Asia programme

# Preparing for a war in Asia
## Australian security policy in an age of great power rivalry

*Niklas Granholm and Anders Schröder*

**This memo provides an overview of the changes Australia is making in its defence and security policies due to the increased tensions in the Indo-Pacific region. In response to its deteriorating relationship with China, Australia aims to deter it by reconstituting its military force. Deterring a great power is no easy task, however. The major Australian investments into defence capabilities are scheduled to take place in the late 2020s and into the 2030s, leading to questions of whether the speed of the investments is matching the urgency of the rhetoric. This study also explores Swedish-Australian bilateral ties and finds mutual interest and opportunities for deepened cooperation.**

Very few countries are more geographically distant from Sweden than Australia. The geopolitical developments of the last few years, however, have shown that what happens in the Indo-Pacific region directly affects Europe and vice versa. In a time when both threats and opportunities are increasingly interconnected, up-to-date knowledge of the region, particularly as its economic importance continues to grow, becomes ever more crucial.

Australia, located in the Indo-Pacific and with its cultural and historical links with the West, is a helpful bridge and interlocutor for understanding the wider region, but the country is also an important regional actor in its own right. As a supporter of the rules-based international order, Australia is deeply involved in many of the multilateral projects and organisations that shape the security architecture of the region and beyond. Moreover, with growing geopolitical tensions, particularly in regard to China, Australia's armed forces has had to adapt. Within the last few years, the country has initiated the largest shift in its security and defence policies for decades, aiming to change the focus of its military and expand its cooperation in security affairs in order to manage a region that increasingly is influenced by strategic competition.

This memo has two aims. Firstly, providing an overview of Australian defence and security policy. Secondly, by briefly discussing Swedish-Australian relations and various aspects of policy, it provides some options to develop the relationship further and offers some suggestions for further studies.

### Australia's defence policy — some historical context

Australia's defence policy has always been deeply intertwined with its partners within the Anglosphere and, in particular, the United States (US). Since the early 1950s, the US alliance with Australia has constituted the main pillar of Australian security policy. In return, Australia has supported US interests in the region. Throughout the Cold War, Australia worked together with the United States in the struggles against communism.[1] Moreover, when the Cold War ended and, in the wake of the September 11th attacks, violent Jihadism became the West's enemy number one, Australia sent troops to both Afghanistan and Iraq with the goal of supporting American objectives.[2] The war on terror thus shared a similar dynamic with the Cold War struggle against communism, as Australia defended itself and its allies in large part by contributing to operations far from the homeland. During the last decade, however, a threat closer to home has emerged.

With China's rapid economic rise, the country began to have an increasing impact on the wider region. In Australia's 2009 Defence White Paper, Australia urged China to be more open with its intentions and goals regarding military modernisation, or else risk creating distrust among its neighbours. While these statements

FOI Memo 8835
Project no: A12503
Approved by: Karolina Gasinska Singh

March 2025

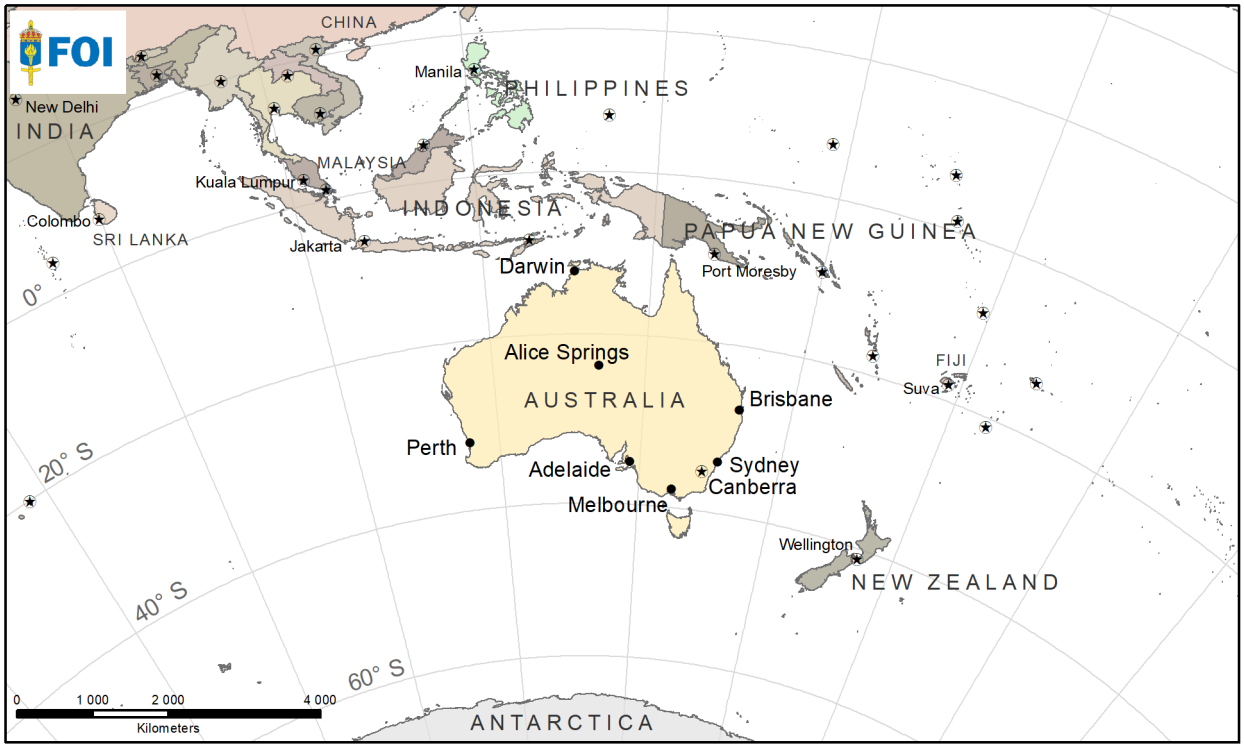


**Figure 1.** The Indo-Pacific region.
**Remark:** Map created by Per Wikström, FOI.

seem modest by today's standards, at the time they caused political controversy, drawing criticism from opposition leader Malcom Turnbull, among others.[3] Although the white paper also argued for increased capabilities to be able to meet higher-level threats in the future, the Australian Defence Forces (ADF) did not receive sufficient funding to meet this ambition.[4]

Throughout the 2010s, subsequent governments in Canberra attempted to preserve positive relationships with Beijing while simultaneously hedging against Chinese expansion. In 2013, Prime Minister Julia Gillard called the Australian-Chinese relationship strong and growing,[5] while simultaneously supporting blocking Huawei, a Chinese telecoms company, from being a supplier of Australian telecom infrastructure.[6] In 2013, the release of a new defence white paper revealed a softer tone towards China compared to 2009. Due to an economic downturn in Australia, the ADF was promised little in terms of new resources.[7] The 2013 white paper was replaced three years later, when a new government took office and launched the 2016 edition of the paper. The 2016 paper did not criticise China by name but did talk about "newly powerful countries" that challenge some of the global norms and seek great influence in "unhelpful ways."[8]

Tensions between Australia and China continued to grow during the latter half of the 2010s. As US-China relations soured, Australia's traditional preference of maintaining good relations with both countries became more difficult to manage. The formal decision to ban Huawei from Australian networks in 2018 and the introduction of an Australian foreign interference law, which requires the registration of political donations from foreign actors, further strained the relationship between the countries. The law was perceived as a countermeasure against Chinese attempts to influence Australian politics.[9] During 2020, the conflict came to a head when Australian Prime Minister Scott Morrison asked for an inquiry into the origins of COVID-19, prompting China to impose a wide range of import tariffs against Australian goods.[10] The trade war that emerged constituted an important political inflection point in Australia, where the image of China as a potential threat spread from the defence community to a much broader part of the political establishment and electorate.

The same year, the Australian government published yet another white paper, the 2020 Defence Strategic Update. The document stressed that the security situation in the region had worsened significantly, pointing to grey zone activities and an increased risk of great-power conflict. According to the document, this meant that Australia needed to recalibrate its priorities to be better prepared for a high-intensity conflict.[11]

As its relations with China gradually soured, Australia compensated by expanding its security arrangements. In 2018, Australia, the United States, India, and Japan restarted the Quadrilateral Security Dialogue,[12] and in 2021, Great Britain, the US, and Australia launched AUKUS.[13] The next section elaborates on these and other agreements.

The history of Australia's defence policy contains oscillations and constants. A constant has been its reliance on Anglosphere partners, particularly the United States since the Second World War, for security. A commonly discussed theme in the literature is the ebb and flow between an outward-looking defence policy, aimed at addressing threats abroad, and a focus on defending the Australian continent. The current security environment has prompted a renewed emphasis on defence closer to home.

However, previously in Australia's history, when the country has emphasised its defence closer to home or on its homeland, the threats have been actors or states that were technologically inferior to Australia, meaning that Australia could leverage this to its advantage. Not since the war with Japan during World War Two has Australia faced the threat of a great power with technological prowess equal to its own. This distinction makes the security situation unlike anything the Australian Defence Force has had to prepare for since 1945 and serves as the primary driver behind the current change in Australian defence policy.

## Australia's defence and security cooperative arrangements

This section provides a brief overview of Australia's security arrangements, agreements, and treaties, their roles, and functions. Their pace of development is currently high, which is why the list cannot claim to be comprehensive and complete. Aside from the US-Australian relationship, which is a central pillar of Australia's security policy, this section examines Australia's multilateral arrangements. Its other bilateral relations with nations within and beyond the Indo-Pacific region are outside of the scope of this memo.

Australia's numerous international defence and security arrangements consist of a number of bespoke multi- and bilateral agreements and treaties. Over the decades, this latticework has evolved to promote security, adapting to the changing strategic situation in the Southeast Asian region. Some have eventually faded into the background and become less important, while others are current and central to the furthering of Australian security interests. Today, Australia's long-term security strategy calls for a modernised defence capability, making contributions to deterrence capability in the region, and working to achieve a strategic balance in the Indo-Pacific region. To achieve this, Australia is also investing in a broad range of partnerships. On the global level, it is a candidate for a non-permanent seat on the UN Security Council in 2029–2030.

The breadth and scope of the arrangements and agreements shape Australia's defence and security agenda and provide insight into how Australian defence and security policy develops with the interplay of dynamic regional security trends.

### United States – Australia defence and security cooperation

Australia's alliance with the United States in defence and security affairs is central and regarded as the country's most important defence relationship. The two nations share a history as allies in both World Wars. During World War Two, the Pacific war against Japan further deepened this alliance. Extensive security cooperation continued during the Cold War, with Australian support for and participation in the Korean War, Vietnam War, and the Malayan emergency. The ANZUS treaty between Australia, New Zealand, and the United States from 1952 provides for mutual defence guarantees in case of an armed attack.[14]

Australia further aligned its defence planning and cooperation with the United States in recent years, with participation in operations in Iraq and anti-terrorist actions in Afghanistan. The closeness of the security relationship is underpinned by recurring bilateral ministerial-level meetings.[15] Australia, through the United States Force Posture Initiative (USFPI), hosts US deployments from land, air, marine, maritime, logistics, and space forces on Australian territory.[16] A number of bi- and multilateral exercises support this initiative. Technological cooperation is also extensive, not least through the AUKUS agreement (see below).

### The Five-Power Defence Arrangement (FPDA)

The FPDA between Australia, New Zeeland, Malaysia, Singapore, and the United Kingdom came into effect in 1971.[17] The context for the creation of the FPDA was the United Kingdom's decision to scale back its military and naval presence in the Indo-Pacific region and instead provide a framework for security cooperation. Few British naval and military capabilities would from then on remain east of Suez. Instead, the FPDA provided a framework for security cooperation in the Southeast Asian region under new circumstances. The agreement

is not a binding mutual defence pact but provides for consultations in case of a crisis or open conflict. Initially concentrating on air defence of the Malay Peninsula, in the past two decades it has taken on more of a maritime character. Two annual exercises, Bersama Shield and Bersama Lima, provide for its practical manifestation. The FPDA remains in effect and continues to provide an adaptable basis for addressing security issues in the region, while also ensuring the presence of sea- and airpower assets and activities.

## The Quad

The Quad (previously known as the Quadrilateral Security Dialogue) is a diplomatic partnership between Australia, Japan, India, and the United States.[18] It is widely viewed as a tool to counter Chinese influence in the region, with hard security issues being a central reason for the Quad's founding. However, the concerns that some of the region's medium powers have had about a potential confrontation between China and Western powers have led to a broadening of the Quad's agenda to build trust among regional actors.[19] The Quad also addressed other pressing challenges in the region, including health security, climate change, infrastructure, emerging critical technology, cyber security, humanitarian assistance and disaster relief, space, maritime security, countering disinformation, and counterterrorism.

Originally, the initiative for the Quad came from Japan in 2007 and led to the creation of Exercise Malabar.[20] After Australia's withdrawal from the Quad in 2008, reflecting its reluctance to antagonise China in the face of increased Sino-American tensions in the Pacific, the other three nations continued their cooperation. At the ASEAN Summit in Manila in 2017, the four nations agreed to resume the Quad. Between 2017 and 2019, several high-level meetings were held, and Australia was invited to take part in Exercise Malabar. In 2020, the Quad meeting invited New Zealand, Vietnam, and South Korea. This "Quad Plus" format was further expanded when Brazil and Israel were invited to discuss the distribution of COVID-19 vaccines.

Since 2021, the member states of the Quad have held four regular "Leaders Summits" and two virtual meetings with the aim of solidifying their positions and demonstrating Quad cooperation.

## The AUKUS agreement

In September 2021, the AUKUS agreement was announced between the United States, the United Kingdom, and Australia. AUKUS is arguably one of the most important Australian defence agreements and was the start of Australia's long-term programme to procure nuclear-powered, conventionally armed submarines.[21] Until the announcement of AUKUS, Australia was planning a submarine project with France. The AUKUS agreement and the cancellation of the French-Australian agreement came as a surprise to Paris and negatively affected relations between France and the AUKUS countries. The investment in nuclear-powered submarines illustrates how Australia's view of China and its military build-up has worsened in recent years, leading Australia to invest in military capabilities that it had previously seen as superfluous.[22] For Australia, AUKUS provides substance to its desire to engage the United States in the Indo-Pacific region. It also aligns with the United Kingdom's comprehensive Integrated Review of March 2021, which emphasises the region through its "Indo-Pacific tilt."[23]

The AUKUS agreement consists of two pillars.[24] The first concerns the transfer of know-how on nuclear reactor technology to Australia and is open only to the three signatories. This shift from new French-built conventional submarines to a new conventionally armed, nuclear-powered class constitutes a substantial step up in Australian naval capability. It is moreover consistent with Australia's aims for a significant increase of its military and naval capability. The second pillar pertains to technological cooperation and is potentially open to participation by other nations. AUKUS also underlines the increasing importance of sea power as a central component of regional security arrangements.

AUKUS is a long-term project, which means that the current Australian submarine fleet of six Collins-class conventional submarines (SSK) requires a Life of Type Extension Program (LOTE). The Australian government decided in June 2024 to undertake this on all six boats due to the long lead times for acquiring the new class of nuclear-powered conventionally armed submarines (SSN) set out in the AUKUS program. The Collins-class boats are likely to serve well into the 2040s.[25]

## The Pacific Islands Forum

The Southwest Pacific includes a number of island nations, many with small populations, where Australia's long-term goal is to support democratic development and provide humanitarian assistance in case of emergencies. While bilateral confidence-building efforts form a baseline, much of the dialogue with Australia's neighbours takes place within the framework comprised of the 18 member nations of the Pacific Islands Forum.[26] The Pacific Islands Forum's main agenda items for the region include promoting good governance and its

regionalist political structure, mitigating and managing climate change and its effects, and promoting peace and security.[27]

Australia's long-term aims include strengthening its relations with the island countries and building support for its policies in the region. The development of the arrangements is guided by people-to-people interaction, with a focus on common interests rather than values. In the region's current climate of strategic competition, these arrangements also play into the struggle for influence, with the aim of limiting or thwarting Chinese influence on these island nations.

### ASEAN

In 1967, the Association of South East Asian Nations, ASEAN, was founded, with Indonesia, Malaysia, the Philippines, Singapore, and Thailand as signatories.[28] The main purpose for creating ASEAN was to manage security in the region in view of earlier conflicts, in particular Thailand's role in brokering reconciliation between Indonesia, Malaysia, and the Philippines. ASEAN's work includes cooperation in the economic, social, cultural, technical, and educational fields. Promotion of regional peace and stability, as well as the rule of law, are also included.

Australia's association with ASEAN dates back to 1974.[29] Since 2013, Australia has had an ambassador accredited to ASEAN's Secretariat and taken part in its East Asia summit. In 2021, ASEAN and Australia established a Comprehensive Strategic Partnership (CSP), which contains several activities under the Australia for ASEAN Futures Initiative (AUS4ASEAN Futures). In March 2024, Australia hosted the Melbourne summit, which laid out a long-term plan for Australian-ASEAN relations.[30] In November 2024, an ASEAN-Australian Centre was opened in Canberra, promoting business, cultural, and community connections between Australia and the rest of the region.

### Australian – European Union Framework Agreement

The basis for the EU-Australian relationship is the Framework Agreement from 2017, which entered into force in 2022 after ratification by all the parties.[31] Its comprehensive scope comprises several areas: foreign and security policy, economic cooperation, sustainable development, climate change, and economic and trade matters. The Framework Agreement encompasses a broad range of fields, but its substance is less concrete, not least with regard to defence and security policy. Since 2018, Australia and the European Union have been negotiating the terms of a free-trade agreement (FTA).

## Contemporary Australian defence and security policy

When the government of the new Prime Minister, Anthony Albanese, took office in 2022, it tasked the former minister of defence, Peter Smith, and the former chief of defence, Angus Houston, to produce an independently led examination of Australia's defence and security policies and the future development of the armed forces. The resulting document, the Defence Strategic Review (DSR), was launched in 2023. The DSR noted that Australian governments' defence white papers tended to be delivered at uneven intervals, making it harder for policy to keep pace with global developments, and more difficult for the armed forces to plan for and implement the resulting recommendations. To address this problem, the DSR recommended that the government deliver a National Defence Strategy (NDS) every two years.[32] The government accepted this recommendation and in April 2024 published the first NDS. Simultaneously, the government published a document called the Integrated Investment Program (IIP), which describes in more detail the budgetary consequences of the various defence investments. Together, the DSR, the NDS, and the IIP provide a comprehensive overview of the state and direction of the Australian armed forces and the country's defence policy. Since the Australian government has accepted the vast majority of the recommendations in the DSR, the documents overlap to a large degree. Therefore, the following section discusses them collectively.

### Australia's security environment

While security risks such as climate change, destabilising actions from North Korea, or a conflict between India and Pakistan are mentioned, the threat from China, with its incumbent risk of great-power conflict in the region, which would draw in Australia, dominates both the DSR and the NDS. The documents explicitly criticise China for building up its military without providing sufficient assurances about its strategic intent, characterising Chinese-American competition as the region's defining feature.[33]

The shift in thinking among Australian policymakers that this implies should not be underestimated. Viewing this from the perspective of Sweden, which has a long tradition of thinking about how to manage a geostrategic situation involving a potentially threatening

great power, is helpful in this regard; the contrast is striking. For instance, Australia has not traditionally viewed China as a threat, since until recently the geographical distances have been too great for China to exert significant pressure. With China's new economic resources and growing technological capabilities, Australia has become vulnerable in new ways. Although an invasion of the Australian mainland, given the great distances involved, is not something that worries Australia, the threat posed by long-range missiles, space and cyber-attacks, supply-chain disruptions, including the blocking of sea lanes, and disinformation cannot be countered or managed by mere geographical distance.[34] The threat posed by Chinese nuclear weapons to Australia is best managed through continued and extended nuclear deterrence from the United States.[35]

The documents also note that the emerging threat from China implies a loss of early-warning time. Up until 2020, the assumption was that Australia would have at least a 10-year advance warning to prepare for a major attack. Today, there is no such assumption. The sense of urgency has therefore increased significantly.[36]

### From defence of Australia to national defence

Based on the analysis of the security environment, the documents conclude that the Defence of Australia doctrine is no longer best suited to guide the development of Australian forces. The doctrine was created in the 1970s, as the US pulled back from the region. Its goal was for Australia to be able to defend its own territory. However, it focused on low-level conflicts against technologically inferior opponents. Australia must now prepare itself for a conflict with a great power. To make these preparations, the DSR presents a new conceptual approach, which, despite its conventional-sounding name — National Defence — represents a marked departure in its defence strategy."[37] National Defence includes a focus on deterrence through denial. The goal of deterrence now takes primacy among Australia's strategic objectives. The other strategic objectives are the ability to shape Australia's strategic environment and being able to respond with credible military force if required.[38] Simultaneously, the DSR states that Australia currently lacks the capability to effectively deter higher-level threats (read China).[39]

In addition to a focus on deterrence, the strategic concept of National Defence also includes developing the alliance with the United States and an increased focus on resilience. Australia, it states, should increase its defence industrial base and work towards an approach to defence that harnesses all aspects of Australia's national power to advance the country's security. This whole-of-government approach includes synchronising diplomatic and military tools as well as ideas that have some similarities with the Swedish civil and total defence concepts.[40] The attention given to civil and total defence is a change in Australian strategic thinking. However, it should be noted that the NDS and DSR are light on concrete suggestions for developing these aspects. Australia does have a National Resilience Taskforce that works on improving Australia's resilience. A lot of work has been done in some areas, such as countering disinformation, but if Australia wants to develop a more comprehensive civil defence concept, much work remains.[41] Plans for how non-defence-related government agencies should act in times of war have not been produced since the 1950s,[42] and Australia does not conduct whole-of-government defence exercises, for example.[43]

Australia's shift in doctrinal thinking, brought about by the changed security environment, also means that Australia's current military force setup is not well suited to its new purpose. Australia describes its current force as a balanced force, meaning it is designed to counter a broad range of different threats. Australia now intends to transition to a focused force, one that targets a specific threat.[44] To be able to meet this new threat, the NDS lists a number of capabilities that the government wants to prioritise. These include the acquisition of nuclear-powered submarines through AUKUS, developing the military's long-range precision-strike capabilities and the capacity to produce munitions domestically, improving the Australian Defence Force's ability to operate from its northern bases, strengthening space and cyber capabilities, including a sovereign satellite-communications system and space-control capabilities, and improving growth and retention of the defence workforce.[45] Australia also aims to build a larger defence industrial sector at the forefront of technological development. Knowledge exchange with the US is central to achieving this. Defence innovation priorities include hypersonic weapons, directed energy, trusted autonomy, quantum technology, information warfare, and long-range fires.[46] One goal is to speed up the defence acquisition process to deliver capabilities at a faster pace, which the government recognises requires embracing greater levels of risk.[47] The Australian Defence Forces also needs to invest in personnel recruitment and retention since the ADF is struggling with filling its current positions.[48]

### Australian defence economics

To finance this new force, the Albanese government proposes a defence-funding increase from AUD 55 billion in 2024–25 to over AUD 100 billion in 2033–34. This would see Australian defence spending rise from 2.0 percent of GDP today to 2.3 percent in 2033.[49] To afford investments in the prioritised capabilities mentioned above, the government has also proceeded with budget cuts to other parts of the military. The number of infantry fighting vehicles has been reduced from 450 to 129; a project to acquire self-propelled howitzers has been cancelled;[50] the purchase of a fourth squadron of F-35 fighter aircraft has been delayed;[51] and the ANZAC-class frigates are being decommissioned early to help finance a new general-purpose frigate.[52]

However, the majority of the budgetary increase will come in the latter half of the government's ten-year span, something that has been criticised by the opposition and some think tanks as being too late.[53][54] The criticism particularly focuses on the fact that the DSR and NDS concluded in their analyses of Australia's strategic environment that Australia may have less than ten years before the outbreak of a major conflict, which they think matches poorly with postponing major defence investments into the 2030s. The AUKUS submarines are particularly costly, and Angus Houston, one of the authors of the Defence Strategic Review, believes that unless Australia invests around 3 percent of its GDP on defence as it moves into the 2030s, the AUKUS programme can only be afforded by cannibalising other parts of the force.[55] Given this, there seems to be a significant risk that the ADF will face economic difficulties in the future unless it receives increased funding allocations.

## Policy options for Australia and Sweden — how could the relationship develop?

This section is based on discussions and interviews with people working with Australian or Swedish defence policies, as well as our own analysis. In order to allow the interviewees to be more candid in our discussions, they are anonymous.

It is fair to say that there is an increased interest from both the Swedish and the Australian sides in learning about each other's region and finding areas for enhanced cooperation. From the Swedish side, this interest is best illustrated in the recent defence policy direction for cooperation with countries in the Indo-Pacific region, which emphasises the importance of increased Swedish engagement with and presence in the region and which explicitly mentions Australia both in relation to NATO cooperation and defence technology.[56] The policy expresses a need for Sweden to participate in such regional forums as the Shangri-La Dialogue, increase the number of defence attachés present in the region, and consider participating in exercises and supporting military operations in the region when this is beneficial to regional security and Swedish interests. The policy also expresses interest in finding new areas of cooperation in regard to defence industrial matters.

For both Sweden and Australia, common values concerning the rules-based international order form the basis of mutual interest.[57] However, with the rules-based order being challenged, "hard-boiled" realism-based cooperation in the fields of security, technology, and defence is taking an increasingly prominent role. The question of deterrence over the conflict spectrum looms large in both countries. Although there are many differences between the Swedish and Australian military-strategic contexts, there are still plenty of areas that provide opportunities for mutual exchange and learning. A few examples, listed in no particular order, follows below:

- There is interest in Australia in gaining a better understanding of the Swedish total defence system as it evolves and reflecting on what lessons can be applied in the Australian context.
- Sweden's innovative technological capability and well-developed defence industry are also of interest to Australia.
- Australia is considered to be at the forefront of cybersecurity; Sweden may be able to learn from their work.
- Both nations have capabilities and technology for the space domain, where increased exchange and cooperation may also be of mutual interest.
- Australia's knowledge of their region and, in particular, its deep expertise on China and Antarctic region is valuable to Sweden. Similarly, Sweden's extensive knowledge of Russian capabilities and behaviour and the Artic region may be valuable to Australian intelligence.
- As two countries with extensive seabed power and telecom cables, exchanges on developments in seabed warfare may also be of mutual benefit.

- Participation in existing and potential future Australian military exercises, primarily in the sea and air domain could be analysed by Sweden to identify areas of mutual benefit.

- Exchange of knowledge regarding areas such as Sino-Russian cooperation or countermeasures against hybrid operations could provide valuable perspective for both parties

## Analysis and suggestions for further studies

When considering Australian security policy, the sheer number of different arrangements, agreements, and treaties for defence and security that Australia has accumulated over the decades and continues to develop provides for a flexibility in its defence and security arrangements. This latticework model for the management of relations in the Indo-Pacific region appears to serve Australian interests. The skill set and knowledge base for how to manage, balance, combine and utilise its arrangements, agreements, and treaties within this complex regional security architecture under shifting circumstances, is well developed and necessitates daily dialogues and coordination between government ministries and agencies.[58] Precisely how this is organised and resourced remains a relevant question for further study beyond the scope of this memo.

As for defence policy, the Australian shift from a balanced force to a focused force signals a major change in direction for the structure of the ADF. Such major overhauls usually take years or decades to see through, however, and not everyone is convinced that the timetables and budgets will hold.[59] The investment in nuclear-powered conventionally armed submarines will provide the country with new capabilities, but the cost is significant. The government's budget calculations indicate that undersea warfare capabilities will receive 17 percent of economic investments in the coming decade.[60] However, major defence acquisition programmes are notorious for exceeding budgets and taking longer than anticipated to deliver new capability.[61] Australia's intention to build up technical know-how for domestic production of nuclear-powered submarines adds another layer of complexity and uncertainty. This could contribute to unexpected cost increases. Should this occur, other parts of the ADF may be starved of resources as the government scrambles to fund the flagship programmes. Estimating the risk of such a scenario is beyond the scope of this report, but it is nonetheless a scenario that must be kept in mind when analysing Australian security policy.

The question of both tempo and endurance in implementing the changes to the ADF will be a central element to watch as Australia begins to put its new policy direction into practice. The hitherto relatively modest increases in the defence budget announced for the next four years further underline the question of the ADF's capacity to implement the goals laid out in the NDS at the tempo the government is requesting. Australia's sluggish economic growth is also a factor to consider suggesting that political appetite for further defence investments is currently low.[62] Given all of this, the risk that the ADF will be unable to realise its goals according to the planned timetable seems significant unless allocation of further funds takes place.

The question of what a "focused force" means in practice is also something that merits further reflection. In theory, it may seem simple to focus on one specific threat, but does this imply that Australia will deprioritise capabilities that, for example, are needed to participate in exercises abroad? The Australian government has made few cuts to the current force so far, meaning that talk of moving from balanced to focused may in practice be less of a shift than is implied in government documents.

Moving forward, there is a rebalancing of funds, specifically towards the navy, including the submarines, which in the longer term arguably leads to a more focused force. However, since some of these capabilities are decades away, the shift will be gradual. How the government manages the goal of shifting from a balanced to a focused force will have important implications for the future direction of the ADF.

As the interconnection of the Indo-Pacific and European regions increases, Swedish-Australian cooperation has become more relevant to both nations. While their respective security situations differ in many ways, there are clear overlapping themes and topics where exchanges may be mutually beneficial in a number of areas, including intelligence, military defence, total defence, and the defence industry.

When reading Australia's defence and security documents, it is abundantly clear that their long-term view of China has shifted drastically in the last decade and that China is now considered the main threat towards Australia's interests in the region. Australia is taking concrete steps to align its military capabilities to this new reality, but there is a significant risk that

the ADF will be unable to meet the goals laid out in the National Defence Strategy in the declared time frame unless further economic resources are allocated. ■

***Anders Schröder,*** analyst, FOI Division for Defence Analysis.

***Niklas Granholm,*** deputy director of studies, FOI Division for Defence Analysis.

## Endnotes

1 Jeremy "JB" Brown. "An analysis of Australian defence policy from 1901 to present" Security Nexus, 2020, 2–3.

2 John Blaxland. "Introduction." In *Niche Wars: Australia in Afghanistan and Iraq, 2001–2014*, edited by John Blaxland, Marcus Fielding, and Thea Gellerfy, 1st ed., 1–18. ANU Press, 2020. *https://doi.org/10.2307/j.ctv1d5nm2f.9* .

3 Nicole Brangwin, Nathan Church, Steve Dyer and David Watt. "Defending Australia: a history of Australia's defence white papers." Parliament of Australia research papers series 2015-16. 57–58 Accessed September 4, 2024.

4 Brangwin, Church, Dyer and Watt. "Defending Australia", 65.

5 Monica Attard, "Gillard Trip Underlines Australia's Dependence on China," *CNN*, April 5, 2013, *https://edition.cnn.com/2013/04/04/world/asia/australia-gillard-china-trip/index.html* . Accessed September 8, 2024.

6 Maggie Lu Yueyang, "Australia PM stands by Huawei Ban despite China plea" | *Reuters*, March 29, 2012, *https://www.reuters.com/article/us-australia-huawei/australia-pm-stands-by-huawei-ban-despite-china-plea-idUKBRE82S06L20120329/*. Accessed September 8, 2024.

7 Brangwin, Church, Dyer and Watt. "Defending Australia", 70–72.

8 Government of Australia, 2016 Defence White Paper, 45–46.

9 "First Person Charged under Australia's Foreign Interference Laws Denies Working for China." *AP News*, November 17, 2023. *https://apnews.com/article/australia-foreign-interference-china-duong-65b81310f6b95148d4920522706f4a7f* . Accessed September 10, 2024.

10 Kath Sullivan. "Trade War Fallout Continues as Exporters Hope for Good News." *ABC News*, February 27, 2024. *https://www.abc.net.au/news/2024-02-28/trade-war-continues/103513114* . Accessed September 10, 2024.

11 Government of Australia, 2020 Defence Strategic Update, 5–7.

12 For more details on QUAD, see Albin Aronsson, Samuel Neuman Bergenwall, Christopher Weidacher Hsiung, and Anders Schröder "Quadrilateral Security Dialogue: förutsättningarna för en allians i den indopacifiska regionen," FOI-R--5603--SE, 2024.

13 Björn Ottosson, et al. "Aukus — Politiska reaktioner och strategiska implikationer." FOI Memo 7620, September 2021.

14 Jeremy Brown. "An analysis of Australian defence policy from 1901 to present." Security Nexus, 2020, 2.

15 U.S. Department of Defense. "Fact Sheet: 2024 Australia-U.S. Ministerial Consultations (AUSMIN)," August 6, 2024. *https://www.defense.gov/News/Releases/Release/Article/3863763/fact-sheet-2024-australia-us-ministerial-consultations-ausmin/* . Accessed January 17, 2025.

16 Australian Government. "United States Force Posture Initiatives," (no date), Accessed December 10, 2024. *https://www.defence.gov.au/defence-activities/programs-initiatives/united-states-force-posture-initiatives* .

17 Euan Graham. "The Five Power Defence Arrangements at 50: What Next?" IISS, December 10, 2020. *https://www.iiss.org/en/online-analysis/online-analysis/2020/12/five-power-defence-arrangements/* . Accessed January 17, 2025

18 Australian Government - Department of Foreign Affairs and Trade "The Quad.". *https://www.dfat.gov.au/international-relations/regional-architecture/quad* . Accessed July 23, 2024.

19 Garima Mohan and Kristi Govella "The Future of the Quad and the Emerging Architecture in the Indo-Pacific." German Marshall Fund, 2022.

20 Dominique Frasier. "The Quad: A Backgrounder." Asia Society, May 16, 2023. *https://asiasociety.org/policy-institute/quad-backgrounder* . Accessed September 19, 2024.

21 Australian Government. "Fact sheet: Implementation of the Australia – United Kingdom – United States Partnership (AUKUS)," April 5, 2022. *https://pmtranscripts.pmc.gov.au/sites/default/files/AUKUS-factsheet.pdf* . Accessed September 4, 2024.

22 Ottosson et al. "Aukus."

23 "Government of the United Kingdom. The Integrated Review 2021." March 16, 2021. *https://www.gov.uk/government/publications/global-britain-in-a-competitive-age-the-integrated-review-of-security-defence-development-and-foreign-policy* . Accessed January 17, 2025.

24 Government of Australia "Agreement among the Government of Australia, the Government of the United Kingdom of Great Britain and Northern Ireland, and the Government of the United States of America for cooperation related to naval nuclear propulsion." August 12, 2024. Accessed September 4, 2024.

25 Alex Luck. "Collins Life Extension Goes Ahead, Australia Drops Tomahawk." *Naval News*, June 6, 2024. *https://www.navalnews.com/naval-news/2024/06/collins-life-extension-goes-ahead-australia-drops-tomahawk/* . Accessed January 17, 2025.

26 "The Pacific Islands Forum." Pacific Islands Forum Secretariat. *https://forumsec.org/pacific-islands-forum* . Accessed September 19, 2024.

27 "2050 Strategy for the Blue Pacific." Pacific Islands Forum Secretariat. 2022. *https://forumsec.org/sites/default/files/2023-11/PIFS-2050-Strategy-Blue-Pacific-Continent-WEB-5Aug2022-1.pdf* Accessed January 17, 2025.

28 ASEAN. "The Founding of ASEAN." *https://asean.org/the-founding-of-asean/* . Accessed September 9, 2024.

29 Australian Government Department of Foreign Affairs and Trade. "ASEAN and Australia." *https://www.dfat.gov.au/geo/southeast-asia/asean-and-australia* . Accessed September 9, 2024.

30 ASEAN. "2024 ASEAN-Australia Special Summit." https://aseanaustralia.pmc.gov.au/index.htm. Accessed September 9, 2024.

31 Australian Government Department of Foreign Affairs and Trade. "Australia-European Union Free Trade Agreement." *https://www.dfat.gov.au/trade/agreements/negotiations/aeufta* . Accessed September 9, 2024.

32 Australian Government "Defence Strategic Review." (DSR). 2023. 99.

33 DSR, 23.

34 Australian Government, "National Defence Strategy" (NDS). 2024, 15.

35 DSR, 14.

36 DSR, 25.

37 DSR, 32.

38 NDS, 22.

39 DSR, 37.

40 NDS, 17.

41 "National Resilience Taskforce." Fact Sheet from the Department of Home Affairs, December 8, 2022. *https://minister.homeaffairs.gov.au/ClareONeil/Documents/factsheet-national-resilience-taskforce.pdf* . Accessed January 17, 2025.

42 Michael Pezzullo. "In a decade of danger, it's time to prepare civil defence." *The Strategist*, ASPI, April 24, 2024. *https://www.aspistrategist.org.au/in-a-decade-of-danger-its-time-to-prepare-civil-defence/* . Accessed September 23, 2024.

43 Eric Lies and Jeremy Stredwick. "Whole-of-nation readiness demands whole-of-nation exercises." *The Strategist*, ASPI, July 24, 2024. *https://www.aspistrategist.org.au/whole-of-national-readiness-demands-whole-of-nation-exercises/* . Accessed September 23, 2024.

44 DSR, 53.

45 NDS, 38–39.

46 NDS, 63.

47 NDS, 55.

48 NDS, 33.

49 Gordon Arthur. "Australia unveils record $37 billion defense budget." *Defense News*. May 15, 2024. *https://www.defensenews.com/global/asia-pacific/2024/05/15/australia-unveils-record-37-billion-defense-budget/* . Accessed January 17, 2025.

50 "Australia's 2023 Defence Strategic Review." International Institute for Strategic Studies. May 2023. *https://www.iiss.org/en/publications/strategic-comments/2023/australias-2023-defence-strategic-review/* . Accessed September 23, 2024.

51 Daniel Hurst. "Plans for new fighter jets on back burner despite Labor's $50bn boost to defence spending." *Guardian*, 17 April 2024. https://www.theguardian.com/australia-news/2024/apr/17/labor-government-defence-military-budget-increase-spending-adf. Accessed December 2, 2024.

52 Ben Felton. "Australia to Double Fleet Size with Small Warships." *Naval News*, February 20, 2024. *https://www.navalnews.com/naval-news/2024/02/australia-to-double-fleet-size-with-small-warships/* . Accessed December 2, 2024.

53 Andrew Hastie. "Speech: Defence Connect Budget Summit 2024." Andrewhastie.com, May 17, 2024. *https://www.andrewhastie.com.au/speech_defence_connect_budget* . Accessed December 2, 2024.

54 Bec Shrimpton et al. "The cost of Defence: ASPI Defence budget brief 2024–2025." ASPI, June 3, 2024. *https://www.aspi.org.au/report/cost-defence-aspi-defence-budget-brief-2024-2025* . Accessed December 5, 2024.

55 Colin Clark. "AUKUS will 'cannibalize' other programs with no budget boost: Former top Aussie general." *Breaking Defence*. November 20, 2024. *https://breakingdefense.com/2024/11/former-top-aussie-general-warns-aukus-will-cannibalize-other-programs-with-no-defense-boost/* . Accessed December 5, 2024.

56 "Defence policy direction for cooperation with countries in the Indo-Pacific region". Swedish Ministry of Defence, August 16, 2024.

57 Interview, Australian Government Official, September 18, 2024.

58 Interview, Australian Government Official, September 18, 2024.

59 Interview, Australian policy expert, September 27, 2024.

60 "Integrated Investment Program." Australian Government, 2024. 10.

61 "Excerpt from the proceedings of the Seventh Annual Acquisition research symposium Wednesday sessions volume I." Naval Postgraduate School, Monterey. May 2010. NPS-AM-10-026 *https://apps.dtic.mil/sti/pdfs/ADA530059.pdf.*

62 Interview, Australian security policy expert, September 27, 2024.

FOI
Swedish Defence Research Agency
SE-164 90 Stockholm

Tel: +46 8 5550 3000
www.foi.se