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**AN ANALYSIS OF AUSTRALIA'S NATIONAL  
STRATEGY IN THE WAR AGAINST TERROR**

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This SRP is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

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## ABSTRACT

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Australia has long valued its close relationship with the United States, and it is the principal relationship in Australia's National Security Strategy. For many years, successive Australian governments have sought to develop defense self-reliance within the framework of this bilateral relationship. The strength of this relationship has been increasingly evident since September 2001 as Australia has, among other actions, deployed military forces to support the United States in both Afghanistan and Iraq. Australia's strategy in the War Against Terror has included an absolute commitment to the United States; however, this has drawn strong criticism both domestically and from the international community toward Australia. Regardless of this criticism and hindsight, it is too late for Australia to reverse its strategic direction, and therefore Australia's future is linked closely to that of the United States.

This paper identifies significant Australian political and military responses to international terrorism since September 2001. It considers the impact of terrorism on the Australian economy and the country's resource capacity to maintain its current strategy in the War Against Terror. The analysis of Australia's strategy in the War Against Terror draws conclusions about the Government's assessment of the strategic risks associated with Australia's strong alliance with the United States. The paper concludes that Australia's strategy in the War Against Terror has been successful so far; however, a number of strategic risks are identified. Finally the paper includes four broad recommendations that focus on Australia maintaining its broad support for the United States in the global war on terror while restricting its commitment in economic and military areas, and asserting itself more aggressively in regional issues.



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## **AN ANALYSIS OF AUSTRALIA'S NATIONAL STRATEGY IN THE WAR AGAINST TERROR**

The Australian Government's response to international terrorism since September 11 2001 has committed the nation to a national strategy that, in the long term, risks leaving Australia stranded in a highly vulnerable international position. Australia's policy of absolute commitment in support of the USA, including the deployment of Australian combat forces to Afghanistan and Iraq, and the unpopular detainment of Islamic refugees have all contributed to Australia being aligned with the minority of Western states that have been internationally denounced by terrorist organizations. This course of action has furthered the alienation of Australia among its regional neighbors and heightened the probability of terrorist attacks against Australians. The ramifications of Australia's international response to the attacks of September 11 preclude a reverse of its national strategy, and therefore Australia's future is linked inextricably to American success against international terrorism. Equally, Australia's future is dependent on American political, economic and military responses to threats against Australian interests.

This paper analyses Australia's national strategy as a partner in the American led coalition against international terrorism and draws conclusions about the validity of the Australian Government's assessment of the strategic risks associated with its actions. In doing so, the paper identifies Australia's political responses and military actions since September 11 2001 with the purpose of describing the strategy's application and its risks. Next, the paper considers the impact of international terrorism on Australia's economy since September 11 and assesses the country's economic capacity to maintain its commitment to the War Against Terror. Finally, the paper concludes that the current Australian Government's strategy in the War Against Terror has, so far, been fundamentally sound although there are some high risk strategic issues that need to be addressed. If not addressed, those issues could easily lead to a diplomatic misunderstanding between Australia and other regional countries.

### **AUSTRALIA'S POLITICAL RESPONSE SINCE THE ATTACKS OF 11 SEPTEMBER 2001**

The Australian Federal Government openly condemned international terrorism because of the threat it poses to Australia's national interests. In particular, global and regional security, economic and political freedom, the promotion of human rights and the security of Australian citizens are all threatened by international terrorism. Never before in the nation's history has Australia been so susceptible to non-state aggression since the attacks on America in September 2001. Australia acknowledged that those attacks targeted western democratic lifestyle, values and culture, which provided a catalyst to develop a national strategy to counter

international terrorism. Previously, beyond denouncing terrorist actions and support for terrorist groups, Australia lacked a clear, publicly articulated strategy to defeat terrorism.

By invoking the ANZUS treaty between Australia and the USA in September 2001,<sup>1</sup> the Federal Government signaled the beginning of a comprehensive national strategy to defeat international terrorism. The government articulated the ends of its strategy, which were summarized as: ensure a secure environment for Australian citizens, contain international terrorism, and prevent access to weapons of mass destruction by terrorist organizations or rogue states.<sup>2</sup>

These strategic ends were not uniquely Australian, as many of Australia's allies sought similar outcomes, as did other regional states and countries of interest to Australia around the world. Significantly within its region, Australia hastily entered bilateral discussions and agreements with India, Malaysia, Indonesia, Singapore, New Zealand and East Timor for international cooperation to combat international terrorism. Beyond these close neighbors, many other countries sought similar ends regarding international terrorism; however, the ways to accomplish similar ends varied between states. International friction over strategic ways has been common as evidenced by the discussions conducted between members of the United Nations Security Council where common agreement could not be reached over Iraq.<sup>3</sup>

Closer to Canberra, early cooperation between Australia and Indonesia was positive. Particularly after the Bali bombing in October 2002, Indonesia accepted Australian involvement in Indonesia's domestic investigations to bring about a succession of quick arrests leading to successful convictions of the principle participants in the bombing.<sup>4</sup> The initial positive outlook in this bilateral relationship has changed, and there is evidence of diplomatic tension inversely reflective of Australia's increased commitment to support President Bush's campaign into Iraq. Indonesian President, Megawati Soekarnoputri, in an address to the United Nations 11 months after the Bali bombing, indicated that she was further distancing her government from Washington and Canberra in the war on terrorism. As the head of the world's largest Muslim state, she condemned fanatical Muslims who espouse terrorism, but emphasized that world leaders should focus on the causes of the problems that produce terrorists and not necessarily the terrorists individually. Further, she made it clear that Indonesia would not "let any group or movement break up our [Indonesia's] unitary state".<sup>5</sup> This provided a strong warning to Australia and the United States that Indonesia would not tolerate any further external involvement in Indonesia by Australia, such as occurred in East Timor and Bali.

Australia's relationship with Indonesia is not the only relationship that has been strained by Australia's political penchant towards the US perspective. The majority of countries,

including Germany, China, France and India among them, who profess to seek similar strategic ends to Australia and America, have pursued very different ways through the UN in the war against terror. Prime Minister Howard's proclamation that "Australia's commitment beside the United States in the war against terror will remain strong and steadfast"<sup>6</sup> has led the country on a course parallel to the US; a course that is out of step with most of Australia's traditional friends in the international community. This proclamation, while not an outright rejection of international opinion, is clearly a strong message from Australia that it is prepared to be out of step with most members of the international community.<sup>7</sup> This community, while supportive of the war on terror, has generally believed America and her allies have acted at times without legitimacy in prosecuting the war on terror.

Through many of its political actions, Australia's message to the world has been one of intolerance. By its example, and that of its coalition partners, Australia has condoned a lowering of the international standards for consensus, just war intervention, suppression of domestic political opposition, international refugee protection, and compromise of citizen's rights. Although Australia has not played an active role in all aspects of the US campaign in the war against terror, it is seen to be complicit in all actions by the international community because of its growing support for the actions and rhetoric of the US Administration.<sup>8</sup> On the growing list of actions that Australia has condoned are some that clearly oppose Australian national interests and stated national positions on international issues. For example, the indefinite detention of Taliban and Al Qaeda captives as illegal combatants in Guantanamo Bay is contrary to Australia's policy on human rights.

Australia's strong stand against weapons of mass destruction is a political message that was backed by military action in the war in Iraq. That war, from the Australian Government's perspective, was only part of the larger war against terror. The principal political objective was the disarmament of Iraq; however, because of necessary military action, it was axiomatic that such action resulted in the removal of Saddam Hussein's regime.<sup>9</sup> Early in the build up to the military campaign, the Australian Government articulated its political exit strategy from the war. The Government declared that it would only engage in the ground war until Iraq was disarmed of weapons of mass destruction. There was no Australian Government intent to commit to a long term military occupation of Iraq. However, a modest contribution to civil restoration was always on the table to support political and economic freedom and improve human rights for the people of Iraq. These limited political objectives were always clear according to Ambassador Tom Schieffer, the US Ambassador to Australia.<sup>10</sup> Such diplomatic support from the USA has allowed the Australian Government to plausibly deny any intentions towards Iraq other than

disarmament, a position that the Howard government seeks to uphold both domestically and internationally.

In the Australian Government's regional engagement, it has defined its policy as prosecuting the global war on terror as opposed to fighting America's war to rebuild Iraq in its own likeness. By continuing to seek the defeat of international terrorism on a broad front, Australia has offered technical and financial bilateral support to countries in the arc of instability to its north as far as the Philippines. Nevertheless, not all of the Howard Government's bilateral initiatives have received domestic public support. On some occasions, these initiatives demonstrated that Australia is prepared to work in partnership with other countries, even when the partner country acts indifferently towards Australia's interests. This was evident in July 2003 when Australia provided a \$5 million anti-terrorism assistance package to the Philippines at a time of diplomatic tension between the two countries. The tension arose over the escape of Jemaah Islamiah's master bomb-maker, Al-Ghozi, from Philippines authorities.<sup>11</sup> Only days before Howard handed over the assistance package, Al-Ghozi who was wanted by Australian authorities for a failed attack on the Australian High Commission in Singapore and a string of terror attacks in Manila and Jakarta, secured his escape through the Philippines national police headquarters. While such set backs have been costly to the Australian Government at home, they have demonstrated positive engagement with regional neighbors.

While the Howard government has experienced political set backs as a result of tensions with regional governments, the United States has provided strong support for the Australian Government since the earliest days of the war against terror. Public statements direct from Washington and by America's Ambassador to Australia have provided timely support, and on occasions, corroboration for Prime Minister Howard's actions in the domestic political arena. The Australian Government must carefully calculate the international support it seeks from the United States because Washington's support has the effect of a double-edged weapon. Statements, such as those by Defense Secretary Donald Rumsfeld on 19 November 2003 that the United States, military kept intelligence from Australia during the war in Iraq, have helped the Australian Government domestically but they risk harming Australia in the international community.<sup>12</sup> At a time when Australia is working to overcome an international perception that it is an American puppet, these statements act to reinforce the wrong message internationally. Further, irresponsible comments by senior United States officials suggesting that Australia could become a state of the USA to overcome interoperability problems further damage Australian international interests.<sup>13</sup>

To balance its international engagement, Australia has taken significant steps to demonstrate that it is not tied solely to the United States. Highlighting Australian efforts to achieve balance between its commitment to the United States and its regional Asian engagement, in October 2003 both American President Bush and Chinese President Hu Jintao visited Australia and delivered addresses to the joint houses of the Australian Parliament. Assessing that the most urgent threat to regional stability is North Korea, the Australian Government remains cognizant of its role in contributing to a long-term solution.<sup>14</sup> After having normalized diplomatic relations with North Korea, Australia has capitalized on its relationship with both China and the United States to influence a solution to the North Korean nuclear threat that meets Australia's regional interests. The Australian government is supportive of a carrot and stick approach to North Korea. While encouraging further Chinese economic and humanitarian support for North Korea, Australia followed with a hard line by spearheading the Proliferation Security Initiative, which included a coalition military exercise component designed to confront North Korea with a potential coalition military threat.<sup>15</sup>

Although Australia remains clearly supportive of the United States on many international security threats, there is a divergence of opinion between the United States and Australia on the future of Taiwan. Australia's interests, especially in its relationship with China, would not be served by a conflict between the United States and China over Taiwan.<sup>16</sup> As suggested by Professor Tow of the University of Queensland's School of Political Science and International Relations, Prime Minister Howard should communicate to both America, China and the international community that Australia does not intend to become involved in any dispute between the United States and China over Taiwan.<sup>17</sup> Adherence to such a declaration by Australia would send a far more balanced and reassuring message to China than the message that could be gained from the November 2003 mixed discussions about future United States basing of military capabilities in Northern Australia.<sup>18</sup> It is essential that Australia's approach to the solutions for both North Korea and Taiwan be in accordance with Australia's national interests. This will almost be impossible to achieve unless the sensitive balance of Australia's international engagement and alliances are assessed accurately by the Howard government now and acted out with conviction in the years ahead.

#### **AUSTRALIA'S MILITARY POSTURE SINCE SEPTEMBER 2001**

Senator Robert Hill, Australian Minister for Defence, reinforced a holistic Government approach to address Australia's "continuing concerns about developments in [its] immediate region which have consequences for Australia's interests... [the Defence White Paper Review

2003] concludes that while the principles set out in the Defence White Paper [2000] remain sound, some rebalancing of capability”<sup>19</sup> was necessary because of international terrorism. This rebalancing included modifying Australia’s military response to terrorism within its overall military posture. Consequently, Australia has sought to secure its national interests through military action further afield than its immediate neighborhood. This policy shift by the Howard government is clearly described in Defence Update 2003.<sup>20</sup> Notwithstanding the United States’ comfort with Australia’s commitment to undertake a more active security role, particularly within the Asia-Pacific region, this defense attitude transmits an uneasy message for other regional countries. Australia reinforced this military approach when it intervened militarily in the Solomon Islands in July 2003.

Australia has numerous security concerns and international terrorism is only one, albeit the most recent of the threats to Australia’s security. The Australian Government’s comprehensive national security strategy includes military strategies to defeat terrorism; however, these are interwoven in a complex weave of the elements of national power. Furthermore, the Australian Government’s actions have not indicated that it has ceased its established practice of regular comprehensive defense reviews and a consolidated approach to defense and other national security issues.<sup>21</sup> Therefore, it is reasonable to conclude that Australia’s military posture since September 2001 reflects the application of Australian military power in the War Against Terror as part of a holistic government approach to national security. In this context, to ensure that observers do not miscalculate the Australian Government’s intentions, this paper will now identify significant Australian military actions that have occurred since September 2001, which are not direct responses to international terrorism.

Australia’s longer-term preparedness to take military action in pursuit of its national security interests is reflected in both the 2003 Defence Capability Review and the accelerated introduction into service of significant military equipment.<sup>22</sup> The Defense Capability Review identified significant purchases of weapon systems that will provide Australia with the dominant strike force in the region. The future acquisition of the F-35 Joint Strike Fighter, Airborne Early Warning and Control aircraft, increased in-air refueling, US Aegis air-warfare destroyers, a 100% increase in amphibious lift capacity and new heavy tank fleet, all combine to suggest that Australia is very focused on improving its overall military capabilities to national security needs.<sup>23</sup> However, a vigorous domestic debate with many commentators arguing that such equipment acquisitions are not suited to fighting terrorism could cause regional neighbors to be concerned about Australia’s future strategic direction. These concerns may well only be further

fueled by Australia's decision in December 2003 to accept the United States invitation to become a junior partner in the research and development of the Missile Defense System.

There should be no doubt that the capability enhancements contained in the 2003 Defense Capability Review portray Australia's longer-term broad defense strategy to secure its national interests. The desired high-end military capability enhancements are not a misguided responses to international terrorism as some experienced but short sighted commentators and Australian defence experts have suggested.<sup>24</sup> Australia has always sought to be self-reliant in its national security needs, and this was reinforced in the Defence White Paper 2000.<sup>25</sup> Complementing Australia's approach to self-reliance, successive governments have maintained strong defence relationships with several countries; none stronger than the relationship with the United States. The Australian Parliament has established bi-partisan agreement for keeping its alliance with the United States as the framework that supports defence self-reliance. This foreign policy and security strategy has been communicated internationally in the most recent Defence White Paper that stated, "There is strong support for the US alliance and the majority view is that we [Australia] should strive for as much self-reliance as possible within the context of the alliance."<sup>26</sup> However, there is some belief that the Australian Defence Force's higher technology weapon systems continue to gain greater United States favor only to facilitate a continuing coalition junior partner role for Australia.<sup>27</sup> Beyond this belief, however, is the Australian Government's analysis that "the willingness of the United States to bear the burden of its global role where its interests are less than direct could be eroded"<sup>28</sup>, and thus the United States could not be relied upon for military assistance in a time of military threat to Australia. This analysis leads to an observation that the results of the 2003 Defence Capability Review, particularly major acquisitions, have been determined more by Australia's desire for strategic self-reliance rather than a direct reaction to the threat of international terrorism.

Australia's military initiatives directly related to its response to international terrorism included the raising of a Special Operations Command on 5 May 2003. According to the Chief of the Army, the increase in the country's special operations capability was "one of the most tangible signs that the ADF rapidly responded to the Government's guidance [in the War Against Terror]. The expansion and enhancement of Australia's Special Operations capabilities [was] achieved rapidly in the wake of 9/11 terrorist attacks."<sup>29</sup> Although May 2003 was the official date for this Command's activation, it had been operating to some extent in all but name since late 2002. The Special Forces community provided the mainstay of Australia's combat elements in both Afghanistan and Iraq, and the likelihood continues of Australia committing similar forces to future theaters in pursuit of terrorist organizations. The Special Forces

demonstrated their suitability for the non-linear battlefield environment in both wars, and if a similar operational tempo was likely in the long-term, then Australia had to significantly increase its capacity for special operations abroad.

Australia's first use of military force after 11 September 2001 was in the war in Afghanistan. This military operation against Osama bin Laden was relatively uncontroversial, and the United States led coalition was well supported generally by the international community. When the bulk of Australian forces were withdrawn from Afghanistan, the major fighting was largely over and Al Qaeda's capacity to operate freely within Afghanistan had been denied. Australia demonstrated to the United States that it was prepared to back its ANZUS partner with military force, as it had done many times before. However, this military action most probably fueled Al Qaeda's, and its associated organizations contempt for Australia, which then contributed to the reasons for the Bali bombing and the foiled attack by Jemaah Islamiah against the Australian Embassy in Singapore.<sup>30</sup>

Following the successful war in Afghanistan, the Australian government wasted no time providing military forces for the war in Iraq despite strong domestic opposition as well as much international condemnation of the coalition's operation. Australia's deployment of air and ground forces to Iraq was an expansion of the continuous involvement by the Royal Australian Navy in the US led maritime interception operation in the Persian Gulf. The additional ground commitment was predominantly Special Forces that were suited to the identification and removal by force of weapons of mass destruction from Iraq. That task that could only have been achieved from within Iraq, and therefore according to Mr Alexander Downer, Australian Foreign Minister, it was the Government's judgment that the longer-term proliferation and terrorism risks of leaving weapons of mass destruction in Iraq outweighed any short-term risks to Australia.<sup>31</sup> Although Australian military forces participated in the United States led coalition, national command authority was retained by Australia until the withdrawal of the majority of Australian combat elements once major hostilities ceased. This early withdrawal of combat forces reinforced Australia's policy focus of its commitment to the War Against Terror and the non-proliferation of weapons of mass destruction. Regime change and nation building in Iraq were not generally considered vital national interests for Australians. Nonetheless, in early 2004, Australia still maintained approximately 900 personnel deployed in Iraq.<sup>32</sup> These personnel were performing a range of security, reconstruction, support and maritime interception operation functions.

Until now, Australia's significant military actions in the War Against Terror were participation in the wars in Afghanistan and Iraq; however, there have been other military

actions directed towards counter-terrorism. In conjunction with the United States and other nations, "Australia mounted a diplomatic conference on interdicting North Korean vessels at sea outside UN authority."<sup>33</sup> Following the conference, Australia hosted a combined naval exercise to validate the concepts discussed at the conference. These activities were targeted at North Korea's potential to distribute weapons of mass destruction to global terrorist organizations; a principle concern with regard to Al Qaeda.

#### **THE IMPACT OF INTERNATIONAL TERRORISM ON AUSTRALIA'S ECONOMY SINCE SEPTEMBER 2001**

While Australia's political and military responses to the War Against Terror and overall national security needs were covered, an examination of national strategy is not complete without discussing Australia's economic capacity to sustain its strategy.

According to Prime Minister Howard, "terrorism, apart from its immense human impact, has an enormous economic impact,"<sup>34</sup> as trade and counter-terrorism are inseparable. This stance is consistent with the Australian Government's all-inclusive approach to counter terrorism both domestically and internationally; however, this causes the national economic responses directly supporting the War Against Terror, like some of the military responses, to be difficult to isolate for detailed independent examination. Certainly, the continuous threat posed by terrorism has a far greater indirect economic impact on Australia than any direct impact caused by a particular terrorist attack or combined terrorist activities to date. The potential for indiscriminate loss intrinsic to a terrorist threat has caused the Australian Government to increase spending on domestic security, including enhancements to the Australian Defence Force, as well as parliamentary legislation to raise commercial protective measures to complement government security precautions.<sup>35</sup> Domestic security measures such as the inspection of international shipping containers at all points of entry, the freezing of assets linked to suspected terrorists, expanded prohibited goods export lists and increased inconvenience caused to all personal travelers all had some adverse economic impact.<sup>36</sup> Additionally, direct expenditure on international counter-terrorist initiatives has been combined with various international trade policy developments to encourage and leverage international controls to restrict terrorist freedom of action across international boundaries.<sup>37</sup> All of this can cause international commerce to be more expensive.

It is difficult to identify the economic policy initiatives and the associated cost implications directly attributable to individual components of the national security strategy. A detailed analysis of Australia's economic response, and its effectiveness, during the War Against Terror is unlikely to be comprehensively accurate until sufficient time has elapsed to enable natural

economic cycles to run their course. However, military expenses and projected security costs can be summarized, as can the monetary cost directly related to government decisions. But again, it is difficult to identify and calculate the economic consequences and accrued costs for implementing individual parts of the total strategy. The complexity of such a calculation is further compounded because various components of the national security strategy do not directly contribute to the War Against Terror. Notwithstanding the difficulty to segregate the individual component costs of the national security strategy, the Federal Government's Budget provides a portal to view the holistic impact of the total strategy on the national economic resource.

The Australian economy has been steadily growing since before the War Against Terror started.<sup>38</sup> The economy demonstrated its robustness through the Asian economic crisis of 1997 and more recently during the global economic downturn. The strength of the economy enabled the Government to maintain flexible options in the formulation of its economic policies since September 2001. The Howard Government has been able to pursue new and expanding markets, numerous free trade agreements and continue to strengthen its emerging economic ties with China despite the generally underachieving global economy.<sup>39 40</sup> Additionally, the strong economy supported major commitments of increased expenditure in the defense portfolio and a continuing strong foreign aid program.<sup>41</sup> Australia's foreign aid program included increases to the amounts directly provided to counter terrorism in developing countries and to support regional security initiatives.<sup>42</sup>

Australia's 2001-02 Federal Budget had a projected surplus of \$500 million before the country began to feel the unexpected and immediate financial impact of the events of September 11. These impacts contributed to an unprecedented \$1.25 billion deficit,<sup>43</sup> and another \$1.3 billion deficit followed in 2002-03. While these are small deficits, when considered in context, they were the first deficits since 1996 when the current government inherited a \$10 billion deficit upon winning office.<sup>44</sup> After a strong period of budget surpluses, this deficit signified a major financial shortfall on the part of the Australian Government and forced hard decisions for Mr Peter Costello, the Federal Treasurer. Costello largely attributed the deficits to Australia's involvement in the war against terror with a lesser influence from global economic trends and the drought in Australia. Further, he predicted the situation to be short lived with an optimistic return to budget surplus in 2003-04.

Continued economic growth combined with forecast low inflation and low levels of unemployment indicate that the War Against Terror has not had a major impact on Australia's overall economy despite the short term deficits. Additionally, the economy supported Australia's

regional economic engagement to develop regional states and more open markets.

Commensurate with these overseas policy initiatives, the economy provided the resources to build a stronger defense force with an increase in spending of \$2.1 billion over five years, and an unplanned \$822 million has been allocated in 2003-04 to enhance Australia's homeland security.<sup>45</sup> Having met these demands, Australia's economic growth in 2003-04 is forecast to be a solid 3.25%<sup>46</sup> according to the Treasury Department.

International terrorism has had a marginally negative effect on the Australian economy, but so far Australia appears financially unburdened by its national strategy during the war against terror. If government predictions are valid, then no long-term economic detriment should result from the strategy.<sup>47</sup> However, many commentators warn of the longer term social costs they attribute to recent budget increases to homeland security and defense in particular at the expense of health and higher education programs. These reductions to health and higher education are argued to be a reduction of investment in the country's future population, and long-term social, political or economic harm could result if the reductions are longer than short lived.<sup>48</sup>

### **RISKS OF THE NATIONAL STRATEGY IN THE WAR AGAINST TERROR**

The Australian leadership will face a continuously changing international environment coupled with increased domestic pressures throughout the War Against Terror. The longer the war continues, the more likely there will be increased international and domestic tensions caused by the Australian Government's strategy. Notably, there is bipartisan agreement within the Australian Parliament that Australia is in "a very long war. [That] could go on for a very long time...Just as the cold war went on for a very long time".<sup>49</sup> If this assessment by a member of the Parliamentary Opposition is accurate, then the risks surrounding the Government's political strategy are likely to increase the longer the war continues. Its ability to balance domestic politics and international credibility will be a measure of success of the political and military components of its strategy against terror.

The combined pressures from September 11 and the Bali bombing have caused Australia to move sharply from its established policy of reducing the Indonesian Military's (TNI) influence in Jakarta to a situation that has Australia seeking two separate and possibly mutually exclusive objectives. The immediate security priority is to have Jakarta act quickly and aggressively against Islamic extremist groups such as Jemaah Islamiah, which requires TNI engagement at the highest levels of government. This new priority contradicts Australia's concerted efforts to reduce TNI influence, because it undermines longer-term fragile democratic reforms that were

the priority of Australian policy toward its nearest neighbor since the collapse of the Suharto regime.<sup>50</sup> This conflict between policy and action has resulted in Australian domestic tensions. While there was a disconnect between policy and action with Indonesia, counter balancing this is the Howard Government's constructive response to the Philippines, which provides evidence that Australia is transparent, supportive and reliable within the region on issues related to terrorism.

Domestic opposition to the Australian Government's actions has focused on the ways of the national strategy and not the ends. Australian political ways deny the reality that voluntary acceptance of international rules is essential if there is to be a more civilized world. When Australia rejects such agreements, as it is accused of doing because of its involvement in the war in Iraq and its treatment of Muslim refugees in Australia, it undermines its own broader international standing. Such hypocrisy encourages dictatorships and tyrannies worldwide and aligns Australia with *strange company*.<sup>51</sup> It is this perceived alignment with *strange company* that has caused the most domestic discourse in Australia and is potentially the most destabilizing issue on the domestic agenda regarding the war against terror. Of equal importance from a strategic perspective, the greatest risk is to Australia's long-term international standing on issues of international law and principal.

Former Prime Minister, Malcolm Fraser has criticized supporters of the coalition against terror for having reverted to the Machiavellian dictum that the end justifies the means.<sup>52</sup> Examples are evident in the methods the USA has used to violate established rules for the treatment of combatants from a general Australian public and international community perspective. Acquiescence by the Australian Government over such a fate for Australian citizens held in Guantanamo Bay have further caused uneasy divisions domestically. A more serious consequence is that this issue highlights an uneasy willingness by Australia to accept whatever America decides to be acceptable international behavior regardless of established norms or Australian national interests.

In continued efforts to demonstrate independent policy and action, which are supportive of but not determined by the USA, Australia has made some progress. Largely, this has been demonstrated by its limited commitment to the war in Iraq and clear exit strategy to redeploy Australian forces. The issue is whether this independence is enough to balance Australia's political, military and economic actions that have accompanied Prime Minister Howard's proclamation that Australia is strong and steadfast with the USA? This is the critical question with long-term consequences. If the USA fails in its war against terror so does Australia, who

despite regional bilateral efforts to build stable relationships, is isolating itself more from the international community by its strengthening relationship with the United States.

## **RECOMMENDATIONS**

This analysis of the political, military and economic elements of Australia's security strategy since the attacks of September 2001 provide the basis for this paper's four broad policy recommendations. These recommendations are focused on Australia maintaining its broad support for the United States in the global war on terror while restricting its commitment in economic and military areas, and asserting itself more aggressively in regional issues.

The first recommendation is that Australia continue to support the United States in the global war on terror. The objectives of this support have been to ensure a secure environment for Australian citizens, containment of international terrorism, and the prevention of access to weapons of mass destruction by terrorist organizations or rogue states. Notwithstanding the difficulty determining the status of world terrorism, particularly that of Al Qaeda, the facts remain that there have been no successful terrorist actions the equivalent of September 11 since the war against terror commenced. Although there have been lesser attacks in some Muslim countries or softer states, there has been no attack in Australia, and Australians consider their country to be a generally secure environment. Furthermore, there is no evidence that weapons of mass destruction have become available to terrorist groups. Certainly, it is too early to claim significant success in the war against terror, but threat assessments from 18 months ago were far more perilous than are today's assessments. All of this provides substance in the argument for a successful strategy on the part of the coalition and the Australian Government's decision to fully support the United States against global terrorism is fundamentally sound.

The paper's second recommendation is that the Australian Government restrict commitment in support of the United States to a level that is economically sustainable over the long-term. Australia has the economic means to implement its comprehensive security strategy in the war against terror, and there is no evidence that resources are being withheld from the strategy's implementation. However, some respected commentators have argued that long-term economic harm could result from prolonging the recent increased level of government military spending for the War Against Terror.

The paper's third recommendation is that the Australian Government should restrict its level of military involvement in the global war on terror to the present level with escalated military commitment for specified limited periods. The present levels of ADF activity in the Middle East Area of Operations are sustainable over the long-term with periodic increases such

as occurred in Afghanistan and Iraq. However, the economic and military burden of sustaining military operations at the escalated level over the long-term would significantly drain military resources and burden Australia's economy.

The paper's fourth recommendation is that the Australian Government should strongly communicate to both America and China that Australia does not intend to become involved in any dispute between the United States and China over Taiwan. Beyond the War Against Terror, there are issues of greater importance such as Australia's divergence from the United States on the issue of the relationship between China and Taiwan. The Australian strategy to support the USA, its closest ally, is sound; however, this should not be to the extent that Australia is prepared to compromise its own national interests. Such independence would not detract from Australia's overall support for the coalition against terrorism, nor would it preclude any further commitment of Australian military forces to subsequent undertakings within the limits prescribed in recommendation three.

## **CONCLUSION**

The Australian Government has successfully maintained a fundamentally sound course throughout the war against terror by balancing the level of threat to Australia's national interests with its alliance obligations and its military and economic capacity to contribute internationally. This conclusion is drawn from an analysis of the political and military actions Australia has undertaken since the September 11 2001 attack on the United States. Furthermore, the Howard Government's political and military actions have not created an economic burden on Australia.

While there is difficulty measuring incremental success in the war against terror, that success was gauged against the national strategic ends. In doing so, this paper determined that the Australian political and military strategies employed since September 2001 were aligned with these objectives, and its strategy so far has been successful. Terrorists have not breached Australia's security with a terrorist attack, nor is there evidence that terrorist groups are operating more freely beyond Afghanistan than they were two years ago, nor have they used weapons of mass destruction.

In examining the risks of Australia's strategy, it is clear that Australia's political strategy is inextricably linked to that of the USA. This has placed at risk Australia's standing in the international community as an independent and objective state. Further, Australia's military or economic strategies in the war against terror are susceptible to diversion because of the entanglement between these two countries political strategies. Therefore, this paper concludes

with four clear recommendations that contribute to continued success of Australia's national security strategy.

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## ENDNOTES

<sup>1</sup> “Howard Government Invokes ANZUS Treaty,” *australianpolitics.com*, September 14 2001. Available at <<http://australianpolitics.com/news/2001/01/-09-14c.shtml>>. Accessed 10 January 2004.

<sup>2</sup> The endstate for Australia’s involvement in the War Against Terror has been placed into the public forum in a number of parliamentary speeches by the Prime Minister, Minister for Defence and the Minister for Foreign Affairs. A more recent account from the Prime Minister can be read at: the Commonwealth of Australia Parliamentary Debates. House of Representatives Official Hansard No 4 2003. Tuesday 18 March 2003.. Fortieth Parliament, First Session – Fourth Period. Available from <<http://www.aph.gov.au/hansard/rep/dailys/dr180303>>. Accessed 11 January 2004.

<sup>3</sup> “The Security Council Wraps Up Two Days of Debate on Iraq,” 17 October 2002. Available from <<http://www.un.org/apps/news/storyAr.asp>>. Accessed 10 January 2004.

<sup>4</sup> The Age, “Taking The War Against Terror to Indonesia,” 26 October 2002. Available from <<http://www.theage.com.au/articles/2002/10/25/1035504882464.html>>. Internet. Accessed 19 September 2003.

<sup>5</sup> Sydney Morning Herald, “Megawati Hits Out at US War On Terrorism,” 25 September 2003 (Australia). Available from <<http://www.smh.com.au>>. Internet. Accessed 24 September 2003 (USA).

<sup>6</sup> Howard John MP, and Powell Colon. Press conference Washington, D.C. after the PM and Secretary for State completed discussions at the State Department. 11 June 2002. Available from <<http://usembassy-australia.state.gov/hypr/2002/0611/epf/206.htm>>. Internet.

<sup>7</sup> Mark Latham, Parliamentary Leader of the Opposition , “A Real War on Terror Would Put Australia’s National Interest First.” 26 February 2003. Available from <<http://www.onlineopinion.com.au/2003/Feb03/Latham.html>>. Internet. Accessed 9 January 2004.

<sup>8</sup> Evidence of international concern with Australia’s actions in support of the United States in aspects of the War on Terror can be seen in national and international news media. Some examples can be found at the following sites: (a) John Valder, a highly respected former president of the NSW Liberal Party, in a speech at Parliament House Brisbane. Available from <<http://www.smh.com.au/articles/2003/12/01/1070127355348.html>>. Internet. Accessed 11 January 2004. (b) The Age, “Australians in Terrors Cross-Hairs,” 30 November 2002. Available from <<http://www.theage.com.au/articles/2002/11/29/1038386307659.html>>. Internet. Accessed 11 January 2004. (c) Sydney Morning Herald, “Concern Over Exclusion from Asia,” 27 November 2003, sec. 1, p. 7.

<sup>9</sup> The Hon John Howard MP, Prime Minister of Australia, in an address to Parliament as recorded in The House of Representatives Official Hansard, Number 4, 2003, Tuesday 18 March 2003. p 12505.

<sup>10</sup> Ambassador Tom Schieffer interviewed by reporter Tom Allard in The Sydney Morning Herald, “Iraq Exit Strategy Paid Off for Howard,” 9 September 2003 (Australia). Available from <<http://www.smh.com.au>>. Internet. Accessed 9 September 2003 (USA).

<sup>11</sup> The Australian “ Editorial: Defeat in War Against Terror,” 16 July 2003. Available from <<http://www.theaustralian.news.com.au/printpage/0,5942,6758636,00.html>. Internet. Accessed 19 September 2003.

<sup>12</sup> Marian Wilkinson, “How the US Kept Australians in the Dark,” *The Sydney Morning Herald*, 21 November 2003. Available from <http://www.smh.com.au/articles>. Internet Accessed 3 February 2004.

<sup>13</sup> Marian Wilkinson, “How the US Kept Australians in the Dark,” *The Sydney Morning Herald*, 21 November 2003, p17. The article reports US General Crawford suggesting that, “the UK, Canada and Australia [could become] the 51<sup>st</sup>, 52<sup>nd</sup> and 53<sup>rd</sup> states.”

<sup>14</sup> Prof William Tow, “All The Way With GWB,” *Courier Mail*, 22 October 2003, p19

<sup>15</sup> Prof William Tow, “All The Way With GWB,” *Courier Mail*, 22 October 2003, p19.

<sup>16</sup> Moore, John MP. *Defence White Paper – Our Future Defence Force*. Department of Defence, Canberra ACT, December 2000. Available from <http://www.defence.gov.au/whitepaper/docs/WPAPER.txt>. Internet accessed 1 December 2003.

<sup>17</sup> Prof William Tow, “All The Way With GWB,” *Brisbane Courier Mail*, 22 October 2003, p19.

<sup>18</sup> Numerous reports in all Australian national and major regional news media commencing in mid November 2003. A brief summary of the discussion can be seen at: Tom Allard, “US Tanks to Darwin for a Base That is Not a Base”, *Sydney Morning Herald*, 18 November 2003.

<sup>19</sup> Senator Robert Hill, *Australia's National Security: A Defence Update 2003*. Department of Defence, Canberra ACT, February 2003. The following extract from the Minister's Introduction to the document is reprinted below because of the significance of this Defence Policy.

“...It recognises and sets out our responses to the salient features in our changing security environment: the emergence of new and more immediate threats from terrorism and increased concerns about the proliferation of Weapons of Mass Destruction.

This statement also addresses our continuing concerns about developments in our immediate region which have consequences for Australia's interests. Since the horrific attacks of September 2001 and October 2002, the Government has taken steps to improve security, both domestically and internationally.

These actions, which include increased funding to intelligence agencies, improved immigration controls, new Defence capabilities to combat terrorism and improvements in airline security, have quickly and effectively responded to some of the major threats which have emerged.

This statement reviews the implications for Australia's defence posture. It concludes that while the principles set out in the Defence White Paper remain sound, some rebalancing of capability and expenditure will be necessary to take account of changes in Australia's strategic environment. This rebalancing will not fundamentally alter the size, structure and roles of the

Defence Force, but it will inevitably result in increased emphasis on readiness and mobility, on interoperability, on the development and enhancement of important new capabilities and, where sensible and prudent, a reduced emphasis on capabilities of less importance."

<sup>20</sup> Senator Robert Hill, *Australia's National Security: A Defence Update 2003*. Department of Defence, Canberra ACT, February 2003, section 7. Available from <http://www.defence.gov.au/ans2003/section7.htm>. Internet. Accessed 1 December 2003.

<sup>21</sup> Senator Robert Hill, *Australia's National Security: A Defence Update 2003*. Department of Defence, Canberra ACT, February 2003. Available from <http://www.defence.gov.au/ans2003/.htm>. Internet. Accessed 1 December 2003.

<sup>22</sup> A concise summary of the Defence Capability Review outcomes and the Government's reasoning behind the outcomes is offered by Senator The Hon Robert Hill, Minister for Defence, in his Press Conference held 7 November 2003. Available from <http://www.defence.gov.au/minister/2003/71103.doc>. Internet accessed 11 December 2004.

<sup>23</sup> Geoffrey Barker, "It's a Weak Defence," *Australian Financial Review*, 22 November 2003, p. 25.

<sup>24</sup> Hugh White, "Why Fewer and Bigger is Bad for Defence," *The Age*, 24 November 2003. Available from <http://www.theage.com.au/cgi-bin/commonpopupPrintArticle.pl?=/articles/2003/11/23/1.html>. Internet. Accessed 18 January 2004. And also: Sydney Morning Herald, "Defence Plan Misses Target," 11 November 2003. Available from <http://www.smh.com.au/cgi-bin/comon/popupPrint/Article.pl?path=/articles/2003/11/10/10.html>. Internet. Accessed 18 January 2004.

<sup>25</sup> Moore, John MP. *Defence White Paper – Our Future Defence Force*. Department of Defence, Canberra ACT, December 2000. p1X. Available from <http://www.defence.gov.au/whitepaper/docs/WPAPER.txt>. Internet accessed 1 December 2003.

<sup>26</sup> Moore, John MP. *Defence White Paper – Our Future Defence Force*. Department of Defence, Canberra ACT, December 2000. p35. Available from <http://www.defence.gov.au/whitepaper/docs/WPAPER.txt>. Internet accessed 1 December 2003.

<sup>27</sup> Aldo Borgu, Program Director Australian Strategic Policy Institute, "Structuring the ADF for Australia's New Strategic Environment." an address to the Royal United Services Institute-QLD Defence Seminar 2003, 14 August 2003. Available from [http://www.aspi.org.au/pdf/structuring\\_ADF.pdf](http://www.aspi.org.au/pdf/structuring_ADF.pdf). Internet. Accessed 18 January 2004.

<sup>28</sup> Moore, John MP. *Defence White Paper – Our Future Defence Force*. Department of Defence, Canberra ACT, December 2000. p16. Available from <http://www.defence.gov.au/whitepaper/docs/WPAPER.txt>. Internet accessed 1 December 2003.

<sup>29</sup> LTGEN P. F. Leahy, AO, Chief of The Army, in a speech at the commencement ceremony for Special Operations Command (SOCOM) on 5 May 2003. Previously, Australia's Special Forces capability rested generally with the SASR and was commanded by a One Star HQ. SOCOM brought together a number of force elements, raised new capabilities and is commanded by a Two Star Joint HQ.

<sup>30</sup> The Age, "Australians in Terrors Cross-Hairs". 30 November 2002. Available from <<http://www.theage.com.au/articles/2002/11/29/1038386307659.html>. Internet. Accessed 11 January 2003.

<sup>31</sup> Alexander Downer, MP, Australian Minister for Foreign Affairs quoted in a radio interview. 13 September 2003. Available from <<http://sg.news.yahoo.com /030913/1/3e57d.html>. Internet. Accessed 19 September 2003.

<sup>32</sup> A summary of Australian forces deployed to Iraq was reported in "Australians in Iraq Face a Real Threat: Hill," *West Australian*. 20 November 2003,. P13.

<sup>33</sup> Tony Kevin, "US Ties Jeopardise Ordinary Australians: Asians Know American Friendships are Unreliable," *Canberra Times*, 23 October 2003, p. 17.

<sup>34</sup> Geoffrey Barker, "APEC Heads Unite in War On Terrorism," *Australian Financial Review*, 22 October 2003, p. 1.

<sup>35</sup> Downer, Alexander MP & Vaile, Mark MP. *Advancing the National Interest Australia's Foreign and Trade Policy White Paper*. Department of Foreign Affairs and Trade, Canberra ACT, February 2003. Chapter 3. Available from [http://www.dfat.gov.au/ani/ chapter\\_3](http://www.dfat.gov.au/ani/ chapter_3). Internet accessed 11 January 2004.

<sup>36</sup> A detailed description of the impact of terrorism on Australian business and industry can be found in the speech by The Hon Alexander Downer, MP, Minister for Foreign Affairs to the Australian Industry Group on 17 February 2003. Available at [http://www.foreignminister.gov.au/speeches/2003/030217\\_ausindgroup.html](http://www.foreignminister.gov.au/speeches/2003/030217_ausindgroup.html). Accessed 11 January 2004.

<sup>37</sup> Australian initiatives in this area according to the Department of Foreign Affairs and Trade, see *Advancing the National Interest: Australia's Foreign and Trade Policy White Paper*, Chapter 3, include the following:

- a. a \$10 million, four-year program to help Indonesia strengthen the counter-terrorism capacity of its police force, restrict the flow of funds to terrorists, and improve travel security through stronger airport, immigration and customs control capabilities.
- b. training for regional security and intelligence agencies to enhance their capacity to disrupt terrorist activities in the region.
- c. counter-terrorism investigation training in Papua New Guinea, Solomon Islands, Vanuatu and Fiji to improve management and analytical skills and intelligence support during terrorist attacks.
- d. Australian Defence Force counter-terrorism exercises with special forces units of the armed forces of Thailand and the Philippines.
- e. anti-money laundering training and workshops in Papua New Guinea and other Pacific island countries to strengthen regional controls on the flow of funds to terrorists.
- f. assisting Pacific island countries to draft counter-terrorism legislation which they are required to implement under the Nasonini Declaration.

<sup>38</sup> Commonwealth Treasury Department, *Australian Federal Budget 2001-02 Part 1 Commonwealth Budget Outcome*, p. 1. Available from <[http://www.budget.gov.au/overview/html/glossy-12.htm#P362\\_26089.pdf](http://www.budget.gov.au/overview/html/glossy-12.htm#P362_26089.pdf)>. Internet accessed 18 January 2004.

<sup>39</sup> Dennis Shanahan, "Two Leaders, Two Trade Deals", *Australian*, 23 October 2003, sec 1, p. 1.

<sup>40</sup> A detailed account of Australia's expanding markets and developing economic ties, especially with China, can be located at the Department of Foreign Affairs and Trade internet site, *Advancing the National Interest: Australia's Foreign and Trade Policy White Paper*, Chapter 5. Available from [http://www.dfat.gov.au/ani/chapter\\_5](http://www.dfat.gov.au/ani/chapter_5). Internet accessed 11 January 2004.

<sup>41</sup> Ben Ruse, "They May Not Like Us, But They Love Our Money," *West Australian*, 21 October 2003, p. 6. This article provides a broad overview of Australian foreign aid that totals approximately \$500m within the region. A more detailed account of Australia's foreign aid expenditure can be found in the 2003-04 Budget papers available at: <http://www.budget.gov.au/2003-04/myefo/html>.

<sup>42</sup> Downer, Alexander MP & Vaile, Mark MP. *Advancing the National Interest Australia's Foreign and Trade Policy White Paper*. Department of Foreign Affairs and Trade, Canberra ACT, February 2003. Chapter 3. Available from [http://www.dfat.gov.au/ani/chapter\\_3](http://www.dfat.gov.au/ani/chapter_3). Internet accessed 11 January 2004.

<sup>43</sup> Commonwealth Treasury Department, *Australian Federal Budget 2001-02 Part 1 Commonwealth Budget Outcome*, p. 1. Available from <[http://www.budget.gov.au/2002-03/final\\_outcome/download/Part1.pdf](http://www.budget.gov.au/2002-03/final_outcome/download/Part1.pdf)>. Internet accessed 11 January 2004.

<sup>44</sup> Commonwealth Treasury Department, *Australian Federal Budget 2002-03 Statement 13 Historical Commonwealth Data Table 1*. Available from <<http://www.budget.gov.au/2002-03/bp1/html/Bst13.html#TopOfPage>>. Internet accessed 11 January 2004.

<sup>45</sup> Commonwealth Treasury Department, *Australian Federal Budget 2003-04 Mid-Year Economic and Fiscal Outlook*. Available from <http://www.budget.gov.au/2003-04/myefo/html>. Internet accessed 11 January 2004.

<sup>46</sup> Commonwealth Treasury Department, *Australian Federal Budget 2003-04 Mid-Year Economic and Fiscal Outlook*. Available from <http://www.budget.gov.au/2003-04/myefo/html>. Internet accessed 18 December 2003.

<sup>47</sup> According to the Treasury Department, over the past couple of years, global economic conditions have weakened and international uncertainty has increased. Recent events, including the war in Iraq and the SARS outbreak, have added pressure to an already weak and fragile global economy. In a very difficult international environment, the Australian economy has shown remarkable resilience. The economy has continued to grow solidly, outperforming most other developed economies. Investment has surged, employment has grown strongly and inflation has remained moderate. The OECD describes Australia as one of its best performers. Even more remarkable is that this growth has occurred while Australia has suffered the most extensive drought in Australian meteorological records. Looking forward, prospects for the Australian economy remain sound, although global weakness continues to cloud the near-term outlook. Economic growth is forecast to be 3¼ per cent in 2003-04. The unemployment rate is

expected to remain steady and inflation is expected to be within the target band. Further details can be viewed at: Commonwealth Treasury Department, *Australian Federal Budget 2003-04. Overview*. Available from <http://www.budget.gov.au/2003-04/myefo/html>. Internet accessed 11 January 2004.

<sup>48</sup> The Hon Kim Beazley, MP a respected member of the Australian Parliament and former Leader of the Opposition, presented a compelling case to argue that the federal government's budgets have for some time been sending Australia into a downward spiral for future generations. Details of his argument attributing expenditure on the war against terror, at the expense of health and higher education can be found in his speech Labor Forte: Governing For All Australians In A Time of War. The speech was presented as the Michael Quinlan Oration at the Kings Park Function Centre, Perth Wednesday 24 September 2003. His personal staff provided a transcript of the speech.

<sup>49</sup> The Hon. Kim Beazley, MP. "Labor Forte: Governing For All Australians In A Time Of War." Speech. Kings Park Function Centre, Perth, 24 September 2003.

<sup>50</sup> The Age, "Taking The War Against Terror to Indonesia," 26 October 2002. Available from <http://www.theage.com.au/articles/2002/10/25/1035504882464.html>. Internet. Accessed 19 September 2003.

<sup>51</sup> Malcolm Fraser, "Bush Imperils Democracy," 12 September 2002. Available from <http://www.oceanbooks.com.au/iraq/articles2/267.html>. Internet. Accessed 19 September 2003.

<sup>52</sup> Malcolm Fraser, "Bush Imperils Democracy," 12 September 2002. Available from <http://www.oceanbooks.com.au/iraq/articles2/267.html>. Internet. Accessed 19 September 2003.

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