much heavier investments in asymmetric military capabilities to help balance and offset the rising strength of the PLA. This option entails larger investments in cyber capabilities, advanced underwater systems including nuclear powered attack submarines, modestly-sized multi-role arsenal ships (with reductions in other surface naval vessels), advanced air combat capabilities and also a major restructuring of ground forces to place greater emphasis on next-generation special force operations.

Option 3 would provide relatively high leverage against a major power and also reasonable flexibility to conduct a wide range of additional operations. However, this option would probably be the most expensive of the four and would fail to deliver the range of synergies that are available from a close partnership with the United States.

**Option 4** is designed to deliver high asymmetric leverage against a coercive major power in close partnership with the United States. It would require heavy Australian investment in many of the capabilities highlighted in Option 3, but in this case they would be designed and operated in close partnership with United States forces in the region with some economies resulting. Heavy investment would be made in regional engagement, cyber capabilities, both inhabited and uninhabited underwater systems (including, potentially, nuclear-powered attack submarines), advanced air combat capabilities and also a substantial reconfiguration of ground forces with an emphasis on next-generation special force operations. A distinctive feature of Option 4 is provision for the hosting of several categories of United States units on Australian soil.

Option 4 recognises that a key effect of the rapid expansion of the PLA is to make United States operations in the Western Pacific more risky and expensive' This option has Australia helping to balance these effects by taking reasonable steps to reduce the risks and costs of the United States continuing to operate extensively in this theatre.

While acknowledging some advantages in all options, this report favours Option 4.

## Comment on Professor Babbage's Paper by Norman Ashworth

A three page edited extract from the Executive Summary is no way to do full justice to a 110 page paper. The only way to do that is the read the paper in full. However, the above extract does touch on the main issues.

At the heart of Babbage's paper is a particular view of the future of US-China relations, out to the Year 2030. This view, it seems to me, is that the United States should, and will attempt to, maintain its previous, long standing, military dominance in the Western Pacific. This dominance was established at the end of the Second World War and was maintained, in particular during the Cold War, to contain Communist China. It is this dominance of the Western Pacific by the United States, and our alliance with that country, that has long been a key plank in Australia's Defence strategy.

What Professor Babbage appears to be proposing, without expressly saying so, is that the United States should hold on to its military dominance in the Western Pacific even to the extent of military confrontation with China, and that Australia should reorder its Defence policy to support such a confrontation, should China's Peoples' Liberation Army (PLA) be foolish enough to take up the challenge.

Such a stance raises many issues, all of which need to be debated, whether or not one agrees with Professor Babbage.

In the October 2010 Newsletter I wrote an article on the Future of US-China Relations, which in turn was based on discussion of Professor Hugh White's essay, *Power Shift*, which I reviewed in the March 2011 Newsletter.

The basis of Professor White's essay is that there has already been a shift in military power in the Western Pacific in favour of China and that the advantage in favour of China is likely to increase. In his paper, Professor Babbage also details the increasing military power of China in the Western Pacific, but then makes the assessment that the United States military will be able to hold the line against China's PLA by utilizing its Air-Sea Battle concept.

Any meaningful assessment of the comparative military might of the United States and China in the Western Pacific, both now and into the future, would require a detailed study, and access to highly classified military information from both sides. Here only a few general points can be made.

While the PLA is coming from a much lower capability base than the US military, it is expanding at a far greater rate and has an economic base that is also expanding. In contrast the current US economy is at best "stagnant" and in any case is unlikely to be able to match China to the Year 2030. Certainly, the Chinese economy could falter, but to base strategic policy on the assumption that it will do so would be foolhardy.

The Western Pacific is in China's front yard, but "an ocean away" from the Continental United States. In the event of a military confrontation, China would be able to utilize a vast base complex on the Chinese mainland, while the United States is limited to its base in Guam, and, hopefully, bases in Japan and South Korea, as well as its aircraft carriers.

However, what is perhaps of greater importance than comparative military strength is the economic dislocation that would result from a military conflict. Here by far the greatest

looser would be China, which is utterly dependent for its economic growth and wellbeing on its trade, both its inflow of basic raw materials and the export of its manufactured products.

While China may be able to at least counter US military power in the Western Pacific, it clearly would not be able to protect its vital shipping, particularly across the Indian Ocean.

Nor would China be the only one to suffer a major disruption to its trade. All of its trading partners, which include Australia and the United States, would also suffer a significant economic setback. Indeed, I would argue that a military confrontation with China would “not be worth the candle”!

Professor White’s contention that there has been a power shift from the United States to China in the Western Pacific, and that the shift is likely to increase into the future, is clearly unacceptable to those who wish to hang on to a past in which our close ally the United States reigned unopposed in the Pacific.

However unpalatable it may be, it is now necessary to face up to the facts of China’s rapid rise to economic and military power. Rather than look for ways to “turn back the clock”, we need to look for new ways of dealing with China. Here Professor White suggests that the best solution would be for some form of power sharing between the various stakeholders in the Western Pacific, including not only China and the United States, but also Russia, Japan, South Korea and the nations of South East Asia. Such arrangements might also include India as Asia’s other rising major power.

It is unfortunate that both China and the United States carry a great deal of baggage, mainly from the Cold War, that will make an amicable accommodation between the two difficult to achieve. Here one major issue is the future of Taiwan. As former Prime Minister Kevin Rudd is reported to have said: “China is paranoid about Taiwan”. So, it could be added, is the United States, or certainly has been in the past.

Indeed, one scenario that could be used as a test for the United States military dominance in the Western Pacific would be its ability to prevent a Chinese military takeover of Taiwan. Personally, I doubt that the United States could move with sufficient speed and force to counter a well planned surprise attack by China against the “renegade Province of Taiwan.” Further, a full blown defence would more than likely be an unmitigated disaster for the people of Taiwan.

To admit that China is in the process of overhauling the United States in conventional military power in the Western Pacific, and in particular off China’s more immediate coastline, is not to claim that China has now acquired a global power projection capability. The bulk of the modernization of the PLA is directed to defensive capabilities related to the Western Pacific. China’s power projection capability is currently extremely limited. Even with the proposed three aircraft carrier task groups and long range cruise missiles it will still be limited and will in no way match that of the United States.

The rise in China’s economic and military power is a fact of life that Australia must learn to live with, preferably through co-operation rather than through confrontation.

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