



Dear Colleagues,

Australia's Defence Strategic Pivot

In what may be a paradigm shift, Australia has made significant changes to its strategic posture bearing in mind some new threats. The 2020 Defence Strategic Update and '2020 Force Structure Plan' launched jointly on 1 Jul by the Australian government are aimed to pivot Australia's strategic posture which hitherto was a largely defensive one-to-one of offensive defence. The aim is now on greater engagement, lethality, interception and faster deployment. There could be Australian-led military operations which could well be within the country's immediate environment. Australia is ready to embrace a new strategic agenda which is based on hi-tech force projection and an enhanced capability to meet adversaries at distance from Australia's pristine shores.

This 2020 Force Structure Plan details the Australian Government's intentions for new and adjusted Australian Defence Force (ADF) capability investments. The aim is to implement the new strategic objectives in the 2020 Defence Strategic Update. It links Defence's capability plans with the reform program. This Plan also builds on existing defence industry initiatives, such as the 2016 Defence Industry Policy Statement and the Defence Export Strategy, to maximise Australian industry involvement in Defence projects.

The 2020 Defence Strategic Update sets out the Government's new strategic policy framework for Defence which clearly provides identified operational, geographic, and capability priorities. It sets out three new Government-directed strategic objectives for Defence: a) to shape Australia's strategic environment; b) deter actions against Australia's interests; and c) respond with credible military force, when required. This framework is intended to provide a focus for planning, and alignment with broader Government initiatives.

This significant shift flows from the government's stark assessment of a rapidly deteriorating strategic environment. Although China is mentioned only 9 times, however, it would be futile to think that Australia had some other country in mind when it mentions countries that 'pursue their strategic interests through a combination of coercive activities, including espionage, interference and economic levers'. China's rise has disrupted and challenged the status quo in Asia. China's rising power has fueled much of the anxiety behind this initiative. This strategic update reaffirms Australia's dependence on an extended nuclear deterrence from the United States. However, in these times of uncertainty the need for a deterrence variable may just nudge Australia towards building these capacities locally.

The Australian Prime Minister reflected on the heightening regional uncertainty, rising tensions in the immediate neighborhood, China's increasing assertiveness and American policy which is viewed as unpredictable. The broad contours of the direction a rising China may take are already visible via its sharp authoritarian turn and several run ins with its neighbors. The emerging world order according to Australia is a beset with geopolitical tensions, territorial hunger, desire for domination and emerging alliances. These initiatives follow Morrison's "Pacific Step-Up" policy and will be widely viewed as efforts to counter Beijing's growing influence in the region. A natural downstream impact would be a pull factor for the military industrial complex. This evolving Geo-politics may drive big business.

Regards,

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