
Australia's Nuclear Dilemma: Dependence, Deterrence or Denial?

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Australian defence planners attach a great deal of importance to the concept of self-reliance in defence. But when it comes to the most destructive weapons of all—nuclear weapons and ballistic missiles—Australia is entirely dependent on extended deterrence provided by US nuclear forces. As the strategic balance of the region changes, and as nuclear weapons and ballistic missiles threaten to proliferate within Australia's strategic environment, new questions arise about the suitability of Australia's strategic approach. This article explores the limitations of Australia's current approach to nuclear deterrence, and some of the hard choices that Australian policy-makers face if they wish to preserve a credible nuclear strategy in the uncertain decades ahead.

In the late 1960s Australian strategic and defence policy underwent a profound transformation. Britain's withdrawal of forces from east of the Suez Canal, and President Nixon's public articulation of the Guam doctrine, were the principal factors that impelled Australian defence planners to look beyond the existential guarantees of 'great and powerful friends,' toward a military force which was independently capable of defending Australia.¹ As a consequence, the concept of defence self-reliance has, over the past thirty years, become a politically and strategically indispensable feature of Australian defence policy. As the latest Defence Update notes:

It is the government's policy that our armed forces be able to defend Australia without relying on the combat forces of other countries. We must be the sole guarantor of our own security.²

However, while the Australian Defence Force (ADF) may be self-reliant across a range of credible contingencies, Australia neither enjoys, nor currently strives for, a truly comprehensive self-reliant strategic posture. This is most vividly reflected in Canberra's strategic approach to high-end, non-conventional threats such as chemical, biological and nuclear weapons, and long range ballistic or cruise missile delivery systems. In its current manifestation, Australia's nuclear strategy is most succinctly articulated in the 2000 Defence White Paper, which notes: "Australia relies on the

¹ Desmond Ball, 'Australian Defence Decision-Making Actors and Process', in Desmond Ball (ed.), *Strategy and Defence: Australian Essays* (Sydney: George Allen and Unwin, 1982), pp. 291-292.

² Commonwealth of Australia, *Australia's National Security: A Defence Update 2007* (Canberra: Department of Defence, 2007), p. 26.

extended deterrence provided by US nuclear forces to deter the remote possibility of any nuclear attack on Australia.”³

Since nuclear deterrence is inherently preventative, and Australia has not fallen victim to any kind of direct military attack since the inception of the ANZUS alliance, there is some indication that US extended deterrence has been an effective strategic mechanism and a prudent policy choice hitherto. Although a causal relation cannot be proven, we know, at the very least, that extended deterrence has not failed. But this may not be the case in perpetuity. As rising powers take their place on the regional stage, and as economic growth and military modernisation continue to recalibrate the Asia-Pacific strategic order, new questions arise about the credibility of US extended deterrence and its implications for Australia’s incomplete self-reliance.

So does Australia face the kind of existential threat posed by nuclear weapons, or do considerations of nuclear deterrence merely reflect the residual (and redundant) anxieties of a previous strategic era? If nuclear attacks are a realistic concern, how viable is the current approach, and how might Australia’s nuclear strategy and force structure be adjusted to cope with the uncertainty of its future geo-strategic circumstances?

This article will unfold in three sections. It will argue that while the probability of a nuclear ballistic missile attack on Australia remains extremely low, the devastation that it would cause, were it to occur, is so grave as to warrant the indefinite preservation of a robust and credible preventative strategy. Consequently, as the regional power distribution shifts over the coming decades, Australian policy-makers will need to remain highly attentive not only to emerging regional capabilities, but also to changes in the strategic order which could compromise the endurance or credibility of US extended deterrence. The first section briefly explores the nuclear dynamic in the Asia Pacific, a region in which horizontal and vertical nuclear proliferation is throwing up new challenges for Australia’s defence planners. The second section will discuss the implications for Australia’s nuclear strategy of a gradual relative erosion of the United States’ regional strategic preeminence. Finally, the paper canvasses some of the difficult strategic choices that Australian policy-makers may, however unwillingly, have to confront in the coming decades.

The Nuclear Landscape

In many ways, the broader Asia Pacific region is emerging as the next nuclear locus-point of the international system. The region’s nuclear arsenals are being cultivated against a backdrop of great power competition,

³ Commonwealth of Australia, *Defence 2000: Our Future Defence Force* (Canberra: Department of Defence, 2000), p. 36.

unresolved territorial disputes and, in some cases, intensely antagonistic historical relations.⁴ Effective mechanisms for arms control, crisis management and conflict resolution remain conspicuously absent across the full spectrum of regional security institutions, and future initiatives which seek to integrate these functions into the existing multilateral architecture may well be impeded by a pervasive and dogmatic aversion to institutional constraints on absolute state sovereignty. Thus, even participation in global arms control and non-proliferation regimes is at best inconsistent. As Victor Cha points out:

For 'proliferation pessimists,' Asia represents the worst of two worlds: small nuclear powers operating under conditions of security scarcity, where fierce animosities and rivalries do not bode well for rational or stable deterrence.⁵

For Australia, perhaps the most important issue is the future direction of Indonesia's nuclear policy, which is not only likely to be influenced by Jakarta's increasingly precarious geo-strategic situation, but also its own nuclear dilemma. As Robyn Lim notes:

Indonesia, the largest and most important of the Southeast Asian states, is now confronted with a rising China and a rising India. Both these nuclear-armed great powers are manifesting strategic ambition. Indonesia, unlike Australia cannot rely on a great power for nuclear protection. What would it take for Indonesia to decide that it needed nuclear weapons?⁶

That an Indonesian decision to proliferate may be motivated by strategic developments to its north and west would be little comfort to Australian defence planners who, over long time-scales, must prudently seek to minimise risk by planning on the basis of capabilities as well as current intentions.⁷ For the moment, nuclear weapons do not appear to be on the agenda in Indonesia. However, Jakarta's tentative plans to construct as many as four nuclear reactors on Java, by dramatically reducing the lead-time for the acquisition of a weapons capability,⁸ could undermine Australia's long held, albeit implicit strategy of maintaining at least a comparable lead-time on nuclear weapons acquisition to other states in the region.⁹

⁴ Victor D. Cha, 'Nuclear Weapons, Missile-Defence and Stability: the Case for Sober Optimism', in Muthia Alagappa (ed.), *Asian Security Order: Instrumental and Normative Features* (Stanford, CA: Stanford University Press, 2003), p. 458.

⁵ Ibid., p. 458.

⁶ Robyn Lim, 'Australia and the Future of Nuclear Deterrence', *Issues Analysis*, no.82, The Centre for Independent Studies, 1 March 2007, <http://www.cis.org.au/issue_analysis/IA82/ia82.pdf> [Accessed 19 October 2007].

⁷ Ibid.

⁸ Tom Hyland, 'Nuclear Reactor Plan on Shaky Ground', *The Age*, 14 October 2007, <<http://www.theage.com.au/news/climate-watch/reactor-plan-on-shaky-ground/2007/10/13/1191696239293.html>> [Accessed 18 October 2007].

⁹ Desmond Ball, 'Australia and Nuclear Policy', in Ball (ed.), *Strategy and Defence: Australian Essays*, p. 325.

Beyond Australia's immediate neighborhood, a complex nuclear landscape continues to take shape. Across the Sub-Continent, India and Pakistan remain locked in a tense nuclear standoff, the future stability of which may be challenged by a growing disparity in military power and Pakistan's internal upheaval. Further east, North Korea's nuclear and ballistic missile tests in 2006 all but demonstrated its independent nuclear capability. Although recent developments in the Six Party talks appear set to constrain North Korea's ability to further bolster its nuclear arsenal, Pyongyang will nevertheless retain its status as a *de facto* nuclear weapons state since there is little chance that it will relinquish the nuclear weapons or fissile material that it has already developed.¹⁰ Japan's advanced nuclear energy program and high technological competence provide it with the capability to 'break out' in a very short time-frame, estimated by some analysts at less than a year.¹¹ Important normative and constitutional constraints notwithstanding, in the context of extensive Chinese strategic modernisation and a newly nuclearized North Korea, Japanese self-restraint in the nuclear arena should not be taken for granted. Furthermore, as the Sino-US relationship potentially becomes more overtly competitive in the coming years, a pernicious security dilemma threatens to fuel a new round of nuclear arms-racing between Asia's great powers.¹²

This is not to say that a nuclear exchange in Asia is either imminent or inevitable, or necessarily more likely than it was during the Cold War. After all, Asia's nuclear arsenals pale in comparison to Soviet strategic forces, and do not complement unambiguously expansionist intentions. Nevertheless, as nuclear weapons and long-range delivery systems become a permanent fixture of Australia's strategic environment, Australian defence planners cannot altogether rule out the possibility of a regional nuclear attack, or ignore the grave threat to Australian interests and security that such a development would pose.

The Limits of Extended Deterrence

While it is rarely spelled out in such explicit terms, one of the overarching assumptions of Australian defence policy is that Australia could potentially be drawn into violent conflict with one (or more) of Asia's great and rising powers, either in its own neighbourhood or further afield. The 2000 Defence White Paper outlines a geographically concentric organisation of Australia's strategic interests, and establishes a hierarchy of priority extending outward from the Australian continent. Predicated on the idea that Australia faces an

¹⁰ Robert Ayson, 'Is North Korea Seriously Disarming?', July 2007, <http://pajamasmedia.com/2007/07/is_north_korea_seriously_disar.php> [Accessed 18 October 2007].

¹¹ Andrew Davies, 'Australian Uranium Exports and Security: Preventing Proliferation,' *Strategic Insights*, no. 28, Australian Strategic Policy Institute, August 2006, p. 13.

¹² Hugh White, 'Stopping a Nuclear Arms Race between America and China,' *Policy Brief*, Lowy Institute for International Policy, August 2007, p. 3.

increasingly uncertain strategic environment in the Asia-Pacific in the coming years, it argues that Australian interests and security are best served by enhancing Australia's strategic weight, primarily through the development of high-level air and maritime capabilities.¹³ Indeed, the Australian Government's willingness to accept the high cost of indefinitely preserving regional air superiority, its procurement of conventional force projection assets such as Air Warfare Destroyers (AWD), Super Hornets and Joint Strike Fighters (JSF), all reflect Canberra's underlying anxiety about the future strategic order of the Asia Pacific.

Thus, as the region continues its inexorable transformation over the coming years, Australian defence planners clearly envisage contingencies in which Australia may have to confront a potentially nuclear armed Asian power. Although Canberra has invested heavily in conventional capabilities that provide the ADF with the best chance of prevailing in such a confrontation, there has been no corresponding effort to diversify those strategic assets which deter nuclear and ballistic missile attacks, except perhaps for reaffirming a broad and bipartisan commitment to the US alliance. However, if the strategic rationale for self-reliance in defence rests on an underlying fear of great power abandonment, then there is no obvious or intuitive reason why that self-reliance should be limited to strictly conventional warfare, especially given the existential threat posed by nuclear weapons. Canberra's fixation with conventional threats, and its implicit belief that conventional conflict will not escalate beyond the nuclear threshold, appears to derive from its unwavering belief in the enduring credibility of the US extended deterrent.

In light of the enormous destructive capacity of nuclear weapons, however, this appears to be a particularly risky assumption, and one which may be insufficiently attentive to the inherent risks of defence planning in a nuclear environment. The mere existence of strategic nuclear forces means that, whatever happens, states face an irreducible risk that armed conflict might at some point escalate into nuclear war.¹⁴ Cognizant of this risk, decision-makers need to exercise a substantially higher degree of caution, and be more prudent and sensitive than they otherwise would be. It was with recourse to this kind of thinking that a once classified Defence Department document noted in the 1970s:

¹³ Hugh White, 'Beyond the Defence of Australia: Finding a New Balance in Australian Strategic Policy,' *Lowy Institute Paper*, no.16 (Sydney: Lowy Institute for International Policy, 2006), p. 17.

¹⁴ Marc Trachtenberg, 'The Influence of Nuclear Weapons in the Cuban Missile Crisis,' *International Security*, vol.10, no.1 (1985), p. 139.

A necessary condition for any defence of Australia against a major power would be the possession by Australia of a certain minimum nuclear credibility of strategic nuclear capability.¹⁵

The making of strategy is an adaptive and interactive process incorporating elements of history, geography, domestic politics, and strategic culture.¹⁶ Moreover, effective strategic and operational decisions are not taken arbitrarily, but are primarily responsive to force structure developments in other militaries. For example, Australia's status as the dominant maritime power south of China and east of India is likely to dissuade any future adversary from risking interdiction by undertaking large-scale maritime operations against Australia. The introduction of formidable new capabilities such as fifth generation JSF and Aegis equipped AWD will only act as a further disinclination for enemy commanders contemplating hostile maritime operations. With regard to the future threat of ballistic and cruise missile attack, this effect is something of a knife that cuts both ways. Against weaker states with hostile intentions, Australia's air and maritime preponderance may heighten the possibility of low level incursions or terrorist attacks, but against strong, technologically advanced military forces, this may make (conventional or nuclear) ballistic and cruise missile attacks the most effective means of offensive action against Australia. While the enormous cost of these weapons is still likely to inhibit their use in an operational setting, their prospective viability needs to be set against the cost of fielding a comparable conventional force, capable of overcoming Australia's conventional defenses. In this sense, the probability of such attacks may not necessarily increase in spite of Australia's local conventional preeminence, but at least in part, because of it.

Even in its current manifestation, the US extended nuclear deterrent is conceptually problematic and practically ambiguous.¹⁷ Credible extended deterrence rests on a defending state's threat (either explicitly or by the deployment of forces) to use retaliatory force to prevent the use of force on an ally by a potential attacker.¹⁸ While demonstrating capability and resolve at the conventional level is relatively straightforward, at the nuclear level, it becomes much more difficult, not least because the defender needs to convey a willingness to risk its own population in defence of potentially non-vital national interests. In order to test the credibility of the US nuclear

¹⁵ Quoted in Hugh White, 'Don't Mention the Bomb,' *The Age*, 1 March 2007, <<http://www.theage.com.au/news/hugh-white/dont-mention-the-bomb/2007/02/28/1172338702694.html>> [Accessed 18 October 2007].

¹⁶ Williamson Murray and Mark Grimsley, 'Introduction: On Strategy', in Williamson Murray, MacGregor Knox and Alvin Bernstein (eds.), *The Making of Strategy: Rulers, States, and War* (Cambridge: Cambridge University Press, 1994), p. 1.

¹⁷ Ian Bellamy, *Australia in the Nuclear Age: National Defence and National Developments* (Sydney: Sydney University Press, 1972), p. 83.

¹⁸ Stephan Frühling, 'Ballistic Missile Defence for Australia: Policies, Requirements and Options,' *Canberra Papers on Strategy and Defence*, no.151 (Canberra: Strategic and Defence Studies Centre, 2003), p. 32.

umbrella, Australian defence planners might ask themselves: How much damage would the United States be prepared to countenance to Australia before it risked the population of one or more of its own cities by responding with a counter-attack in kind? More importantly perhaps, if a potential adversary calculates with any degree of confidence that the threshold for US retaliatory action would be extremely high, or that the threat of nuclear retaliation is empty, then the fundamental basis for stable extended deterrence will have been undermined. Thankfully, though, for a potential attacker, this calculation is also likely to be shrouded in an unacceptable level of doubt and strategic uncertainty.

However, this is not necessarily an immutable condition, and Australian policy-makers need to be attuned to the limitations of the US nuclear umbrella. US extended deterrence, notwithstanding its current level of strategic ambiguity, could become substantially more incredible as the strategic balance shifts in Asia over the coming decades, especially if US strategic primacy gradually approaches its expiry or as other powers enhance the credibility of their own nuclear deterrents. Politically and strategically, the Asia-Pacific is undergoing an extended period of transition. Paul Dibb points out that:

An important part of the Asia Pacific to which the Bush Administration has given insufficient attention is what former US Secretary of State Henry Kissinger calls the shift in the centre of gravity toward China ... China's massive economic growth and growing political clout is naturally leading it to be the dominant power in the Asia Pacific region.¹⁹

Decades of double digit economic growth have provided Chinese leaders with the wherewithal for an expanded program of military modernisation, and a dramatic increase in comprehensive national power. This inexorable growth of Chinese power and influence poses a real challenge to the endurance of US preeminence in Asia. Even if the United States does not experience a decline of its own accord, China's rise, and perhaps India and Japan's emergence, threaten to erode Washington's relative margin of strategic superiority in the coming decades.

Just as rising powers select a more expansive set of strategic goals for themselves, states experiencing gradual relative decline are likely to choose to defend a narrower set of vital interests. Britain's withdrawal from east of the Suez is very much indicative of this trend. That Australian policy-makers continue to go to great lengths to ensure that the United States does remain engaged in Asia, and that the ANZUS treaty remains central to America's strategy in Asia, is no guarantee that American policy-makers will indefinitely count Australia among their fundamental strategic interests. As the 2000 Defence White Paper notes:

¹⁹ Paul Dibb, 'America and the Asia Pacific Region,' in Robert Ayson and Desmond Ball (eds.), *Strategy and Security in the Asia-Pacific* (Crows Nest NSW: Allen & Unwin, 2006), p. 188.

We should be careful not to take US primacy for granted. Over the coming years the US global role may come under pressure, both from within the United States and from other countries...Domestically, the United States will continue to accept the human and material costs of supporting causes that touch its vital interests. But the willingness of the United States to bear the burden of its global role where its interests are less direct could be eroded, especially if it faces protracted commitments, heavy casualties or international criticism.²⁰

Under conditions in which the United States accepts (or is forced to accept) a lesser role for itself, not only might new hegemonic aspirants have more latitude to threaten or use force in their dealings with Australia, but the credibility of the US extended deterrent could potentially diminish significantly and, at worst, erode into obsolescence.

Another factor which may threaten the ongoing viability of the US nuclear umbrella is that US and Australian interests might diverge as new strategic fault lines emerge across the region.²¹ Thus far, Australia has managed to successfully decouple its two most important bilateral relationships from each other, cultivating strong economic relations with China, whilst retaining and even expanding the very significant strategic benefits that derive from the US alliance.²² But if the relationship between the United States and China descends into outright strategic competition in the coming years, or if Australia equivocates over contributing to a major power war in the Taiwan Straits or on the Korean Peninsula, new strains could emerge in the alliance which would undermine Washington's long-term disposition to extend its nuclear deterrent to Australia.²³ Notwithstanding that officials from both Beijing and Washington have made their expectations very clear, Australia's former Foreign Minister, Alexander Downer, was consistently equivocal on whether Australia might side with the United States, or resist involvement in a conflict over Taiwan.²⁴ For its part, Beijing's burgeoning economic relationship with Australia has substantially raised the cost to Canberra of contemplating military action over Taiwan. Thus far, China has not divided Australia from the United States. However, over the most critical strategic issue facing the alliance, Beijing has managed to create an uncomfortable level of ambiguity between otherwise indivisible allies.

²⁰ Commonwealth of Australia, *Defence 2000: Our Future Defence Force* p. 16.

²¹ White, 'Beyond the Defence of Australia', p. IX.

²² Michael Wesley, 'Australia-China', in Brendan Taylor (ed), *Australia as an Asia Pacific Regional Power: Friendship in Flux?* (New York: Routledge, 2007), p. 72.

²³ Dibb, 'America and the Asia Pacific Region,' p. 186.

²⁴ Mohan Malik, 'The China Factor in US-Australia Relations,' *China Brief*, vol.8, no.5, The Jamestown Foundation, April 2005, <http://www.jamestown.org/publications_details.php?volume_id=408&issue_id=3298&article_id=2369588> [Accessed 9 October 2007].

Strategic Options for the Future

So how might Australian policy-makers go about augmenting Australia's preventative nuclear strategy in light of these contemporary challenges to US extended deterrence? One option might be to develop a credible self-reliant offensive nuclear deterrent. That is, an indigenous nuclear weapons program and a range of delivery systems that, at a minimum, would provide Australia with a survivable retaliatory nuclear capability. Although this avenue sounds somewhat fantastic today, in the 1950s and 1960s, under the Prime Ministerships of Robert Menzies and John Gorton, the acquisition of an independent nuclear capability was in fact given very serious, if sporadic consideration.²⁵ In the late 1960s, the emergence of a global Nuclear Non-Proliferation Treaty (NPT) stifled the political support that the 'bomb lobby' had managed to attract. And while Australian defence planners remained highly suspicious of the treaty, the development of an indigenous nuclear weapons capability was eventually discarded as an undesirable policy option, out of touch with an emerging global consensus.²⁶

Indeed, building a nuclear arsenal remains a particularly unattractive option for Canberra for a range of reasons. For a start, not only would Australia's domestic electorate be unlikely to accept nuclear weapons as a potential instrument of national policy, but Australia would have to withdraw from the NPT, risking international isolation and undermining its long-standing reputation as a model international citizen. The cost and technological effort would be relatively intense, and strategically, Australia would risk precipitating a cascading nuclear arms race across Southeast Asia and beyond. It could also have the effect of irreversibly damaging the US alliance, resulting in a loss of access to intelligence and high-technology military hardware. Despite the inherent shortcomings of US extended deterrence, the costs and risks associated with the acquisition of an independent nuclear capability outweigh the benefits that Australia could hope to achieve in its existential security, at least in today's relatively benign strategic environment.

But an outright offensive deterrent is not the only mechanism which might eventually reduce Australia's reliance on the US nuclear umbrella. An Australian Ballistic Missile Defence (BMD) shield, by shifting toward a strategy of nuclear denial, may in time reduce the burden on the United States to maintain a credible offensive threat against potential Australian adversaries.²⁷ While BMD is unlikely to ever be a technological panacea, the problem of Australian over-reliance on the United States would not be as acute in this instance because effective BMD, even if it was a wholly

²⁵ Ball, 'Australia and Nuclear Policy', p. 321.

²⁶ For an excellent historical account of Australia's nuclear decision-making, see Jim Walsh, 'Surprise Down Under: The Secret History of Australia's Nuclear Ambitions,' *The Nonproliferation Review*, vol.5 (Fall 1997), pp. 1-20.

²⁷ Frühling, p. 82.

American system, would not be contingent on the United States risking its own populations or cities. Although the cost and operational feasibility of theatre and continental BMD remain largely unknown quantities, the deployment of Ground Based Mid-Course Defence and Patriot (PAC-3) BMD systems on the US and Japanese homelands, respectively, and the successful 'hit to kill' test in December of a Japanese Standard Missile 3 (SM-3), has raised the spectre of a viable anti-missile capability for the United States and its allies in the years to come.²⁸

This option, however, is not without its own limitations and constraints. By circumventing the offensive deterrent capabilities of other powers, a theatre wide or continental BMD screen has the potential to enhance strategic competition as states scramble to deploy systems that can overwhelm missile defences, including decoys, penetration aides and multiple warheads.²⁹ This dynamic is emerging in Eastern Europe as a result of a dispute between the United States and Russia over the location of key radar installations, and may be particularly acute in Northeast Asia. From the perspective of American, Japanese, and perhaps Taiwanese military planners, the deployment of BMD is in all likelihood motivated by a desire to defend against what they perceive as an increasingly potent and offensively postured Chinese short and medium range ballistic missile force. As Paul Dibb, former Director General of Australia's Joint Intelligence Organisation,³⁰ notes:

The simple fact is that Japan has no nuclear forces and it is well known that China already targets Japan with a force of up to 50 CSS-5 (DF-21) road mobile, solid fuelled medium range ballistic missiles...³¹

However, for China's leaders, and particularly military commanders, the deployment of BMD in Northeast Asia appears highly destabilising, because such systems threaten to negate the deterrent effect of Chinese strategic capabilities.

With the ascension of the Australian Labor Party (ALP) to government at the most recent federal election, the future direction of Australia's BMD policy is unclear. Certainly, as Opposition Leader, Kevin Rudd expressed a number of deep reservations about the strategic implications of BMD:

²⁸ US Missile Defense Agency, 'Ground Based Midcourse Defense', *Fact Sheet* (Washington, DC: Department of Defense, 2006), <<http://www.mda.mil/mdaLink/pdf/gmd06.pdf>> [Accessed 1 December 2007]; Also see 'Japan's Missile Shield', *The Korea Times*, Seoul, 19 December 2007, <http://www.koreatimes.co.kr/www/news/opinion/2007/12/202_15814.html> [Accessed 20 December 2007].

²⁹ Cha, p. 474.

³⁰ The Joint Intelligence Organisation, the Australian agency responsible for all-source strategic assessments, was renamed in 1990 as the Defence Intelligence Organisation.

³¹ Paul Dibb, 'Is Ballistic Missile Defence Destabilising?', Strategic and Defence Studies Centre, 18 June 2007, pp. 2-3, <<http://rspas.anu.edu.au/sdsc/getPDF.php?id=75>> [Accessed 19 October 2007].

One is the technology and the adequacy of the technology to deliver the so-called shield. And the second is the impact of shields themselves on the overall proliferation debate... That is, does the existence of a shield, in itself, or the proposal for one, bring about a further escalation in ballistic missile proliferation and nuclear warhead production, as other countries seek to develop a sufficient arsenal to penetrate any shield?³²

Picking up on this theme, the ALP's 2007 National Platform reflects the party's traditional concerns about the strategic implications of BMD, and its predilection for supporting and strengthening key multilateral arms-control agreements. It notes that:

Labor is concerned that, as a unilateral response to the problem of ballistic missile proliferation, national missile defence is disproportionate, technically questionable, costly and likely to be counterproductive. It also has the potential to undermine non-proliferation and derail world progress towards nuclear disarmament. Labor also notes that national missile defence would impact on the security situation in the Asia Pacific region, and that this could have serious consequences for Australia's strategic circumstances and national security.³³

In government, though, Labor's approach to BMD is likely to be more pragmatic than its official statements suggest, not least because its policy options are constrained by a confluence of new political and material considerations. First, having come to office with the delicate task of withdrawing Australia's combat forces from Iraq whilst preserving the strength of the US alliance, the Rudd Labor Government will be conscious of the need to ensure continuity in other aspects of the strategic relationship, and may therefore quietly adhere to the previous government's commitments to missile defence cooperation. Second, the new government has inherited a suite of assets related to BMD, including joint facilities with early launch detection capabilities (which are presumably integral to active US BMD systems), as well as a twenty-five year bilateral framework with the United States regarding cooperative missile defence activity. Canberra will also undoubtedly seek to keep its options open with regard to integrating the SM-3 missile defence screen on to the AWD, and may in fact come under pressure from the United States to commit to this capability sooner rather than later as the relevant technology matures.

The Rudd Government clearly faces some difficult choices in determining the extent to which Australia pursues BMD capabilities. Because of the long time-cycles associated with the research, development and acquisition of missile defence technologies, decisions taken on BMD today will have a strong bearing on Australia's strategic security for decades to come. In the

³² Quoted in Patrick Walters, 'Labor Backs Naval Missile Defence', *The Australian*, 24 May, 2007, <<http://www.theaustralian.news.com.au/story/0,20867,21784901-2702,00.html>>

³³ Australian Labor Party, 'Chapter 14: Strengthening Australia's Place in the World', *ALP National Platform 2007*, <http://www.alp.org.au/platform/chapter_14.php#14ballistic_missile_defence> [Accessed 15 December 2007].

context of dual concerns about the future credibility of extended deterrence and the endurance of American strategic primacy, the choice to abandon BMD, and to eschew at least a rudimentary ability to neutralise ballistic missiles through high level denial strategies, is not a decision that should be taken lightly.

Perhaps the optimal policy for Australia would be to emulate the Japanese model and adopt a multi-layered strategic approach, which at once hedges against future uncertainties, but which nevertheless preserves the proliferation status-quo. This would require Canberra to simultaneously work towards retaining its position under the US nuclear umbrella for as long as extended deterrence remains strategically viable, whilst building BMD capabilities, and establishing an advanced nuclear energy infrastructure which, combined with Australia's deep technological base, would eventually provide Canberra with a default 'threshold' nuclear weapons capability. Indeed, the retention of a relatively short lead-time on development is not a particularly new theme in Australian strategic thinking. The 1975 Strategic Basis of Australian Defence Policy noted that:

The possibility of nuclear proliferation in the coming decades must now be taken into account by Australian policy. No requirement is seen for Australia now to acquire nuclear weapons. However, the increased likelihood of nuclear proliferation and the possible requirement to keep lead time matched with contingency developments in other countries calls for a review periodically of Australia's potential against the possibility that the country might be forced to consider turning to them for protection at some indeterminate time in the future.³⁴

Because nuclear energy has dual utility, the most attractive feature of this policy is that Canberra could greatly enhance its strategic options without having to make the overtly destabilising strategic choice of developing a nuclear arsenal. Such a strategy would allow Australia to remain under the nuclear umbrella, whilst hedging against the possibility of the US extended deterrent becoming less credible as the regional strategic balance evolves over the coming decades.

Until recently, the Australian Government was clearly moving in this direction. In December 2006, the Howard Government released the Switkowski Report, which was commissioned in part to explore the feasibility of an Australian uranium enrichment capability. And at the most recent APEC meeting, former Prime Minister John Howard undertook to participate in the US-led Global Nuclear Energy Partnership, an initiative in which countries with advanced nuclear energy sectors develop a complete fuel cycle for third party states. Given that Howard envisaged an Australia with as many as 25 new-generation nuclear reactors, and that the production of highly enriched uranium would be the principal obstacle to obtaining a

³⁴ Commonwealth of Australia, *The Strategic Basis of Australian Defence Policy 1975*, October 1975, NAA A12934, quoted in Ball, 'Australia and Nuclear Policy', p. 325.

nuclear weapon, Australia may well have been on the path toward mitigating the inherent risks of over-reliance on US extended deterrence. Of course, in light of the domestic and international sensitivity of the nuclear issue, the development of nuclear weapons was never likely to feature as part of the public rationale for nuclear energy.

Although nuclear energy did not gain real prominence as an electoral issue, the 2007 election was nevertheless something of a referendum on Australia's nuclear future. The new ALP Government, led by Prime Minister Kevin Rudd, has unequivocally foresworn the development of an indigenous Australian uranium enrichment program. In doing so, the government may have unwittingly undercut Australia's ability to retain at least a comparable lead-time on nuclear acquisition to other regional states, and may thus have taken a bold step toward an indefinite reliance on the US nuclear umbrella.

Australian nuclear strategy is something of an anomaly. Whilst Australian defence planners attach a great deal of importance to the concept of self-reliance and regional military superiority, Canberra remains entirely dependent on US extended deterrence against the threat of nuclear weapons and ballistic missiles. In the context of a fluid balance of power and great strategic uncertainty, nuclear weapons and their means of delivery are becoming an increasingly prevalent feature of regional military arsenals. Notwithstanding that the threat of nuclear attack remains very low, prudent strategic planning must pay attention not only to the probability of certain outcomes, but also to their prospective consequences. Since nuclear weapons pose an existential threat, Australia's reluctance to look beyond US existential guarantees appears to be an insufficiently risk averse approach, given the strategic uncertainty of the coming decades.

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