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Australia's Defence after September 11
A Quick Guide to the Issues

AN ASPI PUBLIC DEBATE INITIATIVE

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Director's introduction

The chilling image on our cover will be much in the Government's thinking over the next few months as it reviews Australia's long-term defence policies. Inevitably Ministers will focus on ways to adapt our policies to the consequences of the terrorist attacks which occurred in New York and Washington on September 11, 2001. The results of their thinking will be reported by the end of the year as the Department of Defence's Annual Strategic Review. At about the same time the Government will be preparing a new Foreign Affairs and Trade White Paper which will, among other things, address the critical international security aspects of our foreign policy.

These Government reviews will be important for Australia's future defence and security, and there will be significant public interest in them. We at ASPI thought that it would be useful to offer a quick guide to some of the defence and security issues which these reviews will need to address. So we have put together this short paper, to help stimulate public discussion and input to the process.

Accordingly this paper raises questions rather than provides definitive answers. Later in the year, after we have heard your views on the issues, we will publish some firm conclusions and proposals in our own strategic policy review.

To make this complex subject as clear and accessible as possible we have selected twelve key issues. Each issue is discussed in a self-contained essay covering two pages. The essays do not need to be read in any particular order, so you can browse your way through the guide, sampling those topics that interest you.

Of course there are many other issues we could have covered, but we wanted to make this guide a handy reference, not an encyclopaedia. We think the issues we cover are the most important ones, and we hope they are the ones that readers find most interesting. The views we put forward are those of myself as Director and my colleagues, ASPI's four Program Managers: Ellie Wainwright, Aldo Borgu, Mark Thomson and Brendan McRandle. My thanks to them and to our colleagues on the ASPI team for getting this guide together quickly.

We hope that this guide to the issues will encourage public discussion of Australia's policy choices.

Have your say

We would like to hear your views on the issues raised in this Quick Guide.

- You can send your ideas to us through our web site at **www.aspi.org.au**.
- You can write to us at the address in this publication.
- You can attend one of the public seminars which will be held over the next few weeks in some capital cities. Details of these seminars will be available on our web site and advertised in the local press.

Hugh White
Director

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The meaning of September 11

Five years from now, will we look back on September 11, 2001 as being the start of a new era in global security?

There are still plenty of ways the world can go wrong that do not involve terrorism.

Before we can decide what September 11 means for the future of Australia's security, we need to understand what it means more broadly for global security and the working of the international system. We can get a sense of the range of possibilities by looking at two clearly opposed views.

Is it the start of a whole new world…

One view, which was very common soon after September 11, is that the attacks on New York and Washington marked the start of a major and sustained campaign of mass terrorism against the US and other western countries. This campaign calls into question the very survival of our societies. Responding to the threat it poses will require a major national and international effort in some ways comparable to World War II or the Cold War, and will overtake all other issues on the international agenda. This view remains widespread in the US, and is at least implicit in some of the comments Australia's leaders have made about the events of September 11.

Or just an isolated tragedy?

An alternative view is that September 11 was a terrible crime, but not an epoch changing event. In this view, the risk of terrorism—including mass terrorism—has always been there. The attacks last year have affected many aspects of the international system, but not changed any of them fundamentally. Once the US gets over the shock—maybe in a year or two—international relations will return pretty much to normal. This view is more common in Europe and many parts of Asia.

The next attack

The truth of course almost certainly lies somewhere between those extremes. Where exactly it lies depends, more than

anything else, on whether there are more terror attacks, and if so, their scale, nature and frequency. At present, because there have been no more major attacks since September 11, the consensus seems to be moving closer to the 'isolated tragedy' end of the spectrum. How long that will last is anyone's guess.

Old problems persist

Of course the attacks of September 11 have already had a big impact on many aspects of international relationships. But none of the old problems that we used to worry about have gone away. And no really new problems have arisen as a result of September 11, its just that we have given some of the old ones higher priority. For example, we now pay more attention to non-state actors, and to solving long-running problems such as the Israel–Palestine issue and the fate of Afghanistan.

Nonetheless there are still plenty of ways the world can go wrong that do not involve terrorism. Indeed, it is as likely as not that the next strategic surprise we have to face—and the next time we have to deploy the Australian Defence Force (ADF) for operations—will have nothing to do with terrorism. It could be a humanitarian or political crisis in our immediate neighbourhood, for example, or a conflict in Northeast Asia.

Seeing things more clearly

The world does change, sometimes quite quickly, as it did when the Berlin Wall came down and the Soviet Union collapsed a decade ago. Perhaps the long-term significance of September 11 will not be that it is the start of a new era in its own right, but rather that it has shown us more clearly the shape of the post-Cold War world in which we live.

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The 'war on terror'

Will the 'war on terror' involve more major military campaigns?

The 'war on terror' will be long, and much of it will be fought in the shadows rather than on a battlefield.

In the days and weeks after September 11, leaders around the world spoke of the 'war on terror' as if it were to be a re-run of World War II—a great national and international enterprise which would require the utmost commitment of energies and resources from nations all round the world. So far it has not turned out like that. The biggest military operations so far, in Afghanistan, have been relatively small.

Slow progress

Elsewhere than Afghanistan, the 'war on terror' has been unspectacular. There have been small US deployments to Georgia, the Philippines and Yemen, and local forces in many parts of the world—including Israel and Pakistan—have been stepping up operations against local adversaries. But there have been no more large US military engagements.

This should not surprise us. Alongside President Bush's calls to arms, he has repeatedly warned that the 'war on terror' will be long, and that much of it will be fought in the shadows rather than on a battlefield. Terrorist organisations do not make good military targets. In fact one problem may be the use of the word 'war' to describe the struggle, because it tends to imply that the fight against terrorism will be primarily military. This is not the case.

Can Al Qaeda be defeated?

Individual terrorist movements can be defeated; where are Black September, Baader Meinhof, and the Japanese Red Army now? Armed force can be an important part of that process, as shown by our own experience in helping to suppress the Malayan Emergency in the 1950s. But these examples demonstrate that effective suppression requires a complex set of measures, including ones that undercut the terrorists' wider support base.

That's what's needed against Al Qaeda. It is big, well-funded and globally distributed, and has a resiliently flexible structure. But it is not invulnerable. Though the operations in Afghanistan were a good start, much more remains to be done. And major military operations will only play a small part.

The 'axis of evil'

Meanwhile, the focus of the 'war on terror' has moved from the terrorists themselves to the 'axis of evil' states, such as Iraq, that might support terrorists and provide them with weapons of mass destruction (WMD). The US clearly wants to get rid of Saddam Hussein, and it is hard to argue with that. But that may require a major land invasion. And when that has been done, who will put the pieces back together? The US has been reluctant to get too involved in rebuilding Afghanistan; Iraq's reconstruction would be many times harder, and even more critical.

The key question is, how much an invasion of Iraq would cut the risk of terrorism? There is clearly a possibility that Iraq's WMD could fall into terrorists' hands. But Saddam is very unlikely to give these weapons away to people he cannot control or use them himself except in some kind of mad self-defence. So although the world would be a safer place without Saddam Hussein, his elimination might not be the top priority in the 'war on terror'.

More like the 'war on drugs'

It is hard to know where the US will take the 'war on terror', and what part Australia will play in it. International cooperation will be critical to its success, and the 'war' will continue, not through large scale military operations, but through the long, slow grind of police and intelligence work around the world. The 'war on terror' may end up looking like the 'war on drugs': boring, unglamorous and never-ending, but very important.

Weapons of mass destruction

Might terrorists use a nuclear, chemical or biological weapon?

There is a real danger that sooner or later there will be a successful WMD terrorist attack.

The fear that terrorists might use chemical, biological, nuclear or radiological weapons is not new. But it has been given new urgency since September 11, if only because it is now more plausible to think that terrorists could wish to inflict truly massive casualties—in the tens of thousands or even more—on innocent people.

The risk that terrorists could get hold of such weapons has probably not increased much, if at all, since September 2001. That risk did increase sharply when the Soviet Union fell apart, because the security of its huge stocks of chemical, nuclear and biological weapons was thrown into doubt.

But there is apparently no clear evidence that Al Qaeda or other international terrorist groups have gained access to WMD. There is good evidence that they have been trying to gain such access, and there can be no doubt they would use WMD if they had them. And the anthrax attacks in the US after September 11, along with the sarin nerve gas attack in Tokyo in 1995, show that some dangerous individuals and groups have got hold of such weapons in the past.

The biological threat

The relatively low rates of casualties from those attacks should not make us complacent about the risks of WMD terrorism. Chemical and radiological weapons could be very dangerous, but the greatest risks are posed by nuclear and biological terrorist attacks, which could produce casualties of a quite different order of magnitude to those we have seen before.

The consequences of a nuclear weapon being detonated in a major city are obvious enough; the danger from biological weapons could be just as great, or even greater. Over the past few decades a number of countries, including the old Soviet Union in the later stages of the Cold War, have developed pathogens that are very deadly and highly contagious.

Released into a concentrated population centre, such pathogens would spread quickly, killing everyone that became infected.

Build, buy or steal

The materials and plant needed to build and deploy nuclear and sophisticated biological weapons are unlikely to be available to terrorist groups, even if some of the required skills might be. Nor does it seem likely that governments that have WMD—such as Iraq—would be willing to sell them to terrorists, especially now that the US has made clear how it would respond. But cruder WMD—including chemical, radiological and less sophisticated biological weapons—are relatively easier to manufacture.

And there is a serious possibility that weapons of any type could be stolen. Governments normally secure their WMD carefully, but it is not hard to imagine that a determined and well-funded effort could get inside help to remove a small number of weapons. This is probably the most likely scenario in which terrorists might acquire WMD. There is thus a real danger that sooner or later there will be a successful WMD terrorist attack. There is also a real risk of a conventional attack on a sensitive facility such as a nuclear power plant which could have some of the same effects as the use of WMD.

Managing the consequences

Of course governments must give the highest priority to preventing WMD terrorism. But some thought must also be given to responding to such an attack should it occur, and managing the consequences. A biological weapons attack, for example, would put a huge strain on any country's medical and police capabilities. The challenge is comparable to that faced by governments planning civil defence after a nuclear attack at the height of the Cold War. Few are ready to meet this challenge.

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Where is the United States heading?

Has the US psyche changed?

The long-term effects on US policy of September 11 will be shown in the Bush Administration's decisions about Iraq.

The US has been uniquely affected by September 11, and no country is more important to the rest of the world, including Australia, than the US. So one of the key issues for Australia's future security policy is how the US is going to be affected over the long term by the attacks of last year.

Pain, politics and professionalism

The US response to the attacks has so far reflected a combination of emotion, politics and good sense. Obviously US citizens have felt deep outrage, unnerving vulnerability, an urge to punish those responsible, and a determination to ensure as much as possible that such events cannot happen again. The Bush Administration has naturally responded to those feelings. No one should be surprised that there has been political calculation behind much of what has been said, and some of what has been done.

But while citizens have looked for swift, strong action, the Bush Administration has had to wrestle with the fact that terrorists are elusive quarry. Both at home and abroad, there have been fewer targets to hit than the US Government would have liked. Early fears that the US would lash out blindly at ill-selected targets have proven unfounded. Thanks to the deep-rooted professionalism of the US system, actions in Afghanistan and elsewhere have on the whole been proportionate and well-managed. So there has been a gap between tough rhetoric and moderate action. That gap may well remain, and it is not necessarily a bad thing.

Back to basics

Of course the 'war on terror' is now the US's highest foreign policy priority. But strategic professionals in the US would never imagine that it could be the country's sole international objective. The world is too complex for that. Israel and the

Palestinians, India and Pakistan, North and South Korea: none of these problems can be dealt with purely in terms of the war on terror.

In fact President Bush's famous statement about the 'axis of evil' shows that his Administration's priorities still have much in common with its pre-September 11 strategic agenda. Iraq, Iran and North Korea are longstanding bugbears of the Bush team, just as unilateralism has always been its preferred way of operating.

But much has changed, nonetheless. The policy instincts of the Bush Administration, and of the wider foreign and strategic policy community, have been reinforced and greatly amplified by September 11. Public support for objectives like toppling Saddam is much stronger now, and the range of measures that the US can now consider—including pre-emptive strikes and even the outright invasion of countries such as Iraq— are wider. So while US objectives remain much the same, the means by which they are pursued might have changed in important ways.

A fork in the road to Baghdad

Whether the US psyche has significantly changed is not yet clear. So far, for example, the US approach to the critical issue of Israel and the Palestinians has kept pretty much within the parameters of earlier policy. But the real test may come in Iraq. The long-term effects on US policy of September 11 will be shown, more than anywhere else, in the Bush Administration's decisions about Saddam Hussein. A US decision to invade Iraq would be a clear demonstration that September 11 had changed the boundaries of US policy in fundamental ways, and perhaps even changed the US psyche. The long-term implications for US foreign policy could be profound.

The lessons of Afghanistan

Has the fighting in Afghanistan shown us a new way of war?

Afghanistan is not a blueprint for all future wars. But it does teach some useful lessons.

What can we learn from the fighting in Afghanistan so far about the future of warfare and the way we should develop our forces? The Afghanistan campaign has been a showcase for some new weapons and tactics. Has it more fundamental lessons to teach us, which should be taken into account in reviewing our defence policy?

Afghanistan is different

We should start by being cautious about drawing sweeping conclusions about the future of warfare from this campaign. Many of the lessons are specific to the circumstances of Afghanistan. It has been a well-designed and well-executed campaign which used small but high-quality forces efficiently, to achieve what were primarily political objectives. There has been little hard fighting by US-led coalition forces.

The swiftness of the coalition's victory can be attributed mostly to the weakness of the Taliban's position. The coalition won quickly because of the willingness of Afghan factional leaders to change sides, the effectiveness of limited military operations in persuading them to do so, and the failure of Al Qaeda and the Taliban to adopt successful guerrilla tactics.

These political, military and geographical circumstances might not be replicated in other operations. The Taliban had poor air defence weapons capability, and the clear terrain made targeting much easier than it would have been under dense vegetation cover. So Afghanistan is not a blueprint for all future wars. But it does teach some useful lessons.

Precision guidance rules

Three aspects of the Afghan war are most important for the future of military operations. First, the operations marked yet a further important step in the dominance of precision-

guided munitions: 56% of all ordnance dropped by aircraft was precision-guided, up from 35% in Kosovo in 1999 and 10% in the 1990–91 Gulf War. Because precision-guided munitions allow relatively precise targeting, air-delivered munitions are now more useful in low-intensity conflict than they used to be. So the role of air power is enhanced.

Second, the use of networked communications to coordinate air operations with special forces on the ground was demonstrated to be a major force multiplier for both types of forces. This will encourage the use of special forces and light infantry supported by air power in more demanding operations, and accelerate the trend towards smaller, lighter armies.

Third, the use of unmanned air vehicles to deliver precision-guided munitions marked the modern debut of the unmanned strike platform. This was always going to happen sometime soon, but the apparent success in Afghanistan will accelerate the adoption of this way of delivering air strikes.

Is US technology leaving us behind?

Some people say that the conflict in Afghanistan has shown how US military technology is leaving its allies' technology behind. This is a potential problem, but it may have been exaggerated. None of the innovations have involved radical new technologies or enormous investments. They were the result of applying long-developed technologies, drawing especially on the lessons of the Gulf War. There is no reason why US allies, including Australia, should not be able to accommodate such capabilities into their forces without major increases in defence spending, especially if they are willing to leverage off US investments in research and development, and satellites.

Deconstructing Australia's security

Is security still about fighting wars?

Do Australians want the ADF to play a bigger role in areas from which it has traditionally been excluded?

We have always known that there is a lot more to national security than traditional military defence. But this wider concept of security has received dramatic new emphasis since the attacks of September 11. In Australia that emphasis has been reinforced by increased concern about protecting our borders from being breached illegally, especially by boat. These issues have tended to be run together, along with more traditional defence concerns, under the label of 'defence and border security'. In fact, they are quite separate.

Nonetheless one key issue about the future of our defence policy is the emphasis we place on different types of security, and the roles our armed forces should play in each.

Do major wars still matter?

The first question to ask is whether we still need to worry about the risk of major wars at all. Some say that they are a thing of the past, so we no longer need to build forces designed for this type of conflict. A more common view is that major wars are still possible, but that our preparations for them should take lower priority than developing forces to meet the range of less demanding but more credible threats.

A third view is that major wars, while unlikely, remain a distinct and unpredictable possibility, and that our defence forces should be properly prepared for them. In the 2000 Defence White Paper the Government took this third view. Have events since then, including September 11, given sufficient reason for a change of heart? One relevant factor will be whether we can judge that the risk of major upheavals in the Asia Pacific is lower now than it was in 2000. Another would be the assessments we might make about the future direction of the 'war on terror'; for example, could we be drawn into major conflict in Iraq?

A world of small wars

Whatever we think of the likelihood of major wars, there can be no doubting the incessant demands on our defence forces from 'small wars'—peacekeeping and peacemaking operations from Afghanistan to East Timor to Bougainville. The 'war on terror' has added to these demands, but they were already strong before September 11, and the 2000 Defence White Paper gave high priority to expanding the ADF's capacity to contribute to these operations.

Again, a key question for our future defence policy is whether we need to do even more in this direction.

Homeland defence

The new buzzword since September 11 has been 'homeland defence', which covers the whole range of government responsibilities for protection from threats as diverse as terrorism, quarantine infringement, drug smuggling and illegal immigration.

These are all important tasks, but they have not traditionally been areas in which the ADF has taken a lead role or, in some cases, any role at all. A key question for the Government's defence policy is whether the ADF should now take a larger role in them, and whether that should be at the expense of its more traditional tasks. Giving such tasks to the ADF would be one way that the Government could show it was taking urgent problems seriously, and might make sense if it seemed that other, more traditional tasks were becoming less important.

But important questions remain. Are the ADF's traditional tasks becoming less demanding? Is the ADF likely to be more effective than other elements of Government in meeting the threats? Would it cost more? And, perhaps most problematically, do Australians want members of the ADF to play a bigger and more intrusive role in areas, such as civilian policing, from which they have traditionally been excluded?

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The Asia Pacific after September 11

Has September 11 reduced the regional challenges to Australia's security?

For decades, Australian governments have affirmed that our primary security concerns have been centred on the Asia Pacific region. How has September 11 affected this region? Let's look at three key issues.

China: engaged or encircled?

The growing power of China, and especially its relationship with the US, has been the most important and dynamic factor in Asia Pacific security over the past decade. At least until September 11 almost everyone agreed that China would increasingly dominate the regional security scene into the new century. The impact of September 11 on this assessment can be read in two ways. The optimistic reading is that China and the US have found common ground in the 'war on terror', and that this, along with China's entry to the World Trade Organisation, offers new hope for a long-term constructive relationship between them.

The pessimistic reading is that China finds itself a big strategic loser in the post-September 11 world. Japan has taken a big step towards collective security action with the US, which China sees as threatening; Russia's relationship with the US has become warmer than ever before; the US has established a military presence on China's western borders in Central Asia; Pakistan, which had been a close friend of China, has moved much closer to the US; and US forces are back in the Philippines. A Chinese strategist with an eye to the long term would be forgiven for thinking that this looked like encirclement.

Both interpretations probably have some validity, and the safest assessment is probably to score the match as a draw. After September 11, China–US relations remain, as they have been for some years, poised between effective cooperation and deep opposition. Either outcome is possible, and so is an uneasy combination of economic cooperation and strategic competition. Asia Pacific security probably still depends, more than anything else, on which it will be.

Indonesia: pressure on Megawati

Australia has always been deeply concerned about the stability of Indonesia. Since Suharto fell in 1998, Indonesia's people have shown a remarkable commitment to making democracy work. But until it delivers effective government there is a risk that the democratic experiment will fail, succumbing to attempts to take Indonesia back to a more authoritarian style of government. The result could be chaotic.

The attacks of September 11 and the subsequent 'war on terror' have increased the pressure on Megawati Sukarnoputri's Government in several ways. Pressure has come from the US and from Indonesia's Southeast Asian neighbours to crack down on Islamist elements in Indonesia's political spectrum, a few of which are seen—probably correctly—as having links with Al Qaeda affiliates.

At the same time the stronger sense of polarisation between Islam and the West since September 11 has, if anything, increased the appeal of Islamist politics to many Indonesians. So Megawati's balancing act has become harder than ever. The risks to Australia of a violent reversion, perhaps backed by the military, to authoritarian government—which might, unlike Suharto's regime, be xenophobic and anti-Australian—has probably increased.

Southwest Pacific: still failing

The attacks of September 11 have had little impact among our small island neighbours. They are still struggling with ethnic and tribal violence, separatism, economic decline, social deprivation, political corruption and institutional decay. The Solomon Islands is already a failed state; Papua New Guinea is becoming increasingly dysfunctional as hitherto robust institutions decay; and East Timor faces an uphill struggle to succeed as an independent nation, even with the best wishes of the world. All of these problems pose challenges for Australia—including security challenges—which were at most only marginally affected by September 11.

Australia's force structure choices

Do we need different capabilities in our defence force, or a different defence philosophy?

> The aim should be to build a flexible force that can meet the unexpected demands that arise from year to year.

As the Government wrestles with the implications of September 11, the key question will be what kind of changes are needed in the Defence Capability Plan—the long-term plan for the development of our defence forces implemented as part of the 2000 Defence White Paper process.

Planning for 2020

Planning a defence force is a very long-term business. Some major changes take fifteen or even twenty years. That means we cannot change our plans every time the wind shifts. In 1980 the Fraser Government ordered an additional squadron of F/A-18s in response to the Soviet invasion of Afghanistan. When they were eventually delivered, ten years later, no one could quite recall what the fuss had been about.

Our aim should be to build a flexible force that can meet the unexpected demands that arise from year to year—the deployment to East Timor, or the war in Afghanistan—and at the same time provide the forces we would need in the kind of dire emergency which might occur only once every century, but which could arise without very much warning.

Defence of Australia and its regional interests

For over twenty-five years Australia's defence forces have been planned around two core ideas. The first idea is that the most important task of the ADF is the defence of our continent against major attack. While such an attack is unlikely, most people recognise that it cannot be ruled out.

The second core idea, especially since the end of the Cold War, has been the need to be able to use those forces for a wide range of tasks beyond the defence of Australia, including peacekeeping and contributing to coalition operations both in our region and beyond. Highest emphasis has been given to our ability to respond to challenges closest to our shores. But successive governments have always been willing to deploy forces much further afield—such as the Persian Gulf and Somalia.

A new paradigm?

If we believe that our strategic circumstances have changed in an enduring way—in a way that will still be important fifteen or twenty years from now—then it make sense to change our force structure philosophy.

There may be, for example, an argument that in an age of strategic as well as economic globalisation our defence policy should have a less Australia-centric focus. Maybe, in a world dominated by the US as the global superpower, it might make sense to restructure our forces primarily to contribute to US-led coalitions.

On the other hand, if we can respond to a number of 'global' security challenges with the capabilities we already develop for the defence of Australia, there might be little to be gained from a change in our basic policy approach.

Working the margins

It is more likely that any changes we might want to make to the Defence Capability Plan will be at the margins: increasing some priorities and reducing others, for example. We might for instance want to give higher priority and new urgency to buying more precision-guided munitions, unmanned aerial vehicles, and airborne early warning aircraft.

Making the most of what we have

When the Government looked at options to contribute to a US-led coalition against Iraq in 1998, it found that our F/A-18 and F-111 aircraft lacked the advanced electronic warfare equipment needed to operate safely in that environment. So perhaps the Government needs to make sure that the forces we already have are in full operational order, and the upgrade programs already funded are delivering results on schedule. That would also be a big step forward for our own defence.

The terrorist threat to Australia

How much greater is the terrorist threat to Australia today?

Since the attacks of September 11, 2001, Australians have become much more aware of the risk of terrorism and, especially, the risk of mass terror attacks involving thousands of casualties. So September 11 has at least made us more aware of the risk. But has the risk itself increased?

There are a number of reasons to think that it has. Al Qaeda and its affiliates have no doubt been encouraged by the results of September 11 to undertake more such attacks, and the scale and nature of the US response will have strengthened their motivation. Australia's strong support for the US may make us a more attractive target than we were before.

Al Qaeda in Australia

Al Qaeda's networks have also reached closer to Australia since the September 11 attacks. There is evidence that Al Qaeda members fleeing Afghanistan have moved to Indonesia in recent months, and are building connections there with local Islamic groups. This may mean little, but it would be unwise to ignore it. Australia itself may be home to a number of people with Al Qaeda connections, though probably not organised cells.

On the other hand, Al Qaeda's command chain has been disrupted by US-led coalition operations in Afghanistan, and tougher security measures around the world, including here in Australia, have made life harder for terrorists. But on balance we should probably conclude that there is a somewhat increased risk to Australia of globally-organised Islamic terrorism since September 11.

Not just Al Qaeda

The success of the September 11 attacks has been a powerful demonstration of what can be achieved with everyday things and good organisation. The next people to apply those lessons may have nothing to do with Al Qaeda. They are just as likely to be home-grown zealots like the Oklahoma bomber,

Timothy McVeigh, or our own psychopathic killer, Martin Bryant. The risk that some unrelated extremist group thinking of terrorism would try to emulate the success of the World Trade Centre attack may be greater than the risk of an Al Qaeda attack in Australia.

Squeezing the balloon

If you squeeze a balloon at one end, the air bulges out at the other. Likewise, if conducting terrorism becomes harder because of tougher security in one part of the world, the focus of terrorism moves to places where things are easier. As the US and Europe crack down on terrorism, we risk becoming a relatively more attractive target unless we also toughen up. There is an even greater risk that some of our neighbours will become attractive targets, or bases, for terrorists.

Adding it up

It is very hard to quantify the terrorist risk to Australia. But it is reasonable to make three judgements. First, Australia is still a fair way from the top of the global terrorist hit list. Second, the risk nonetheless is real, and has grown since September 11. Third, unless our security measures keep pace with those elsewhere, we risk attracting further terrorist attention.

Living with the risk of it

There are lots of things we can do to reduce the risk of terrorism, such as supporting operations against terrorist groups abroad, implementing tougher security at home, and paying more attention to the underlying causes of terrorism everywhere. But the risk cannot be eradicated. It is important to keep the problem, and our response to it, in proportion. We all still face much greater peril from the accidents of everyday life than we do from terrorism. In the end we need to strike a balance between sensible precautions and an acceptance that life cannot be perfectly safe.

Fighting terrorism at home

What can we do to respond to the threat of terrorism in Australia?

One issue that needs to be considered is whether the threat of terrorism is serious enough to need a single authority to take responsibility.

The most urgent security issue for Australia in the wake of September 11 is how to respond to the increased threat of terrorism within Australia. Contributing to the 'war on terror' overseas may cut the terrorist threat in the long run, but recently our deployments have, if anything, increased the risk. How do we respond, and what part should the defence force play?

It's intelligence, stupid

Intelligence is the key to prevention. The evidence that has leaked out about the information available to the US intelligence agencies on the September 11 attackers demonstrates the nature of the intelligence challenge. It will be very rare to receive clear warning of an impending attack; the best information governments will have to go on will be fragmentary and ambiguous. This puts intense demands on our intelligence assessment and processing capabilities. The Australian Security Intelligence Organisation (ASIO) and other agencies have already received increased funding for this purpose, but more work may be needed to make sure that everything that can be done—such as full information sharing between intelligence agencies—is being done.

Moving with the times

Australia's terrorist response capability was designed in the late 1970s after the Hilton bombing. Back then, the most feared forms of terrorism were hostage taking and plane hijacking, and our responses were designed accordingly. It was assumed that incidents would take hours or even days to play out, and that they would be resolved, if all else failed, by an assault that aimed to kill the terrorists and save the hostages. Our Special Air Service Tactical Assault Group (TAG) is among the world's most expert at this type of operation.

But in the age of suicidal mass terror this seems a lot less relevant. Future terrorism, for example, could involve anything from chemical warfare to cyber-terrorism. Terrorists

have moved away from the old style hostage taking, perhaps in part because they realise that effective countermeasures are available, but also because their objectives have changed. So we might wonder about the value of the Government's post-September 11 decision to establish a second TAG, when the money might be better spent developing new responses to the new challenges. It might make more sense to move the TAG we now have from its base near Perth to Sydney, and to develop more assault skills in the federal and state police forces.

Managing consequences

Perhaps the biggest new issue for governments post-September 11 is to consider how they would manage the consequences of mass terrorism, and especially an attack with nuclear, radiological, chemical or biological weapons. In Australia we had an opportunity to address these issues as we prepared for the Sydney 2000 Olympics, but the special arrangements put in place then are not much guide to developing a standing capability that might be kept on call year in, year out.

In Britain consideration is being given to using army reservists for this kind of role; other options might include drawing on existing organisations such as volunteer fire fighters. Real challenges will be found in critical areas such as the capacity of the public health system to respond to the demands of a biological weapon attack.

Who is in charge?

Counter-terrorism is a bureaucrats' paradise. It cuts across many boundaries between and within state and federal governments, allowing endless scope for 'coordination'. The Government has already beefed up the national coordination machinery, but no one is in charge. So one issue that needs to be considered is whether the threat of terrorism is serious enough to need a single authority to take responsibility.

Border protection

Should the ADF be more involved?

We are spending billions on the Navy, so we might as well use it for urgent tasks as they arise.

One issue the Government might want to consider in its Defence Review this year is the contribution that the ADF makes to border protection. In the second half of 2001, the issues of terrorism and illegal immigration became closely intertwined in public perception. From a policy perspective they are rather separate, but the fact remains that illegal immigration is a high-profile issue, and so is the ADF's role in responding to it.

Whose job is it anyway?

Australia's defence forces have not been designed for chasing illegal immigrants in leaky boats. But for years a large proportion of the Navy's patrol boats have been devoted to helping the civil authorities with that and other coastal surveillance and border management tasks. The other agencies involved include Customs and Coastwatch, immigration authorities, state and federal police, and the Australian Quarantine and Inspection Service, among others. The complex task of coordination was improved a few years ago when a single command centre was set up under the leadership of a senior naval officer, though no doubt more improvements could still be made.

There have been some suggestions that it is inappropriate for the Navy to take a larger role in the rough and tumble of border protection work. The countervailing argument is that we are spending billions on the Navy, and we might as well use it for urgent tasks as they arise.

What more can the ADF do?

The ADF has a lot of capabilities that could be used for border protection if the need arises, including the larger ships of the surface fleet, and the Air Force's maritime patrol aircraft. Some of these were pressed into service when concern over illegal immigration was at its height late last year, and the Government can order the same again in future if necessary.

Last year's experience suggests that we have enough ships and aircraft to handle surges in the number of attempted illegal boat entries. But the Government may look at buying more small vessels, so that expensive major ships do not have to be used on such tasks. The key question then will be whether any extra ships should be operated by the Navy, by some other Commonwealth agency, or even by contractors. There is not much doubt that contractors would be the cheapest and the Navy would be the most expensive.

A coastguard

The Labor Party has in the past argued that all such functions should be brought together in a coastguard service. One reason to do that would be to improve coordination, though the new command centre has done much to solve that problem already. Another reason might be to save money by cutting some duplication. There may be some merit in that, but the best way to save money is probably to contract out as much as possible of the operations—and that can be done without setting up a separate coastguard service.

Technology to the rescue

Perhaps the most important contribution Defence can make to border protection is to push ahead with the development of its capabilities to provide continuous surveillance of our air and sea approaches. The key to the system is the over-the-horizon radar which has been under construction for some time. Technical difficulties have delayed its completion, but once it is in service, and its information is progressively fused with data from other sources including the new surface wave radar, it will become a critical tool in the protection of our maritime approaches both in peace and in war. The Government might want to review progress on this project.

Money

Do we need to spend more on Defence?

Big increases in funding would only be needed if the Government decided to invest in major new capabilities.

Do we need to spend more on defence post-September 11? Defence spending is already on the way up. Back in 2000 the Government made an unprecedented commitment to long-term increases in Defence portfolio funding. To pay for the White Paper's Defence Capability Plan, it undertook to increase the Defence budget in real terms by an average of 3% per year over the ten years from 2001 to 2011.

The story so far

In the two budgets since, the Government has broadly stuck by the commitment it made in 2000. And it has provided some extra money to meet the costs of the 'war on terror'. Some of this extra money has gone to fund actual operations, such as additional allowances for personnel and operating expenses for ships and aircraft.

The rest has been spent on additional capabilities to allow the ADF to respond more effectively to the demands of the 'war on terror'. This spending has covered things such as chemical and biological weapons detection capabilities for our Navy ships, improvements to intelligence capabilities, the formation of a second anti-terrorist TAG, and enhancements of the Army's capacity to respond to chemical, biological and radiological attacks. And of course outside the Defence portfolio there have been major increases in funding for police and intelligence agencies.

New pressures ahead

There are a number of areas in which the Government might want to spend more money to meet the increased risk of terrorism here in Australia, including through further investment in intelligence and in our ability to manage the consequences of a mass terror attack. But most of this would not fall into the Defence portfolio.

Within Defence itself, big increases in funding would only be needed if the Government decided to invest in major new

capabilities. Major capabilities are unlikely to be of much use in fighting terrorists in Australia—that is mainly a matter of good intelligence, airport security, immigration controls and so on. So the more likely reason the Government might want to buy new capabilities post-September 11 would be to enhance our ability to contribute to US-led coalitions in operations such as those foreshadowed against the rogue states in the 'axis of evil'.

Another idea might be to increase the size of the Army's high-readiness forces beyond the six battalions planned in the White Paper. That might make good sense in the light of problems in our immediate neighbourhood, and the seemingly insatiable demand for different sorts of peace operations in many parts of the world. But before we spent more money, it would be important to make sure we could not squeeze more capability out of the present forces.

Old pressures grow

The biggest pressures on the Defence budget over the next few years will come not from the 'war on terror', but from the problems Defence is having in delivering the forces required under the Defence Capability Plan even with the extra money the Government has promised. Operating costs keep growing alarmingly, and Defence seems to be seeking significant funding increases for a number of major acquisition programs. (More information on these issues can be found in ASPI's Defence Budget Brief, available on our web site.)

Perhaps most worryingly, the future of the ADF's two fleets of front-line combat aircraft, the F/A-18 and F-111, is in doubt. Instead of being replaced over several years, starting in 2012, by the newly-anointed Joint Strike Fighter, there is now talk of leasing or buying an interim aircraft much earlier. That might put real strain on the Defence budget over the next few years.

ASPI
AUSTRALIAN STRATEGIC POLICY INSTITUTE

About ASPI

The Australian Strategic Policy Institute (ASPI) is an independent, non-partisan policy institute. It has been set up by the Government to provide fresh ideas on Australia's defence and strategic policy choices. ASPI is charged with the task of informing the public on strategic and defence issues, generating new ideas for Government, and fostering strategic expertise in Australia. It aims to help Australians understand the critical strategic choices which our country will face over the coming years, and will help the Government make better-informed decisions.

For more information, visit ASPI's web site at **www.aspi.org.au**.

ASPI's Research Program

ASPI Policy Reports: Each year ASPI will publish a number of policy reports on key issues facing Australian strategic and defence decision-makers. These reports will draw on work by external contributors.

ASPI Annual Publications: ASPI will publish a series of annual publications on key topics, including the defence budget, regional capabilities and ADF capabilities.

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ASPI's Programs

There are four ASPI programs. They will produce publications and hold events including lectures, conferences and seminars around Australia, as well as dialogues on strategic issues with key regional countries. The programs are as follows:

Strategy and International Program: This program covers ASPI's work on Australia's international security environment, the development of our higher strategic policy, our approach to new security challenges, and the management of our international defence relationships.

Operations and Capability Program: This program covers ASPI's work on the operational needs of the Australian Defence Force, the development of our defence capabilities, and the impact of new technology on our armed forces.

Budget and Management Program: This program covers the full range of questions concerning the delivery of capability, from financial issues and personnel management to acquisition and contracting out—issues that are central to the Government's policy responsibilities.

Outreach Program: One of the most important roles for ASPI is to involve the broader community in the debate of defence and security issues. The thrust of the activities will be to provide access to the issues and facts through a range of activities and publications.

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ASPI is governed by a Council of nine members representing experience, expertise and excellence across a range of professions including business, academia, and the Defence Force. The Council includes nominees of the Prime Minister and the Leader of the Opposition.

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Photo credits

Page 7 President Bush's Chief of Staff Andy Card whispers into the ear of the President to give him word of the plane crashes into the World Trade Center, during a visit to the Emma E Booker Elementary School in Sarasota, Florida, Tuesday, September 11, 2001.

AP via AAP Doug Mills © 2001 The Associated Press

Page 9 A B-52 drops a load of bombs in this file photo, date unknown. Gen. Richard Myers, chairman of the Joint Chiefs of Staff, said 15 land-based bombers including Air Force B-1 Lancers, B-2s and B-52 long-range bombers as well as carrier-based strike aircraft struck military targets and Osama bin Laden's training camps inside Afghanistan Sunday, October 7, 2001.

AP/US Air Force via AAP/Master Sgt Ralph Hallmon HO © 2001 The Associated Press

Page 11 Workers in biohazard suits continue with anthrax decontamination steps outside the Hart Senate office building, Wednesday, November 7, 2001, in Washington.

AP via AAP/Kenneth Lambert © 2001 The Associated Press

Page 13 People cover their faces as they escape the collapse of the twin towers of New York's World Trade Center following terrorists attacks, September 11, 2001.

AP via AAP/Suzanne Plunkett © 2001 The Associated Press

Page 15 This 5 December 1995, Department of Defense (DOD) file photo shows an unmanned Predator surveillance plane flying above the USS Carl Vinson. Afghanistan's Taliban militia claimed 22 September 2001, they had shot down an unmanned spy plane in the northern province of Samangan, the Pakistan-based Afghan Islamic Press (AIP) reported.

AFP/DOD/AAP/Jeffrey S Viano HO © 1995 AFP

Page 17 An Australian Army dog handler and a sniffer dog atop the roof of the Maroochydore Airport during a security sweep, 27 February 2002 as part of security measures for the Commonwealth Heads of Government (CHOGM) meeting.

AFP/AAP/Will Burgess © 2002 AFP

Page 19 Wearing a military-style uniform, Indonesia's President Megawati Sukarnoputri, center, accompanied by unidentified aides, inspects troops during a ceremony commemorating the national army's struggle day in Jakarta Saturday, December 29, 2001.

AP via AAP/Dita Alangkara ©2001 The Associated Press

Page 21 This undated photo shows a Lockheed Martin X-35C Joint Strike Fighter.

AFP/US Air Force/AAP © 2001 AFP

Page 23 Canberra, April 18, 2002. Hazardous materials officers at the Ministerial entrance of Parliament House Canberra after a suspicious substance was found by staff in Federal Treasurer Peter Costello's office.

AAP/Alan Porritt © 2002 AAP

Page 25 Policeman wearing gas mask during anti-terrorist exercise.

AAP/Roderick Eime © 2001 AAP

Page 27 A landing barge carrying almost 100 refugees cruises toward the island of Nauru, Wednesday, September19, 2001, as HMAS Manoora sits in the background.

AP via AAP Rick Rycroft © 2001 The Associated Press

Page 29 Canberra, May 14, 2002. Budget Day 2002: Treasurer Peter Costello delivers his 7th budget at Parliament House.

AAP/Alan Porritt © 2002 AAP

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Australia's Defence after September 11
A Quick Guide to the Issues

Over the next few months the Government will be reviewing Australia's
long-term defence policies. Inevitably it will focus on ways to adapt
our policies to the consequences of the terrorist attacks which occurred
in New York and Washington on September 11, 2001.

These reviews will be important for Australia's future defence and security,
and there will be significant public interest in them. To help stimulate
public discussion and input into the process the Australian Strategic Policy
Institute has compiled a quick guide to some of the defence and security
issues that the Government's reviews will need to address.

Twelve key issues stand out.

- Five years from now, will we look back on September 11, 2001
  as being the start of a new era in global security?

- Will the 'war on terror' involve more major military campaigns?

- Might terrorists use a nuclear, chemical or biological weapon?

- Where is the United States heading? Has the US psyche changed?

- Has the fighting in Afghanistan shown us a new way of war?

- Do we need different capabilities in our defence force, or a
  different defence philosophy?

- Has September 11 reduced the regional challenges to
  Australia's security?

- How much greater is the terrorist threat to Australia today?

- What can we do to respond to the threat of terrorism in Australia?

- Is security still about fighting wars?

- Should the ADF be involved in border protection?

- Do we need to spend more on Defence?

Later in the year, after receiving feedback from the community, ASPI
will publish some firm conclusions and proposals in our own strategic
policy review.