

## Australia's Defence Strategic Review and the Growing Importance of Extended Deterrence

By

Carl Rhodes

In 2023, the Albanese Government released the public version of the independent [Defence Strategic Review](#) (DSR) along with the government's response to the review. The DSR called for the Australian Defence Force (ADF) to have the capacity to defend Australia and its immediate region and to “deter through denial any adversary's attempt to project power against Australia through our northern approaches.”

While specific nations to be deterred are not directly named in the DSR, China's increased involvement in strategic competition in the region is clearly documented. The DSR also highlights the critical importance of Australia's alliance with the United States to its security. It recognizes that the alliance will play an increasingly important role in the coming decades given [increased rotations](#) of American forces to Australia and ongoing cooperation on science and technology under agreements like [Pillar II of AUKUS](#).

While much of the formal implementation plan to improve ADF capabilities associated with the DSR will be released in 2024 as part of the inaugural National Defence Strategy and its associated Integrated Investment Program, [a few priorities](#) for immediate action were identified including preparing to acquire nuclear-powered submarines; increased long-range strike capabilities, including the manufacture of munitions locally; and upgrades to Australia's northern bases. The review also recognizes the role of resilience in Australia's deterrence strategy, calling upon the nation to harness all element of national power to make Australia less susceptible to coercion by hostile nations.

Australia's strategic environment is extremely challenging when considering deterrence of China's large, capable, and [increasingly expeditionary](#), conventional military forces. However, China also possesses a significant nuclear force structure which is [modernizing and expanding](#) at a dramatic pace. Assuming the current growth in forces leads to a [stockpile of 1,500 operationally deployed strategic nuclear weapons by 2035](#). In considering methods for the ADF to deter China, Australia must find ways to address threats of nuclear escalation and develop methods to deescalate any potential limited nuclear use. It is interesting to note that the word nuclear appears in the DSR report 41 times in total, yet 36 of those instances refer to nuclear-power submarines planned for delivery under AUKUS. The critically important topic of nuclear escalation and the role of American extended deterrence is barely mentioned, being covered in two sentences of a 116-page document.

Effective deterrence of a major nuclear power like China, even assuming the presence of the American “nuclear umbrella,” will require both effective engagement between the US and Australia, and detailed thought about ways nuclear threats or limited nuclear use can affect any potential future conflict.

Recent [tabletop exercises at the Center and Strategic and International Studies](#) highlighted a lack of imaginative thinking by “Blue” players in a simulated US-China conflict over Taiwan, labeling the Blue team as “stuck in a Cold War mindset.” “Red” players, at the outbreak of the conflict, used the threat of nuclear use in an attempt to deter Blue forces from entering the war, similar to the way [Putin has successfully leveraged nuclear threats](#) to deter NATO's increased involvement in Ukraine. In one tabletop exercise, Red players employed a low-yield nuclear weapon against Guam as a response to conventional attacks on Red's mainland. Understanding and developing methods to limit and manage escalation within the



# Global Security Review

alliance construct, while maintaining deterrence, are especially critical for a non-nuclear weapon state like Australia.

Although increased numbers of American troops rotating through Australian bases may increase deterrence, those bases are attractive targets for long-range ballistic and cruise-missile strikes early in a conflict should conflict erupt between the US and China. Several wargames and expert analyses show that the US could lose [hundreds of aircraft on the ground](#) from attacks by Chinese conventional missiles unless new methods of base hardening, base resilience, and [agile combat employment](#) are implemented. The US and Australia need to work together to find ways to ensure the maritime and air forces of both nations are able to effectively operate through such attacks.

Missile defenses, rapid base repair capabilities, infrastructure upgrades, and methods of deception and denial form a partial list of options. Proven resilience during peacetime against such attacks on air and maritime bases will help deter those attacks in wartime.

To increase deterrence and the nation's resilience, Australia's government must also start an open and frank dialog with the public about the significance of the threats the nation is facing and the ways in which the ADF and other parts of government are posturing to deter those threats. This is needed to help motivate the "renewed focus on national planning for Defence preparedness" as part of the transition to national defence recommended in the DSR. This discussion must include more than conventional threats. While only the United States possess nuclear weapons, Australia has a role to play in shared extended deterrence. This includes helping the US understand what assurances Australia requires given various routes to escalation in potential future crises. Further examination of these issues and sharing finding with the public, friends, and adversaries should lead to a more stable Indo-Pacific region.

*Carl Rhodes is a senior fellow with the [National Institute for Deterrence Studies](#) and is founder of [Robust Policy](#), a Canberra firm providing high-quality analysis and policy solutions. Previously, he served 25 years with RAND Corporation including a term as director of RAND Australia.*