Chapter I

1.1 Title


INTRODUCTION

1.2 Background of the Study

China has grown as the world’s second largest economy in the last decades and still undergoing a critical change of reform as well as continuing its stunning development. China believes with its peaceful growth, a prosperous and stable world will provide more opportunities for China to pursue an independent of peaceful foreign policy and a national defense policy in which according to its defensive in nature, opposing the idea of hegemonies and power politics in all forms (China’s MOD, 2014). China claimed that hegemony and expansion are not the things they are trying to pursue since China believes that the other nations in the world created as much strategic certainties for China. It has also stated in China’s defense white paper that China is aware of the existence of more diverse and complex security challenges substantially the vast territories and territorial seas (CSIS, 2013).

The Cold War with its bipolar world has also affected the awareness of military modernization around the world. Historically speaking, Den Xiaoping and the success of his reforms and strategy of “opening China to the world” have turned China into a major player in the world’s economy. The end of the Cold War and the collapse of USSR have encouraged China to embrace its diplomatic and expand its sphere of influence in the world. It is true that a massive economic development will automatically lead to military modernization. China’s quality of weapons and military systems has initiated since the aftermath of the Cold War in 1991 and keeps largely increasing the phase of military modernization since then. China’s
economic development has supported their military modernization yet has formed China as a major power in Asia and The Pacific. Most experts believe that China will keep going on pursuing the substantial economic growth as well as continue to expand their military forces capability. China’s long-term military programs are also affecting the development of the civil technology and scientific networks. China is evolving its military technology and defense-related programs in the US, Russia, India, and other countries (Michael Raska, 2013).

![Diagram](Economist.com/graphicdetail)

**Figure 1.1** China and United States’ Defense Spending under various assumptions (The Economist, 2013)

**Figure 1.1** shows the extrapolating tendency of China’s defense spending rate since 2001. China’s military budget according to the spending is predicted to be increased by modest 10.7% annually. Even the biggest military spender globally is still United States of America, according to China’s current trends of defense spending, it is estimated that throughout 2032 China will probably overtake United States’ place sooner than most people think (The Economist, 2013). The People Liberation Army Navy (PLAN) itself has gradually developed its
coastal and inshore defense sector since 1950s. China’s leader has been aware that according to China’s relation with other major powers and in order to maintain China’s development as an independent state, they need to maximize their geographical position and economic capabilities. The focus has been shifted from offshore defense protection to the open waters protection. Their future goal is at least 20 years from now on, China will be the first island chain in the short term to develop their naval capabilities in the Indian Ocean (The Diplomat, 2017).

The fact that more than 70% of the Earth’s surface is covered by water and the world’s ocean connects all the globe’s landmasses has made the importance of the sea as an international reality, one with particular significance for Australia as an island nation surrounded by huge maritime resource zones (AUS Maritime Doctrine, 2010). Indo-Pacific region has particularly emerged as the world’s most dynamic geopolitical zone eversince the end of the Cold War. Indo-Pacific region has been a very important region in the world, and also is one of the most important maritime projections for China. As a result, Australia as one of the major powers in the region has been aware regarding the importance of securing the region. Australia as the biggest archipelago state and the smallest continent state in the world has also a big role and ambition to maximize their strategic environment strategy in order to pursue their national interests. The geographical condition mentioned has leaded the awareness of maritime security and the urgency to have the best maritime defense strategy for Australia. Australia’s Navy power is undertaking significant introduction of new capabilities which will define it as an extremely nimble and capable force.

Since 2013 until now, Australia keeps embracing Indo–Pacific region as the defining geographic expression of its defense strategy. The growing trade, investment and energy flows across this broader region which is a significant trade routes pass are strengthening Australia’s economic and security interdependencies (The Diplomat, 2017). Australia’s strategic geography generally determines the form and the expanse of their defense force. The economic, military, and political trends that appeared in Indo-Pacific region has created awareness for Australia to secure further the region and its maritime domain.

The Indo-Pacific strategic is aimed to connect the Indian and Pacific Oceans through the Southeast Asia region (CSIS, 2013). We are commonly confused regarding where exactly is, and
mistaken it with Asia-Pacific region. In this regard, the map of the region is shown in the figure 1.2 below.

Figure 1.2 Map of Indo-Pacific region and Asia-Pacific region

(International Institute for Strategic Studies, 2013)

Figure 1.2 shows that Indo-Pacific region comprises the tropical waters of the Indian Ocean, Central-Pacific and Western Ocean. This region also comprises the connecting seas of the two general area of Indonesia.

Historically, back to the World War II era, Indo-Pacific region had already become a very important region. Yet, evidently, there are many of sea battles happened around the Pacific Ocean. For instance, the term of the region that has been called as “The Pacific Ocean Theater” during the World War II between Japan and the Allies. The first one was the battle of the Coral Sea, under the command of Japanese Admiral Shigeyoshi Inoue and American Admiral Frank J.
Fletcher. One month after the attack, there was the Battle of the Midway where Japanese had framed to capture the Midway as an advance base to destroy US Pacific Fleet (NHHC, 2017). Australia’s historical indifference towards the significance of the sea is being consumed by the geopolitical change in the region around them (Michael Evans, n.d).

For Australia, geography has been a fundamental or basis part of the national psyche since the occurrence of the “First Fleet”\(^1\) as Australian migration history. The belief of “the tyranny of distance” or the influence of distance according to the size of the continent and the resource riches has really affecting the soul of the nation. Australia generally only participated in other people’s wars with the defense capability beyond theirs, such as Vietnam War (Paul Dibb, 2006). Australia struggles to pursue reconciliation with the close US alliance regarding their national interests, pursuing cooperation with Asian security partners, and in the same time pursuing a good relationship based on mutual respect with China.

In the 2013 Defense White Paper, Australia clearly discussed about Indo-Pacific region right in the starting point of the paper.

*“The Indo-Pacific is still emerging as a system.”*

*“But over time, Australia’s security environment will be significantly influenced by how the Indo-Pacific and its architecture evolves (ADWP, 2013, pg. 7)”*

Due to the convincing nature of global sea trade and the predominately maritime of the region, The Royal Australian Navy (RAN) has also played a progressively significant role in the Indo-Pacific region in the last period of century. According to Australia, Indo-Pacific is a high table of ASEAN geopolitics (Rory Medcalf, 2013). Australia might be the foremost country that observes and assesses the evolving dynamics of another major power in Indo-Pacific region. China, particularly, is looking upon Australia’s concept of Indo-Pacific that inspired many Chinese strategists to analyze China’s grand strategy throughout a wide Indo-Pacific swath (Minghao Zhao, 2013). According to David Watt, in a partial reversal Australian government has started to increase their defense spending from the national budgets period of 2013-2014. Table 1.1 below shows the comparison table of total Australia’s defense funding ($ billion). (Australian Parliament, 2017).

\(^1\) On 26 of January 1788, 11 ships coming from England at a new anchorage at Sydney Cove in Port Jackson, led by Captain Arthur Philip, and that day was marked as the beginning of European settlement.
Table 1.1 Australia’s Budget Review Index (Australian Parliament, 2017)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24.217</td>
<td>24.385</td>
<td>26.130</td>
<td>28.806</td>
</tr>
</tbody>
</table>

In response to the changing nature of regional security, particularly China’s military expansion, Australia will stick in the plan of increasing annual defense spending in the next decade. It is officially stated on Defense White Paper 2016, that Australia prosperity does depend on the stability of Indo-Pacific and the fact that China has been building artificial islands in the area of South China Sea; the urge of focusing the security of the region has been inevitable.

1.3 Problem Identification

Indo-Pacific with its future promise in the economic and strategic sector along with the awareness of the security and stability in the region has become the main reason why strategic cooperation needs to be enhanced. In the past decade, states around the region have significantly increased the efforts to build cooperation on security matters. The establishment of multilateral institutions and summit in the region is one of the effort evidences in order to foster the security cooperation. ASEAN Defense Ministers Meeting Plus (ADMM Plus), East Asia Summit, even Asia-Pacific Economic Cooperation has been held annually to maintain the regional security and cooperation among states. Along with the fact that Australia has been a key player in the region to preserve the efforts to develop the security in the region, Australia has highlighted the importance of this region eversince Australian Defense White Paper 2013 – 2016. This also marked that Australia was the first country that formally addressed the importance of this region substantially (Rory Medcalf, 2013).

Since the post-cold war, China has turned to the sea and keep growing their military capabilities, other states’ response have been vary, particularly for the states that substantially concern about their maritime domain. Some states take numerous responses, from internal balancing to external balancing, from building their national defense capability to building up formal alliances (Dan Blumenthal, 2013). Although China has ensured that their military modernization means no harm to other states in the world, some states consider military modernization as their threat perception. Australia, with all the speculation regarding China’s
intentions, is trying to pursue the national security interests with the best strategy due to the worst and best scenario that could possibly happen in the future. The awareness of the rising China is not just a current issue for Australia, it has been happening over the last decade.

“China's major goals of economic growth and political stability are reliant on the maintenance of regional security and stability in a larger extent. As China continues to engage as a major participant in the global economy and becomes increasingly reliant on overseas energy resources, it has a growing stake in regional peace and stability (Australia’s Parliament, 2004).”

From awareness to real action and effort that Australia have undertaken, this thesis will be focused on Australia’s defense strategy due to the emerging power of China in the world—particularly to the foremost region for Australia—Indo-Pacific region.

Australia’s national security depends to the geographical security and Australia is surrounded by a massive maritime domain. By this means, Australia does depend to the maritime security in order to pursue the national security. The existence of China as one of the important actors in the region, with the military modernization that has been developing has effected Australia of their maritime defense policy. Evidently, in Australia’s Defense White Paper that was published in 2016, Australia highlighted that the ongoing military modernization in the Indo-Pacific region as one of the six main keys that will shape Australia’s security requirements (The Diplomat, 2016). The white paper also accentuated the growth of China’s military capability as the most significant regional military modernization. The official statements, defense white paper, international discussion that has been officially mentioned regarding the region and the importance of China’s rise will be used as the heart of this research. This thesis will also examine further regarding Australia’s effort in securing Indo-Pacific region as part of the national interest, particularly the response to China’s military modernization in the Indo-Pacific region.
1.4 Research Question

It could be measured by the issues that have been shown that the problems of this thesis would be as follows:

*How did Australia implement its maritime defense strategy in response to China’s naval military modernization as part of their military modernization in the Indo-Pacific region from 2013 to 2016?*

1.5 Research Objectives

The fact that Australia has been aware that strategic environment is one of their vital interests as well as their ambitions to maintain the global peace has largely driven the pattern of their defense strategy and their relations with China.

The main purpose of this research is to analyze and to answer the statement of the problem with scientific method explanatory. This research is aiming to understand extensively how the emergence of China’s military modernization influenced Australia in terms of maritime defense strategy.

By strategy, this conveys that this thesis will analyze the military respond particularly regarding the naval strategy in pursuing Australia’s best interests in the Indo-Pacific region in conjunction with China’s military modernization throughout 2013-2016.

1.6 Significance of the Study

This research is aiming to understand how Australia pursues their national interest by securing the strategic environment. Indo-Pacific region as the region that geographically speaking compassed Australia, has leaded the awareness of the importance of securing this region. In the Indo-Pacific region itself, the issue that has been evolving (2013-2016) is the occurrence of China military modernization in the region. Thus, this thesis will analyze further regarding the strategic response of Australia, with the naval military strategy in order to secure the region from the emergence of China’s military modernization.
In addition to that, this thesis also aimed to understand the sub-discipline of strategic studies in International Relations. This research will be only based on the official documents, official statements, books, international journals, and reliable articles in the specific time table.

1.7 Theoretical Framework

This research will be using Neorealism and Maritime Strategy concept as the main theory and Corbett’s theory of sea power as the supporting theory under the concept of national security.

Neo-realism approach has explained how Kenneth Waltz approaches the real-world problems. As a growing result of traditional realism with its characteristic of balance of power, neo-realism still believe on their older views that war is possible to occur any time. According to Timothy McKeown, the international system is always anarchic and the central role do not alter that war plays in international politics. The theory also explains how international structure in which refers to the distribution of capabilities among the major powers have shaped the outcomes of the paradigm (Jo Jakobsen, 2013).

In his journal of Interdisciplinary History, Kenneth Waltz has explained that neorealism retains the main belief of realpolitik, even in a slight different way. Neorealism entrenched the autonomy of international politics. This theory also sees power as a possible functional means, as well as risky when nations have less or more of it. The more immoderate the power, the more possibility of having efforts against the dominant state will prevail. Waltz is emphasizing more into the importance of security rather than power, which is a revision from its traditional theory of realism. He believes that realism only moves in one particular direction while he thinks that any realm can be organized in some different directions (Jo Jackobsen, 2013).

Waltz was also criticizing Morgenthau’s\(^2\) theory and emphasizing that he was more insisting on the autonomy of politics but has neglected the concept of international politics. Waltz believes that a theory has to have specifies relations among factors. As well as Morgenthau was more emphasizing on rational statesman to accumulate more power. He

\(^2\) Hans Joachim Morgenthau was one of the major twentieth-century figures in the study of international politics.
emphasized that sometimes nations consider doing any other thing aside from the power itself and when this occurred their actions aren’t considered as a political nature.

Neorealism is coping that international politics comprehends only if the structural effects are added to the unit-level explanatory of traditional realism. Neorealist theory stances that competition and conflict among states are under the condition of anarchy; to provide their own security, and threats to their security bound (Jo Jackobsen, 2013).

“In an anarchic realm, peace is fragile.”

In his book “Theory of International Politics” in 1979, Kenneth Waltz has emphasized three main points of his theory which are (Ceren Altincekic, n.d);

1. The International system is anarchic. By this means, anarchy is the condition of the international system where there is an absence of the central authority. There is nothing such “the world government” to fairly judge whether or not the action or events that occurred because of some states are acceptable.

2. States tend to focus on self-help. By the system-level story that he has explained, states are always pursuing their self-interested for their own survival. The fundamental interest of states itself is security.

3. Great powers are the main actors. The international system is defined by the distribution of power from the number of great powers.

According to neorealism, to be secure in an anarchic world, states need to pay attention to the structural constraint under which the states operate. By this means, powerful states are should and must “do more” than the less powerful states. In neorealism, interest increasing along with the relative power. Considering the purpose of survival and to be secured, the concept of balance of power has always been the key role in neorealism. Neorealism theory will be used to describe the behavior of both dependence and independence actors in this research; Australia and China. By using neorealism it is expected to find the rationality regarding how and why the actors behave in the international system.
The concept of Maritime Strategy will be used to examine further regarding the naval response of Australia in the Indo-Pacific region. Maritime strategy is very important in defining the military planning, since applies to both areas of coastlines and inland. The main elements of maritime strategy are (Australia’s Maritime Strategy, Ch.2):

1. Sea Denial, is a deterrence strategy that mainly aiming to prevent the usage of the sea by another force.
2. Sea Control, is the condition when one has freedom of action to use one particular area for their own purposes in a period of time.
3. Power Projection, is included a broad spectrum of military offensive act.

According to this concept, this research will examine which one of the three elements that used by Australia particularly in securing Indo-Pacific region and that used to respond the emergence of China in the region.

The minor theory that will be used is sea-power theory by Sir Julian Stafford Corbett. Corbett was a British naval historian and strategists. Corbett was born on 12\textsuperscript{th} of September, 1852. Graduated from Trinity College, Cambridge, and continued to teach naval affairs at University of Oxford (Holmes, 2011). His name and theory is somehow unseparated with Alfred Thayer Mahan, but this thesis will only focus on Corbett’s theory because Corbett’s theory covers wider circumstances than Mahan’s. Corbett believes that command of the sea is essential for the development of sea power. He also concerned more regarding the application of military power and the projection power at sea. Corbett emphasized that sea-power can be achieved by commonness of the implementation of military force from air, sea, and land to utilize the influence over the three environments mentioned. Nevertheless, Corbett’s theory also has some limitation in the implication of the theory and the case itself. Since the theory has emerged in 1864 which was far from the the case timeline—has automatically created some limitation in the theory implication to the case, such as; some things are might probably not relevant in the case timeline.

Sea power is a fundamental yet decisive factor in maritime security. Corbett’s maritime strategy comprised that maritime strategy is an extension of the strategy of land, as well as serving the strategy. His theory also covered not only naval operations but also national policy.
He believes that national policy objectives should be set in consonance with the maritime strategic objectives. He believes that maritime strategy has larger circumstances of international affairs. Sea power was believed as the *sine qua non* of the greatness of a nation (William R. Sprance, 2004).

![Diagram](image)

**Figure 1.3** Sea Power as input to National power development (Indra Alverdian, 2017)

Figure 1.3 will help the understanding of how Australia’s naval operations will effect maritime military capabilities that will lead to the awareness of the importance of military strategy and as when it turns into a greater military power, the national power will be greater as well. By this figure, the object of this research would be the “military strategy” and will be examined further in the analysis part. The position of “maritime defense strategy” is the stage before naval operations, hence after the strategy has been explained, it is possible to determine the implementation; naval operations, maritime military capabilities, joint operations, to pursue the military and national power. The strategy will be focusing on the maritime strategy, particularly how did China’s military modernization emerge in Indo-Pacific region influence the maritime strategy of Australia. However, other objects in the figure will be discussed briefly due to the correlations among the objects. According to one of his book that published in 1911 entitled “Principles of Maritime Strategy”, Corbett explained that maritime dominance lies in the effective use of the sea lines in order to maintaining communications and denying that use to the enemy (Corbett, 1911). In this book he divides his theory into three main focuses;
1. Command of the sea, which refers to the control of maritime communication whether commercial or military purposes,

2. Constitution of fleets, that explains power of implementing the control; the better and the more numerous the application for commerce and transports, the weaker the fighting power will be.

3. Concentration and dispersal of force, which was emphasizing on strategy that often described as the art of assembling the force at the right circumstances.

As inputs, sea power is the contribution of the navy coast guards, maritime industries regarding the maintenance and the development of national power. As the outputs, it is more about how it influences the events on land. Corbett offered that a prolonged defensive deadens the offensive spirit, which is why security is very important. It is according to the importance of command of the sea to protect national trade. He was also emphasizing that concentration was a more flexible concept (Matt Domsalla, 2010). This theory will help to analyze the maritime strategy of Australia in securing the region specifically in responding the arising power of China.

National security concept is the fundamental concept that subordinated the two theories mentioned in this thesis. National security concept will also help to examine the phraseology of the defense policy. This concept examines that state has to protect themselves against all matters that lead to “national crisis” throughout diplomacy, economic, political, and military. This concept implies on how to secure the state against external and internal threats in every national sphere and presume that the coerciveness of state is according to the preservation of territorial strength. Therefore, the national security is inevitable with the existence of threat perception. According to Robert O. Tilman, threat perception itself is a process that influenced by variety of factors which are (A.A. Banyu Perwita, 2017):

1. Structural dimension, in which alludes to the political system type, the structure of the regime and the ideology of the state.

2. Geopolitical system, this refers to the geographical expanse and location.

3. Historical dimension, that indicates the past events and experiences of the state.
4. Social-cultural dimension, that refers to the people’s characteristics.

5. Economic dimension, in accordance to the economic system.

The third point which is geopolitical system that relates with the geographical expanse and location will be discussed further in examining how the state-actors’ geographical conditions affecting the national security. Not only regarding the problems that faced by state, national security is also covered the understanding of the policies, programs, and process to address the problems. By this means, this will also help this thesis to find the best solution and suggestion regarding the topic. From this concept, it could be narrowed into the military policy that consisted of the direct policies due to the concern of the military strategy. This will help to examine the defense policies of the state-actors in occurring and responding the threat perception.

These two theories and concept will examine the importance of China’s military modernization for Australia, and the Australia’s strategy in response of the urgency to secure the maritime power around the Indo-Pacific region.

1.8 Scope and Limitation of the Study

This thesis would try to analyze further maritime defense strategy of Australia in securing their national interests in Indo-Pacific region. In addition to that, the fact that China’s role is also very important in this region, this thesis would explain further on how Australia responds to China’s military modernization particularly the Indo-Pacific region in terms of maritime defense strategy. The actors will be very limited; Australia and China. Another major power states in the region such as United States of America and India will not be discussed in this research. The complexity of the strategy will be also presented with the limitation time of 2013 until 2016.

1.9 Thesis Structure

CHAPTER I INTRODUCTION

This chapter will introduce the basic aspects of the thesis, to comprise all the essentials purpose of this thesis. The aim of this chapter is to examine the thesis in a structural way; starting from the title, background of the problem, research question, research objectives,
significance of the study, theoretical framework, scope and limitation of the study, research methodology, and the thesis structure itself.

CHAPTER II AUSTRALIA’S OUTLOOK: THE DYNAMIC OF STRATEGIC ENVIRONMENT IN INDO-PACIFIC REGION.

This chapter will examine the economic development and security importance of Indo-Pacific region in the point of view of Australia. All Australia’s defense publications, policies, and official statements regarding Indo-Pacific region during the time period will be discussed further in this chapter. Australian defense policy according to the consciousness of securing Indo-Pacific region throughout the given timeframe (2013-2016) will be discussed and all the official sources will be used as a bridge to examine Australia’s defense strategy. The Royal Australian Navy (RAN) role will also be explained due to the fact that it has also played a progressively significant role in the Indo-Pacific region in the last period of century. The sea-power theory of Corbett will be used to analyze the strategy. The implementation of the defense policies also will be examined further in this chapter.

CHAPTER III CHINA’S MILITARY MODERNIZATION AND SPHERE OF INFLUENCE IN THE INDO-PACIFIC REGION (2013-2016)

This chapter will examine the examine China’s sphere of influence both in diplomacy and defense in the Indo-Pacific region throughout the given timeframe (2013-2016). The subject of the analysis would be China’s economy development that leads to the military modernization, furthermore, the effort to maximize its role in the Indo-Pacific region. The sphere would be examined by the national interest of China mainly that centered in the Indo-Pacific region and China’s military modernization. The explanatory will be included the development of military capability, defense diplomacy, the development of The People Liberation Army Navy (PLAN), and maritime strategy.

CHAPTER IV THE IMPLEMENTATION OF AUSTRALIA’S MARITIME DEFENSE STRATEGY IN RESPONSE TOWARDS CHINA’S MILITARY MODERNIZATION IN THE INDO-PACIFIC REGION (2013-2016)
This chapter will be the heart of this research; it will examine meticulously regarding the implementation of Australia’s maritime defense strategy in response to China’s military modernization particularly in the maritime sector in Indo-Pacific region with the time limitation of 2013 until 2016. The main ideas of the previous chapters will be combined and linked one to another in this foremost chapter. This chapter will explain further regarding the implementation of the strategy of Australia in maximizing their preservation and in the same time maintaining peaceful relations with the surrounding countries in the region. The purpose of this chapter is to answer the research question in comprehensible details of Australia’s response towards China’s military modernization in the Indo-Pacific region. The outcome will be analyzed by using the neorealism theory due to the anarchy international system. The structure of the system that resulting the distribution of power and also the middle ground will also be examined in this chapter.

CHAPTER V CONCLUSION

This last chapter will briefly summarize the important matters that have been highlighted in the analysis part of this thesis, the input, process, and the output. This last chapter will conclude all chapters altogether with significant recommendations that may be adopted or by the members of civil society to enlighten regarding the importance of advancing maritime strategy to states, as well as to enrich critical view towards the occurrence international issues that have been developing in particularly regarding military modernization and other states’ perceive in this anarchic world.
CHAPTER II

AUSTRALIA’S OUTLOOK: THE DYNAMIC OF STRATEGIC ENVIRONMENT IN INDO-PACIFIC REGION.

2.1 The Dynamic of Indo-Pacific Region in 2013 – 2016

The concept of Indo-Pacific region is an applicable array to comprehend the changing of regional dynamics. This concept examines the developing interactions among major East Asian Powers and the economies, strategic implications, particularly in the maritime realm. This concept is not necessarily deliberated to replace the Asia-Pacific concept, but simply emphasizing for certain purposes to contemplate a broader geographic area and set of interactions. The Indo-Pacific region concentrates on the growing interactions both in terms of economic and strategy from Korean Peninsula to the Persian Gulf and centered by South-East Asia (Policy Forum, 2016).

According to Jeffrey D. Wilson, Indo-Pacific region is an addition to the Asian regional architecture that denoted in connecting the Indian and Pacific oceans—that somehow extended the ‘Asia’ westwards—with powerful security in the maritime sector. Governments around the world have openly adopted the idea and the term of “Indo-Pacific” as Asian regionalism geographic concept after three decades of using the term of “Asia-Pacific”. The emergence of security concerns are basically the main factor of the emergence of Indo-Pacific term itself. With the numerous world’s seaborne trade and more than half of global oil shipments are crossing the region, to ensure the maritime security in this area required an expanded geographical concept. In short, the purpose of the Indo-Pacific region itself is to provide a better framework to manage the security concerns in the region (Jeffrey D. Wilson, 2017).

The development of strategic environment in Indo-Pacific region has become crucial for states around the region since Indo-Pacific is the center of economic development and social mobility around the world. This situation has been supported by the majority of maritime
activities that held in the region and security guarantee around the world. However, in order to change the consideration of the geo-politic situation and the strategy itself has driven questions regarding the continuity of the system. Along with the raise of many states and their power in the region—particularly the ones that located in the region—have the urge to develop the security architecture in the regional maritime that will automatically support the use of the sea that peaceful and legitimate (Prakash Gopal, 2017).

The “Indo-Pacific” term was heard nowhere in a previous decade, until it began to appear in some of official speeches. The label of the region itself measures that the economically accelerating and the connected security between the Western Pacific and the Indian Ocean which creating a singular strategic system (Rory Medcalf, 2013). The region clearly has classifying the principles that tied to the pattern of interactions of great rising power, has extensively recognized as global center of gravity regarding the economic interaction, demographics, transnational security and the strategic balance. The fundamental substance of the Indo-Pacific is mainly the economy, and the consequences are in a strategic and management level of the implication according to the complexity (Rory Medcalf, 2013).

The region is also big and complex that some countries will need to choose mixed partners – some partners for some forms of security cooperation, other partners for other forms (Rory Medcalf, 2013). The sea of the Indo-Pacific region represents the development of critical arena for geopolitics in maritime, security, trade and environmental policy that have shifted the region into a major crossroads of international relations. Both major and minor power states in the region—or the ones which have great interest towards the region—have attempted initiation to accelerate the change yet the development in the region as the active endeavor to demonstrate sea control and credible combat power (D Michel, D French, & Passarelli, n.d.).

At least 182 conflicts were documented involving along the coast of Indian Ocean and Western Pacific, with 44% of the 414 observed worldwide, 11 of globe’s 20 wars with the majority conflicts concerned land-based interests. (Heidelberg Institute for International Conflict Research, 2013). The soar of Indo-Pacific’s geostrategic profile has supported the rise of maritime activity and infrastructure throughout the region. This also includes maritime territorial disputes particularly South-China Sea (D Michel, D French, & Passarelli, n.d.). The strategic
connection among two-ocean with the promising economic development was greatly affecting the security dynamics in the region.

In short, all are the reimagined of the global center of economic as well as the strategic gravity is no longer imagined as East Asia—but Indo-Pacific region—therefore all states in the surrounding are looking for ways to manage strategic tensions that raised from the changing power balance across the big canvas (Rory Medcalf, 2013).

2.1.1 Australia’s Cognizance towards the Strategic Environment in Indo Pacific Region 2013 – 2016

Geography is acknowledged as a determining factor for a nation state’s fundamental aspect in pursuing power, which could influence the military posture and force structure. Particularly, geography is an independent variable in force planning. The shifts in the balance of power among maritime and continental countries have a huge impact towards the rise and fall of the states whether in a peace or war condition (Paul Dibb, 2006). Strategic geography will automatically represent the opportunities defense planners to the extent which it will be utilized according to the development of an intellectually rigorous defense strategy (Gray and Sloan, 1999).

The arguments regarding Indo-Pacific region has been highly influential in recent years in Australian strategic debate as how it is impacting Australia’s regional identity, role, and foreign policy practices.

Historically, Australia’s first acknowledgment towards Australia’s strategic geography was the vulnerabilities of Australia’s northern approaches and the urge to move the focus of Australian Defense Force (ADF) from the South-East to the North-West. Both economic and technology development did influence Australia’s strength and vulnerabilities in terms of geographical strategy. Australia’s primary strategic concerned the area from the mid-Indian Ocean to mid-Pacific—from Southeast Asia and South China Sea to Antarctica (Paul Dibb, 2006). Before we examine further, the main question in this sub-chapter would be:

“How the situation in Indo-Pacific region determines Australia’s perception in the region which leads to its defense strategy?”
“Why Indo-Pacific region became Australia’s vital interest?”

The answer would also come from the most frequent questions raised in debate on how Australia should conceptualize the emerging powers in region according to Australia’s parliament are; either they framed it as **East Asia, Asia-Pacific, or Indo-Pacific.** Three of these regions included variety of countries. While East Asia included Northeast and Southeast Asia, Asia-Pacific is included East Asia, Pacific and the United States—Indo-Pacific is included Asia-Pacific and Indian Ocean States. In recognition that the Indian Ocean has exceed the Atlantic and Pacific oceans as the world’s busiest trade lane, many policy makers used the terms of “Indo-Pacific” more in Australia (Australian Parliament, 2013).

![Figure 2.1 Shipping traffic in the Indo-Pacific (Australian Department of Defense)](image)

**Figure 2.1** Shipping traffic in the Indo-Pacific (Australian Department of Defense)

Figure 2.1 show that the economic growth in South, Northeast and Southeast Asia is driving stronger economic links with Africa and Middle East. Due to the fact the neighborhood of Australia are located at the nexus of the Indo-Pacific provides Australia well-documented opportunities (Australian Parliament, 2013). Australia’s relations with Southeast Asian Nations also have been greatly growing, economically and diplomatically. Australia has a vital interest in preventing its region that defined as the Indo-Pacific region that appeared in the 2013 Defense White Paper from transforming to be an arena of great power rivalry (Australian Institute of International Affairs, 2014). According to Australian National University, in 2016 Defense
White Paper, Australia has also declared that the region is Australia’s region but it is also a vast maritime zone that comprised many states interests.

Australia, with the double-ocean geography, have released defense policy white paper that made Australia the first country globally which define the region strategist interest as the Indo-Pacific region (Rory Medcalf, 2013). Thus, this sub-chapter will examine further regarding what actually stated in Australia’s Defense White Paper 2013-2016 about Indo-Pacific region.

In 2013 ADWP, under the sub-chapter of “Strategic Interest”, the focus of this region namely “a Stable Indo-Pacific” Australia has emphasized several important points of the highlight towards Indo-Pacific region as follows:

“Beyond our immediate neighborhood, Australia has an enduring strategic interest in the stability of the Indo-Pacific, particularly Southeast Asia and the maritime environment. Our national prosperity is underpinned by our ability to trade through Indo-Pacific maritime routes: the ADF needs to be prepared to play a role in keeping these sea lanes secure.” (ADWP; 3.15, 2013)

“Australia has a vital strategic interest in the security of the Indian Ocean, particularly its sea lanes. The Indian Ocean will increasingly feature in Australian defense and national security planning and maritime strategy.” (ADWP; 3.22, 2013)

ADWP 2013 is basically SWOT analysis in the defense and security domain at that period of time. ADWP 2013, along with the expectations of defense and security policy experts, has shifted the geopolitical landscape of the world and Asia, as well as presenting the consistency on several key issues (Rahul Mishra, 2013). In 2013, “Indo-Pacific” was not a new terminology for Australia, according to Rory Medcalf the term was already being used since 1950s-1970s, and being reused after 30 years by Michael Richardson in 2015. Previously in ADWP 2009, the regional focus that was adopted was Asia-Pacific. The Defense White Paper 2013 sets Indo-Pacific region as one of Australia’s four main strategic interests, it leads the capacity of contributing to military contingencies in the Indo-Pacific region as one of the Defense Force’s main tasks (East Asia Forum, 2013). In ADWP 2013, with the quotation that has been attached earlier, Australia has emphasized that their national prosperity is highly supported by their ability to secure the Indo-Pacific byway, due to the important trade lane throughout the region.
The first strategic outlook that was highlighted in Australia’s Defense White Paper 2016 was Indo-Pacific and the period of significant economic development. Australia predicted that in 2050, almost half of the world’s economic output is expected to come from the Indo-Pacific region and by that reason Australia recognizes the urgency to increase Australia’s security and economy in the region.

Lieutenant General Angus Campbell, Chief of the Australian Army has stated that:

“The Indo-Pacific encompasses our immediate horizon across three cardinal points of the compass. I invite you to consider the view if you took a ride on a geostationary satellite above the red center of our continent. The hemisphere you see from high above the earth contains; the most populous nation on earth, the nation with largest democratic nation on earth, and a nation with the largest Muslim-majority population on earth. Eight of the ten most populated sovereign states on the planet are Indo-Pacific nations. Over 50% of the world’s population lives there. It contains twelve members of G-20, the three largest economies in the world are Indo-Pacific nations.”

“.Linked to the volume of trade and economic activity, the busiest international sea lanes are in the region. Nine of the world’s ten business sea ports are in the region.”

“... The region is also heavily militarized; seven of the world’s ten largest standing militaries and five of the world’s declared nuclear nations are in the Indo-Pacific. The region matters to Australia because it’s where we live, but an appreciation of the view outlined from our imaginary satellite suggests why Indo-Pacific is globally important.”

In addition to that, in Australia’s Defense White Paper 2016, Australia has continued the highlight towards Indo-Pacific region, this time namely “A stable Indo-Pacific region and a rules-based global order” under the chapter 3: Australia’s Defense Strategy. Australia emphasized that Indo-Pacific region was considered as their third Strategic Defense Interest, with a stable rules-based regional order to protect the trade lane—as what Australia has mentioned in 2013—and to secure the risk of instability and compulsion that would influence Australia’s interests (ADWP; 3.9, 2016).
As we can see from figure 2.2, the reason why Australia is really concerned about Indo-Pacific region is that their economic development does depend on the region. Australia’s vital shift of strategic and economic power to Indo-Pacific was becoming the most significant trend in the world (The Strategist, 2015). Along with the fact of having ten trading partners throughout the region, it is very essential for Australia to unrestrained the trade route. Australia has also initiated better diplomatic relations regarding security issues with Indo-Pacific states in order to secure pursue their interests in a peaceful regard;

- ASEAN Defense Ministers Meeting (ADMM Plus)

Australia has been actively participated in this meeting. ADMM-Plus is mainly aimed to strengthen partnership particularly regarding defense cooperation for peace, stability, and development in the region throughout dialogue among states; ASEAN member countries, Australia, United States, The Republic of Korea, Russian Federation, China, Japan, New Zealand and India. The purposes are to present mutual trust in defense establishment and to help ASEAN member states to build capacity to address shared security challenges throughout the region (ASEAN.org, n.d). This meeting is basically a discussion among ASEAN member countries and
Plus countries regarding security issues yet joint effort in pursuing peace (e.g. peacekeeping operation).

- East Asia Summit (EAS)

This summit is mainly promoting regional leaders in cooperation for strategic dialog in facing challenges in East Asia region throughout a forum. The member countries of these summit are included ten ASEAN countries (Indonesia, Brunei, Cambodia, Laos, Malaysia, Myanmar, Singapore, Thailand, Vietnam, and the Philippines), with Australia, China, India, New Zealand, Japan, the Republic of Korea, United States, Russian Federation. In 2016, this summit has discussed regarding the security challenges that have been faced by the member states throughout the region, particularly South China Sea dispute, counter extremism, Korean Peninsula and maritime cooperation (AUS DFAT, 2016).

### 2.2 Australia’s Perception regarding China’s Military Modernization in Indo-Pacific Region

The state of dynamics and quandary of Australia’s strategic environment had never been appeared since 1940s. The quick development of China’s politic, economic, and military power in the Indo-Pacific region has dispensed opportunities as well as challenges in the region. The emergence of China with the massive military modernization in the region could triggered maritime disputes and has created some unfavorable effects (CSIS, 2016). China has successfully made impressive military advancement in the recent years, as well as continuing the thriving economy development with the determination to build up their defense to ensure the domination in Western Pacific. (Shane C. Tayloe, 2017).

Paul Dibb also argues that economic prosperity in a region would lead to the development of increasingly sophisticated military capabilities (Paul Dibb, 2006). Due to that importance, this subchapter will briefly examine the economic situations among Australia and China in the region during the timeline. Economically, in 2015-2016, China was the largest two-way trading partner for Australia in the sector of goods and services with the value of $150.0 billion, as well as became the largest export market and source of import. Numerous of schemes
had been initiated by Australian government to strengthen their relationship with China (John Blaxland, 2017).

As the Asia map is being reimaged, the new construct of the Indo-Pacific has emerged the shift of the terms usage that has real-world consequences. According to the strategic implication that may appear, it is addressed on managing the growth of China’s power and interests. This is assumed as if the geopolitical power relations among states in the region changes in one part, other parts will also get affected (The Asan Forum, n.d). This subchapter will examine further regarding Australia’s defense policy that addressed China’s military modernization in 2 consecutive periods of publicity: 2013 and 2016.

In the CSIS Southeast Asia Program and Asia Maritime Transparency Initiative in July, 2016, Col Desmond Walton has stated that:

“CSIS has recognized or seems to admit the assumption that there are capability shortfalls in the region that must be addressed because they posed security risks. Among the assumptions we just accept without challenging that; weak regional military is exploited by opportunistic expansions powers and regional military’s inability to monitor their territorial water enables China or other powers to undertake expansions activity unchallenged.”

In ADWP 2013, Australia did not address China’s military modernization directly, but instead, was more focusing to the bilateral relations yet competition and cooperation among China and United-States. Australia observed the relations among the two superpowers and encourages the fact that despite the inevitable competition they are having, both China and United States did not seek any conflict. In this year ADWP, Australia welcomed China’s economic rise and emphasized that the rise did not make the government assume China as “threat” and was emphasizing about China’s peaceful rise.

Australia also explained that China’s economic development has changed the balance of regional global strategic and it was also a big contributor towards the weight shifting in the Indo-Pacific region. Along with the economic growth, China’s defense capabilities are also growing—and military is modernized as the result. With the development of China’s global interests, China is predicted to become more active in international issues on a wider scale, yet, stated this point afterwards:
“Military modernization in our region, however, reduces these geographic advantages. Potential adversaries may have capabilities that can reduce the protection provided by distance and thereby reduce our early warning and mobilization timeframe” (ADWP, 2013)

In 2016, Australia has emphasized several points in the Defense White Paper—that directly addressed to China’s military modernization particularly in Indo-Pacific region as follows:

“The growth of China’s national power, including its military modernization, means China’s policies and actions will have a major impact on the stability of the Indo-Pacific,” (Australian Defense White Paper, 2016)

At first, Australia emphasized that military modernization in the Indo-Pacific region is completely normal and it is underpinned the positive economic changes in the region. Australia was also briefly explained regarding the military spending in Asia which grew 0.6 %, reached around $386 billion in total has increased even higher than Europe’s.

Figure 2.3 Indicative Defenses Spending to 2035 (ADWP, 2016)

By this figure, Australia emphasized that their future ability to maintain superiority will be challenged by bigger—yet more advanced—military forces in 2035 particularly in the Indo-Pacific region. As the outcome of military modernization in the region, there will be numerous regional forces with a greater ability will emerged. In the Indo-Pacific region itself, Australia added, other high technological weapon systems will also be used in the region, and the more advance the technology, the more responsibility for the states around the region to share
situational awareness, communicate and cooperate. Australia emphasized that all countries in the region has to be transparent to strengthen the regional security (ADWP, 2016).


In Australia Defense White Paper 2013, Australia has stated that control of the sea and air approaches are the fundamental elements in order to defend Australia and provide freedom to Australian forces. The maritime strategy was using the conventional land forces to control. Australia realized that Australia’s strategic geography could Australia emphasized their strategy in maritime domain with the purposes as follows:

- Blocking enemies from carrying out attacks on Australia
- Achieve and maintain the air and sea control to protect the key sea lines of communication.
- Blocking the enemies from accessing operating bases or the freedom to conduct strikes against Australia beyond Australia’s maritime approaches.
- Project power by sending joint task forces in the Indo-Pacific region (ADWP, 2013).

The next explanatory was that the strategy mentioned was not necessarily addressed for defensive approach, since it might comprise the usage of strike capabilities and the sustained projection of power by joint task forces. The maritime strategy was addressed to use the land forces to control, protect the bases, and secure the region by enhancing the relations with other states (ADWP, 2013).

According to Sam Bateman, some countries in the region have lack of capacity in order to providing the security and the implementation of international standards for ship and port security. The difficulties to implement the legal regimes in international level have leaded the countries to act regionally and think globally. According to him, there are two main important points that have to be considered in order to understand the regional developments, the first is the capacity building and the second is the concept of maritime security itself. The capacity building has to be occurred in all levels included national, sub regional and international level. In regional level, the institutional arrangements are important to identify and maximizing the existing
cooperation among states. While in the maritime security, it is necessary to have maritime awareness and the contribution for the regional benefits (Sam Bateman, 2005).

The rights and duties of states throughout various spectrum gives a comprehensive extent on how to measure the maritime security problems and how the shape of law of the sea would be. The examination has to set out the regulations that rule the release of military vessels and other military activities, as well as the law enforcement in maritime zones, the matters of information intelligent, and the armed conflict in the region. There are numerous kinds of conflict that can possibly occur and become maritime security threats in the region such as; illegal fishing, piracy, drugs-smugglers, etc. The securement of maritime sector is fundamental for national interests but the fact that each national interests are different it is necessary to find the middle ground for each states in the region in order to align the common interests in coping with maritime security threats (Natalie Klein, 2011).

For Australia, it has outlined that their strategic outlook will change accordingly to the shift in economic and political power in the Indo-Pacific region. In ADWP 2016, Australia has examined the strategic defense framework which follows:

<table>
<thead>
<tr>
<th>Strategic Defense Interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>To secure, resilient Australia, with secure northern approaches and proximate sea lines of communication.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategic Defense Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deter, deny and defeat attacks on or threats to Australia and its national interests, with northern approaches.</td>
</tr>
</tbody>
</table>
According to figure 2.4, a secure Australia means that Australia could fully exercise its sovereignty in its territories and borders from unexpected matters that could possibly happen. To secure nearer region namely the maritime part of South East Asia and South Pacific was intended to ensure that Australia relies to the stability of security in countries around the regions mentioned.

The most important is the point where Australia puts the importance of stability in Indo-Pacific region and rules-based order. As the third strategic defense interests of Australia, Australia ensured that rules-based order will support Australia in pursuing their national interests in the region. These rules covered the open, free, and secure trading system in the region and minimizing the risk that would give disadvantages towards Australia’s interests (ADWP, 2016).

Australia naturally has the length coastline, numerous offshore territories and vast maritime jurisdiction to make it a maritime nation, yet historically, the ocean policy that was published in 1998 has set out the broader goals for better usage of Australia’s ocean. This policy was included the exercise and protection of Australia in offshore areas, the ocean environment, integrated oceans planning and how to modernize the ocean capabilities. In order to protect Australia’s interests at sea, there are a lot of challenges in preventing the potential criminal activity in Australian offshore areas to support the region and global security initiatives that help in maintaining freedom of the usage and access to oceans to ships all over the world (Robin M. Warner).

The foreground of ADWP is that there is no predictable direct threat to Australia, but the strategic focus has extended in order to defend the borders and maintain the overall maritime security in the region (AUS DOD, 2016). Australian military chiefs have seized the concept of Indo-Pacific itself, and The Australian navy with the Chief of Navy welcomed the Indo-Pacific rhetoric as an essential element to achieve Australia’s strategic goals (Griggs, 2012).
Lieutenant General Angus Campbell, Chief of the Australian Army, who is responsible for the advice preparation to the Prime Minister of Australia’s whole-of-government national policy, has delivered the focus on the Australian perspective towards Indo-Pacific:

“For Australia, the geographic view is markedly different (with United Kingdom), the term Indo-Pacific is useful to encompasses the key features of our geo-strategic setting. Our island continent lies at the fulcrum of the Indian and the Pacific Oceans, and the ASEAN landmass in those oceans border. The Indo-Pacific encompasses our immediate horizon across three cardinal points of the compass.”

“Australia’s most recent foreign policy white paper (ADWP 2016) describes a tough, exciting and competitive landscape within the Indo-Pacific region. It outlines the five tasks ahead for us to ensure a prosperous Australian future; to secure Australia in the region, to take up opportunities in global economy, keep Australians secure and free, strengthen the international rules that make it all work and help our near neighbors and partners.” (Rusi org, n.d).

In order to understand Australia’s defense strategy, it is necessary to understand the concept of Australian Maritime Identification System (AMIS). The extensive maritime claim and coastline has brought both big responsibilities and advantages for Australia in terms of maritime jurisdiction. A complex, varied and significant security challenge Australia has been facing has lead Australia to take some actual paces to develop the maritime security. Therefore, the creation of Australian Maritime Identification System is aiming to enhance the offshore maritime surveillance (Clive Schofield, 2008). AMIS programs and mandate are basically an induction from the US original: “The effective understanding of any activity associated with the maritime environment that could impact the security, safety, and economy environment.” (Natalie Klein, 2010). The Australian Maritime Identification System will provide Australian maritime approaches towards MDA (Maritime Domaine Awareness), included 1.000 nautical miles from Australia’s coastline (Sam Bateman, 2007).
Geoscience Australia has produced numerous images to understand Australia’s maritime jurisdiction by using schematic view of Australia’s maritime ones. The limits in the map above were adopted from digital Australian Boundaries in 2014. This comprised the continental shelf limits (AUS Geoscience, 2015).

While, in order to understand Royal Australian Navy’s strategy, it is mandatory to look further upon the Australian Maritime Doctrine. This subchapter will be examined further by using maritime strategy concept and the theory of sea power by Julian Corbett that has been briefly explained in the first chapter of this research. In the Australian Maritime Doctrine 2010 itself, Australia has been fully adopted the concept of the maritime strategy and sea power theory by Julian Corbett in chapter 8, that can be used for the implementation in the last chapter of this research.

- **Sea Control**
Australian Maritime Doctrine has explained that sea control means that the force has right to use an area of the sea according to its own purposes for a period of time. Sea control also comprised both the airspace above the sea’s surface as well as the water mass, seabed below and the electronic spectrum. Achieving sea control is an exceedingly important maritime component of battle space dominant. In some situations, sea control can be achieved by a combination of measures that not all may comprised high technology or direct force. In addition to that, Australia has also explained that when sea control is accomplished, it is possible to establish the context of more direct efforts ashore in order to pursue the maritime forces (AUS Maritime Doctrine, 2010). Historically, they learned from Japanese’s failure to achieve the necessary degree of sea control back to the Battle of the Coral Sea\(^3\) particularly in south of New Guinea area.

- **Sea Denial**

  In AMD 2010, Australia has examined sea denial as the circumstances when the states have given right not to control of the sea, but instead, preventing the usage. It is possible for maritime forces to apply sea denial operation and at the same time conducting sea control on the other side. This concept comprised many actions included the blockade of enemy forces to enter the territory, exclusion zones operation, or campaign against trade adversary or logistic system. Under the concept of Sea Denial, there is a minor concept called *force in being* that was historically adopted from the concept of *fleet in being*. This concept provides additional security towards the vulnerabilities and avoiding the head-on confrontation with a greater force (AUS Maritime Doctrine, 2010).

- **Maritime Power Projection**

  This concept is the actual use of force or the delivery of force from the sea, in which takes numerous forms included the Special Forces.

  For the region itself, Australia is indeed has been the dominant power over the three decades. In this doctrine, Australia also has explained the difference between the contemporary developments and classical maritime strategy according to their national interest. Three fundamental elements of development have maximized the influence on the contemporary

\(^3\) a major naval battle between the Imperial Japanese Navy (IJN) and naval and air forces from the United States and Australia, taking place in the Pacific Theatre of the Second World War.
strategic concept; technology highly increase the naval forces influence, emergence of strategic context, and collective security arrangements (AUS Maritime Doctrine, 2010).

CHAPTER III

CHINA’S MILITARY MODERNIZATION AND SPHERE OF INFLUENCE IN THE INDO-PACIFIC REGION (2013-2016)

3.1 China’s Maritime Strategy to Enhance the Sphere of Influence along with the Military Development in the Indo-Pacific Region 2013-2016

“A prosperous and stable world would provide China with opportunities; while China’s peaceful development also offers an opportunity for the whole world. China will unswervingly follow the path of peaceful development, pursue an independent foreign policy of peace and a national defense policy that is defensive in nature, oppose hegemonies and power politics in all forms,
and will never seek hegemony or expansion. China’s armed forces will remain a staunch force in maintaining world peace.”-China Military Strategy, 2015.

Quoted from China’s Military Strategy in 2015, China remains emphasizing on its peaceful development and its defensive nature. As well as declaring themselves against hegemonies and power politics in order to maintain world peace. Historically, the founder of Zhou Dynasty of China has initiated the principles that the country has to be a big country that defined by the cultural ideas. The fact that China has separated along the historical points, the leaders have consistently back to the fundamental principle of China itself. China has a strong relations and this fact has brought realization for Chinese leaders that their country is developing as an independent state so they have to maximize the geographical location and economy ability (China Military Strategy, 2015).

In the third annual general meeting of the Communist Party declared that they should order to optimize the army’s size and structure, to adjust the balance among the service and to reduce the non-combat institute and personnel. People’s Liberation Army Navy (PLAN) has 10 percent of the personnel distribution. Two years after that, in 2015, Xi Jinping called for 300,000 reductions to bring the force into 2 million. Next months afterwards, China proclaimed a crucial change in PLA order and commands. China kept undergoing the military reformation with rapid growth comparing what had been anticipated in few years back. The inference of the military power that credibly changed still remains far from clear (Joshi M, 2017).

China’s commitment and strategic choice to take the aim of peaceful development is defensive in nature. China resisted all kind of hegemonies or power politics and emphasized that China will not behave in hegemonic manner, nor will engage in military expansion. China is more concerned regarding the new concept of security that shows mutual trust and benefit, as well as balance and coordination in common and cooperative security (Information Office of the State Council the People's Republic of China, 2013).

China has borderline which is more than 22,000 km and 18,000 km coastline. As a country that has the longest border land, and most neighbors, China’s armed forces have to defend and implement the jurisdiction over China’s land border and seas. The importance of securing the borders and coastal areas are indeed not an easy task. The PLAN has to strengthen the control over maritime, build the patrol mechanisms, develop situational awareness in
surrounding sea areas, securing the area from various kind of harassment, penetration, and sabotaging activities, as well as to maintain peace and the stability of the surrounding areas (Information Office of the State Council the People's Republic of China, 2013).

The emergence of Indo-Pacific is indeed one of the most crucial elements of China’s national interests. In 2015, China’s Xi Jinping visited Washington DC to discuss the issues of South China Sea, yet more importantly—as the pattern of the region changed—to discuss the emergence of Indo-Pacific and its influence towards China’s Maritime Silk Road strategy (Rany D. Mullen, Cody Poplin, 2015).

China established the idea of MSRI (Maritime Silk Road Initiative) in 2013. This initiative basically designed to go to China’s coast to Europe crossing Indian Ocean, South-China Sea at once. It is also aim to establish a modern network of high-speed railways and ports stretching across South and Southeast Asia. This automatically supports ASEAN countries to build maritime development strategy in order to strengthen the regional relations. The initiative was proposed in Indonesia and in 2015—in order to minimize ASEAN security concerns and in order to grow the mutual trust—China has successfully aligned with Indonesian President Joko Widodo vision of Indonesia as a global maritime axis to synergize China-Indonesia mutual interests in the region (Zhao Hong, 2015).

Therefore there are three main differences among the revival of maritime and land-based Silk roast; there are numerous countries throughout the sea road to Europe and Indian Ocean countries are more populated than Central Asia, China’s leadership has opened how far the concept will go, China has huge investment to the West and China’s effort in Central Asia caused disapproval in Russia and Europe. The influence is growing from Western Pacific to the Middle East (Benhard Zand, 2016).
This concept was basically can be used to analyze China’s political and economy implication. To provide the better understanding on the global power structures, trade, and exchange both globally or regionally, and China’s geopolitics and geo-economics in the region (Jean-Marc F. Blanchard, 2017).

3.1.1 China’s maritime defense policy in Indo-Pacific region in 2013-2016

Throughout Indo-Pacific region, nations are investing in military modernization particularly for the maritime forces. From their technology, renew their military equipment and enhance their military technology. For China, they work to increase their military capabilities and fixing their structural command since the aftermath of Cold War (Indo-Asia-Pacific Defense Forum, 2016).

In 2015 China White Paper, China mentioned briefly regarding the tensions that occurred in the Pacific region and called the situation there as foreseeable future but China is positively believe everything will be just goes peacefully. Yet China is still aware that another circumstance that likely to support the occurrence of conflict is not impossible to happen. China is also more emphasizing more into their long-standing task for maritime rights and interests—in
which they emphasized—“the US carries on its ‘rebalancing’ strategy and enhances its military presence and its military alliances in this region. Japan is sparing no effort to dodge the post-war mechanism, overhauling its military and security policies.”

China has one of the largest most advanced naval fleet in the region with the maritime law enforcement and the forces that also keeps developing (Zhang Hongzhou, 2015). China has reached the rapid development in a short period of time, yet the economic development had sort of acute consequences for countries in the surrounding. China as the key player in the region has shown the courage to participate in international forum particularly with ASEAN countries, and keeps broaden and deepen their commitment in their investment. China believes that China will develop peacefully in a peaceful region and at the same time keeps promoting the regional integration, cooperation and world peace (Sangit Sarita Dwivedi, 2017).

The seas and oceans bear on the enduring peace, lasting stability and sustainable development of China. The traditional mentality that land outweighs sea must be abandoned, and great importance has to be attached to managing the seas and oceans and protecting maritime rights and interests. It is necessary for China to develop a modern maritime military force structure commensurate with its national security and development interests, safeguard its national sovereignty and maritime rights and interests, protect the security of strategic SLOCs and overseas interests, and participate in international maritime cooperation, so as to provide strategic support for building itself into a maritime power (China’s Military Strategy, 2015).

The PLAN will continue to organize and perform regular combat readiness patrols and maintain a military presence in relevant sea areas. -China’s Military Strategy, 2015.

China’s armed forces will deepen logistics reform in relevant policies, institutions and support forces, and optimize strategic logistics deployment. They will innovate the modes of support, develop new support means, augment war reserves, integrate logistics information systems, improve rules and standards, and meticulously organize supply and support, so as to build a logistics system that can provide support for fighting and winning modern wars, serve the modernization of the armed forces, and transform towards information (China’s Military Strategy, 2015).

3.1.2 China’s military modernization in the Indo-Pacific region 2013-2016

Southeast Asian countries believe that China’s rapid military modernization has obtained various responses from each state in the region. Some scholars believe that this has something to do with the competition with US in the region, but as what China has emphasized in their Military Strategy, 2015; they seek no hegemonies and power politics, yet that is probably relate
to the fact that not all states are having the dilemma regarding China’s rise in the region. Historically, in the late 1970s, PLA had to experience a huge reduction to the force size (Pradeep Taneja, 2014).

China’s armed forces modernization mainly shoulders the following strategic tasks according to China’s Military Strategy in 2015:

- To deal with a wide range of emergencies and military threats, and effectively safeguard the sovereignty and security of China’s territorial land, air and sea;
- To resolutely safeguard the motherland unification;
- To safeguard China’s security and interests in new domains;
- To safeguard the security of China’s interests overseas;
- To maintain strategic deterrence and carry out nuclear counterattack;
- To participate in regional and international security cooperation and maintain regional and world peace;
- To strengthen efforts in operations against infiltration, separatism and terrorism so as to maintain China’s political security and social stability; and
- To perform such tasks as emergency rescue and disaster relief, rights and interests protection, guard duties, and support for national economic and social development (China’s Military Strategy, 2015).

In Journal of Asian Security and International Affairs, I, 2, (2014): 145-162, Pradeep Taneja provides the analysis of other states’ perspectives towards China’s military development in the region including their strategic concerns, economic interdependence and domestic politics. This subchapter will be focusing on the strategic concerns since it will be examining how other states perceive China’s military modernization in the region. From China itself, China wants the world to perceive their military modernization as harmless as possible and as beneficial to everyone particularly neighbor countries in the surrounding. Zheng Bijian, as chairman of the China Reform Forum, has emphasizing that they are not trying to challenge other powers, but instead trying to improve their relations with other states and to build a peaceful international development (Pradeep Taneja, 2014).

For Southeast Asia countries and Australia, China’s military modernization has urged them to review their strategic positions in the region. Most of the states that have a great economic relation with China would not bother to risk their relations over the vague worries. With the better-trained soldiers, more technological military equipment, and with faster fighting force, some statements argued that this condition is like China telling the world that they are
developing their military capabilities to win a war without telling where or whom they are fighting to. Brunei, Malaysia, the Philippines and Vietnam, with the islands dispute in South China Sea had sort of territorial dispute with China itself. The main point is that some countries are economically dependent with China—the tighter their relations in economic sector, the greater the level of interdependence—yet that is why the responses from each country are vary (Pradeep Taneja, 2014).

3.1.2.1 China’s defense budget in 2013-2016

Defense spending of a country is representing how to measure their potential military capabilities. The measurement itself can deter the regional trend in military spending and in order to identify political events in order to fasten the defense allocations. The military budget is also necessary to identify the importance of armed forces from a country to other organs in the country itself (CSIS, 2017).

![Figure 3.2 China Military Spending (Statista, 2018)]
The statistic above shows China's expenditure on military services from 1996 to 2016. In 2016, China's military spending in billion US dollars. It is shown that the amount keeps developing by year and it reached 225.71 billion USD in 2016. China provides a very limit due to the lack of transparency of Chinese Defense Spending; there are some of data differences from various sources. In 2016, a high-ranking officer in China’s military has stated that generally military spending for China is divided by three balanced parts which are; personnel expenses, weapons purchase and repair expenses, and other military equipment. China’s military budget is also hard to estimate if we look upon the budget reporting. The budget does not include the expenses or costs like what generally Western countries defense budgets (CSIS, 2017).

![Figure 3.3 China’s Defense Budget (CSIS, 2017)](chart)

Chinese government has released official figure that stated the defense budget of China in 2016 is at 954 billion yuan ($146.6 billion), increased 7.6 percent from the 2015. In 2015, China’s defense budget was 887 billion yuan ($144.2 billion). While according to The Stockholm International Peace Research Institute (SIPRI), the defense budget of China is estimated the overall 2016 figure at $226 billion and the 2015 estimate at $214 billion. This data is also estimated by the other organizations as to what China spent on its military in 2015 vary. The U.S. Department of Defense (DOD) stated that in 2015 China’s defense budget reached
more than $180 billion, while the International Institute for Strategic Studies (IISS) believes that China spent $193 billion (CSIS, 2017).

3.1.3 China’s naval power in 2013-2016

China’s naval power has been significantly increased by size and keeps improving by capabilities over the past decade. China’s military modernization programs—with the aim to achieve the regional dominance and expand the global influence peacefully—has turned their military capabilities into high-tech military forces. The modernization for the naval itself has been seen from the build and purchases of; deadly ballistic and cruises missiles, submarines, planes. The corruption purge domestically that has been on-going for years and the improvements of international organization logistics have immensely supported the modernization of the PLAN itself. PLAN has become a world-class navy that has a great capability to dominate South China Sea and Western Pacific (Lockie A, 2016).

China will remain as seafaring power with broader term even though it is hard to predict how fast and how obvious the hardware that PLA Navy use will grow. The main idea is that the competition in the region is relative and geographically, Asia placed numerous of major powers so one with another are close with each other. China’s maritime project has been going on for a decade and it depends not only from how the PLA’s progresses but also how the competition in the surrounding (James R. Holmes, 2013).
Comparing to United States, China’s naval power is realistically challenging in a way. China has emerged as a powerful trading nation with a complex global web of commercial and diplomatic relations over the years. China’s military plans are keeps on taking account of the importance of the sea lanes security, particularly in the South-China Sea that used for carrying the exports and imports manufactured of raw materials for energy (David Lague, 2013).

3.2 China’s Military Modernization

China’s military modernization is a strong guarantee of China’s peaceful development to build its own national defense capability and to build more powerful armed forces that meets the standards of China’s international standing and to fulfil the urgency of security and development. While China’s armed forces itself must following the China’s national development and security strategies and scientific outlook on their development to provide the security guarantee and support for the national development yet to contribute the maintenance of world peace and the stability of the region (CSIS, 2017).

“Building a strong national defense and powerful armed forces is a strategic task of China’s modernization drive and a security guarantee for China’s peaceful development.” (China’s Military Strategy, 2015).

In this subchapter, the national security concept will be used in order to examine further China’s national interests particularly in maritime defense sector. The national security concept itself as what has mentioned in the first chapter is the fundamental concept that subordinated the two theories mentioned in this thesis. National security concept will also help to examine the phraseology of the defense policy. This concept examines that state has to protect themselves against all matters that lead to “national crisis” throughout diplomacy, economic, political, and military. This concept implies on how to secure the state against external and internal threats in every national sphere and presume that the coerciveness of state is according to the preservation of territorial strength. Therefore, the national security is inevitable with the existence of threat
perception. According to Robert O. Tilman, threat perception itself is a process that influenced by variety of factors which are (A.A. Banyu Perwita, 2017):

1. **Structural dimension, in which alludes to the political system type, the structure of the regime and the ideology of the state.**

Politically, aside from the defense and military operations other than war, PLA’s basic role in Chinese Communist Party (CCP) is to be the military wing as well as become the rule-guarantee for one particular party. The relations among civil and military have encountered a big change from the previous symbiotic ties. By the end of 1980, a moderate divergent among civil and military followed the shift in civil and military leadership and the development of professionalization in PLA. Due to the higher specialization that PLA has, and the lesser representation they have in the party, PLA seems reduced the relevance compared to what they had in the past. PLA has also withdrawn from making non-military policy and has concentrated on making policy that related to defense and national security issues conservatively, as well as PLA has limited authority in the party particularly in technical sector (European Parliament, 2015).

2. **Geopolitical system, this refers to the geographical expanse and location.**
From Figure 3.5 we can see that China is heavily dependent to the critical sea lanes in order to secure their energy imports. More than eighty percent of China’s energy imports are crossing the Malacca strait. By this means, China needs to sustain their power to secure their foreign energy investments and defending their critical sea lanes from any kind of threats and disruption that has possibility to occur. The need of extended-range power projection such as the development of carriers and another maritime warfare and exercise are inevitable (Robert M. Gates, 2008).

3. Historical dimension, that indicates the past events and experiences of the state.

As some scholars believe that history can repeated itself, it is necessary to look upon China’s historical background in order to understand whether or not there is a possibility for China to start an aggressive behavior that could probably occurred in the region. In the Second World War era, China had a huge protest that they considered themselves betrayed by Versailles
treaty. China has contributed huge numbers of workers to the Allied in the First World War, and believed that if the Allied won the war it would be a great step to China to end the imperialism and to have their own national self-determination. The May Fourth movement was aiming to develop their politic, social, and culture that came to China (Jacob L. Shapiro, 2016).

China’s fight against Japan was one of the biggest stories in the Second World War. Even though China was the first Allies power that was able to fight against Axis power, the story was somehow remained untold because of the belated annex to the battle in the Pacific theater. Japan invaded Manchuria at that time and finally provoked Chinese into full-scale war (Mitter R, 2013). By these historical facts, this might also able to be the indication that China is naturally defensive and it is not an impossible thing for China to rise peacefully.

4. Social-cultural dimension, that refers to the people’s characteristics.

China is the most populated country in the world with the latest counted population as 1,285,688,988 people. The rapid change the changes where China complexly interact with others and forced the two leadership as well as international community to imagine how likely to be in the future. Chinese success in economy has interpreted as the results of the hardworking culture of the people. Globalization has brought both opportunities and challenges to China, and China has faced poverty, inequality, and some violations in financial markets yet still standing foremost with the global determination (Sangit Sarita Dwivedi, 2017).

5. Economic dimension, in accordance to the economic system

In 2011, China’s government has approved the Guangdong Province plan regarding the plan of establishing a national-level marine economic development. This plan indicated the strength of China’s marine economic in 12th five year plan. Along with the increase of regional competition in the maritime sector as well as the shipping lanes, the plan and the strategy leaps to impact the international community particularly in the region (East Asia Forum, 2011).

3.2.1 Modernization of the People’s Liberation Army

China’s military modernization has emerged since 1990s, when People’s Liberation Army overwhelmingly equipped by reproduction of Soviet weapons till the beginning of this decade with the focus of increasing the quality of the weapons and PLA system. In 2015, we
have witnessed China’s phase in reforming a comprehensive military organization. The aim is to give China an ability to fight against regional wars with high-intensity and short duration yet emphasizing more on “maritime military struggle” that means the ability to fight the complex electromagnetic with the further distances from the former plan of PLA. Chinese are considering about reducing the third party—particularly United States’ ability—to intervene China’s regional crises. This also means that China is undergoing the ability development of Anti-Access/Area Denial (A2/A2)\textsuperscript{4} capabilities as the ability to cyber-based operates (Manoj Joshi, 2017).

In 2014, in order to emphasizing that China’s military modernization is based on peaceful military building and to clarify the misunderstood by states and media coverage, PLA has invited some journalists to witness their military training. Snr Col Geng Yansheng from People’s Liberation Army has stated that:

“With this activity (showing China’s military modernization to the journalist) we hope the international community will have a better understanding of China’s military. I think in recent years China’s international influence has been increasing with our military exposed more to the international community.”

China’s territory in 2016 was divided by seven military regions and five military commands which reflected the development of their national concept of military operations. The five theater commands are follows:

- **East Theater Command**

  The jurisdiction of this theater command comprised the area of; Shanghai, Fujian, Jiangxi, Zhejiang, Jiangsu, Anhui, and East Sea Fleet. As one of the five PLA’s warzones, the forerunner is the Nanjing Military Region.\textsuperscript{5}

- **Southern Theater Command**

  This theater command comprised the area of South Sea, Guangdong, Guangxi, Hunan, and Hainan. The forerunner of this theater command is Guangzhou Military Region (Sina Corp, 2016).

\textsuperscript{4} An area denial weapon is a device used to prevent an adversary from occupying or traversing an area of land, sea or air
• Western Theater Command

In this theater command, there are two headquarter which are located Sichuan and Chengdu. The jurisdiction itself comprised the area of Tibet, Chongqing, Ningxia, Qinghai, Xinjiang, and Gansu. In 2016, PRC raised the status of Tibet Military Command to broaden the mission regarding the border with India (Annath Krishnan, 2016).

• Center Theater Command

This theater command comprised the area of Beijing, Hebei, Shanxi, Shaanxi, Tianjin and Henan. The forerunner is Beijing military region with 300,000 personnel of group armies, numerous military academies, and the home of PLA Navy North Sea Fleet and PLA Air Force (Liu Zhen, 2018).

• Northern Theater Command

This theater command comprised the area of Shandong, Heilongjiang, Jilin, Liaoning, Inner and Shandong. The forerunner is Shenyang Military Region, with the Northern Theater Command Navy centered in Qingdao and Shandong (Peter Wood 2017).

3.2.1.1 Modernization of People’s Liberation Army Navy

People’s Liberation Army Navy has a long-term plan to develop the blue water navy. Back to 2009, in order to relate the size of the economic influence and the urgency of defending China’s national interests, Liang Guanglie as China’s Defense Minister at that time has officially announced that in 2015 China will equip the PLAN (People’s Liberation Army-Navy) with two conventional aircraft carriers and will possibly have two additional nuclear-powered carriers by 2020. China is fully concerned regarding their strategic sea lanes and the realization that in order to be a great nation it is necessary to have great navy capability. China’s economic growth that escalated rapidly are expanding the maritime trade and the higher the sense of nationalism (Dr Michael Ecans, n.d)

PLAN is divided by three fleets: North Sea Fleet that based in Yellow Sea, The South Sea Fleet that based in South China Sea, and The East Sea Fleet that based in the East China Sea.
PLAN Coastal Defense Force as a land-based fighting force has at least 25,000 personnel which each regiment and battalion are under support base or headquarters (Pike J, 2011).

![PLAN Coastal Defense Force Structure by Fleet](image)

**Figure 3.6 Costal Defense Forces Structure** (Global Security, 2007)

According to Ronald O’ Rouke in 2013, the main goals of China’s military modernization, particularly the PLAN’s mission are;

- China is aiming to restrain Taiwan’s ongoing attempts in independence military.
- Emphasizing China’s claim in South China Sea (SCS) and East China Sea (ECS).
- China is trying to impose their statement that they are having legal rights to rule military activities within 200-mile maritime economic zone. China’s view on foreign military activities in its EEZ has become an ongoing source of potential incident.
- China would like to defend their communication line both for military and trade in the sea.
- To encounter United States of America as regional power that is dominant in Western Pacific

China’s PLAN has been making history by calling on their vessels in Black Sea and Mediterranean area even their main goal is to the areas that is near with the mainland.

3.2.1.2 China’s military deployment in 2013-2016
“Pushing ahead with logistics modernization, China’s armed forces will deepen logistics reform in relevant policies, institutions and support forces, and optimize strategic logistics deployment”-China’s Military Strategy, 2015.

In 2014, PLA Navy had 255,000 sailors; 1 aircraft carrier, 69 submarines; 29 destroyers; 49 frigates, 86 landing crafts, 39 minesweepers, and 368 coast defense ships (China Today, 2014). In 2015, there were many speculations regarding China’s military reform, since China’s Xi declared the plan to cut 300,000 troops. This speculation has appeared since 2012 that many of military battle zones replaced. In Central Military Commission (CMC), China has successfully created 15 new departments with a complete transfer function. In a national operational effectivity, transition from the military battle zone to the battle zone is very important for the joint cooperation capability. PLA has begun to develop their joint surveillance system in order to combine Chinese military plan has been presented in East China Sea that are mostly from the naval aviation forces due to the correlation with PLAN aviation force’s duty task across the services over the maritime zone. PLA Air Force and PLA Navy have their own independent relations with the coastal radar stations which located under their control territorial (Ying Yu Lin, 2016).

Japan believes that the expansion of PLAN capability is continuously and has lack of transparency. There are at least three disputes in maritime sectors that China deals with; East China EEZ disputes and South China Sea disputes. In South China Sea, China has to deal with countries in the region particularly the Philippines, Malaysia, Indonesia, and Vietnam over the rich deposit of oil, fishery and natural gas resources until the UNCLOS arbitration tribunal constituted this dispute under Annex VII. China’s fighter jet, combat aircraft, mobile missile launchers and submarines are still appeared in the region. Days of exercise were conducted by PLAN; PLAN patrol boats repeatedly shots target in an uninhabited island, jets streaked above, beach landing exercises, plus fourteen vessels and antisubmarine operated in the region in order to protect and defend the sea lanes. In East Asia EEZ disputes, China and Japan have different implementations of the ratified UNCLOS rules in 1982. China and Japan both claimed the disputed territory as their EEZ (Koo Min Gyo, 2009).

Along with the strategic development that has been ongoing in the surrounding areas of China and Indo-Pacific region, the region itself now becoming the gravity of economical center that has been supported by the maritime activity commercially and the security guarantee for the
global interests—China has been aware regarding the importance of optimizing the logistic deployment for their own maritime security (Prakash Gopal, 2017).

CHAPTER IV

THE IMPLEMENTATION OF AUSTRALIA’S MARITIME DEFENSE STRATEGY IN RESPONSE TOWARDS CHINA’S MILITARY MODERNIZATION IN THE INDO-PACIFIC REGION (2013-2016)

4.1 Australia’s Defense Strategy in Response towards China’s Emergence in The Indo-Pacific Region (2013-2016)
Australia’s defense strategy in Indo-Pacific region is to secure Australia’s interests is to maintain the rules-based order. The concept of rules-based order itself has been used more broadly than the fundamental aims; to encounter common adviseries in terrorism, natural disasters, and piracy. The broader usage of the rules-based order is more into the description of how states should act in international system included the competition forms and the description of the appropriate states’ behavior (Robert Farley, 2016).

![Figure 4.1](image) Australia’s top ten trading partners in the region (ADWP, 2016)

For Australia, Australian trade is highly supported by the extensive lines of both Indian and Pacific oceans and the Indo-Pacific has comprised the region of South China Sea and North Asia. The rules-based order is very crucial for Australia to determine the security of trading system and to reduce the possibility of any kind of risk that will harm Australia’s interests (ADWP, 2016). China, with the military modernization in the region have prompted the rules-based order importance in the region to Australia. By mentioning China for numerous times in the Defense White Paper as well as emphasizing the rules-based order and military modernization in the region, Australia, has indirectly described how China shall act “appropriately” in the region and suggest China to have more transparency in order to minimize any kind of offensive act that could harm the stability of Indo-Pacific regional security.
Australia’s main strategy is to modernize the maritime capabilities in a long-term plan, to be able to reach a wider range of maritime operations. Bigger vessels and more capability of offshore patrol vessels have also been added to the strategy to help Australia in protecting multiple layers of surveillance systems in the region (ADWP, 2016).

Most importantly, Australia has emphasized in one of the three Strategic Defense Objectives, to contribute military capabilities and to have coalition operations that will support Australia’s national interests according to the rules-based order. In order to achieve this, Australia had tightened the relations with the United States as its ally and the elaboration will be in subchapter [4.4] and transform their military capabilities in [4.3]. In this matter, Australia had also grown their military capabilities—particularly the Navy sector in order to secure their national interests that based on rules-based order. Australia has also declared that Australia is ready to provide humanitarian assistance in Indo-Pacific when required. For the long-term plan Australia has ensured to maintain the highest military capability levels of ADF (ADWP, 2016).

In order to examine further regarding Australia’s defense strategy towards China’s emergence in the Indo-Pacific region, the writer uses Neo-realism theory by Kenneth Waltz that has been briefly explained in the first chapter of the research. Neo-realism approach has explained how Kenneth Waltz approaches the real-world problem. As a growing result of traditional realism with its characteristic of balance of power, neo-realism still believe on their older views that war is possible to occur any time. If we relate to the issue—regardless how China keeps emphasizing on “peaceful rise”—Australia is still being aware of the possibility of war that could possibly occur anytime in the region. Neorealist theory stances that competition and conflict among states are under the condition of anarchy; to provide their own security, and threats to their security bound (Jo Jakobsen, 2013). In Kenneth Waltz’s book “Theory of International Politics” in 1979, Kenneth Waltz has emphasized three main points of his theory which are:

1. The International system is anarchic.
Figure 4.2 The Anarchic International System (Allen Sens, 2012)

The figure 4.2 shows that in an anarchic international system it is comprised by two kinds of states; more powerful ones and less powerful ones. By this figure we can see through what has happened in Indo-Pacific region, suppose that the two powerful states in the figure are; A is China B is Australia and the white circles around are the less powerful states in the region. As there is no world government to control as the central authority—in the region, particularly—states in the region are automatically have lack of trust towards each others or just simply insecure that there will be an attack that could harm the peace of their states one day in uncertain circumstances. In the anarchic system as well, states are focused more into their own survival, by attaining two primary paces; to increase their military power, or to form alliances (Allen Sens, 2012). From the roots itself, the writer believes that China has stared to modernize their military power due to the reasons mentioned; the lack of trust to othe states in the region, the insecurity of future’s probability, the awareness of there is no such world government, yet the disputes of the “nine-dash line” they are having in the region since 1947 have supported China to build up their military capability with pure intention of defending themselves due to the lack of trust and preserve the survival objective track.
In Figure 4.3 suppose that China has modernize their military capability, and what has been explained in the third chapter of this research that China has lack of transparency regarding its military modernization plan, strategy, and budget, which somehow lead Australia to wonder the reason why China modernize their military power. Australia has acknowledged China’s military modernization and the importance of Indo-Pacific region for their national interests since 2013, even though China keeps emphasizing on their peaceful rise and the defensive nature, Australia has been aware of the existence of attack possibility in uncertain circumstances.

“*In an anarchic realm, peace is fragile.*”

This powerful quote from Kenneth Waltz is the representation of how peace condition in the world is fragile and it is shown from the fact that many of the countries in China’s surrounding including Australia are somehow perceive China’s military modernization as foreshadow situation. Anarchic realm that was meant in this quote is the situation where there is no such world government among countries. In anarchic sphere, the condition when one state’s contented situation could make other states anxious (Richard K. Betts, 2017). Anarchy is the condition of the international system where there is an absence of the central authority. There is nothing such “the world government” to fairly judge whether or not the action or events that occurred because of some states are acceptable. According to the research, the anarchic international system could be witnessed from the occurrence of numerous major and minor powers in the region. When one sovereign violates the sovereignty of another one; there is no
question as “whose sovereign over the sovereign?” since the answer is no one. There is neither government of police in the world that will manage to take care of one sovereign’ problem with another one. The huge difference between international and domestic political order is the law and the law enforcement itself, in a domestic sphere one person can violates other and the police will attain to sanction the person who violated the law, while in the international sphere has nothing equivalent. By the definition anarchy is the lack of political authority where no sovereign is over the other sovereign (William Spaniel, 2012).

In the global politics, it is populated with both powerful states and less powerful states. Therefore the system is anarchic which claimed by two main reason; there is no central authority in the system—world government to establish and implement the rules to protect the states in the system—and there is no such strong ruler to control the behavior of states and to enforce the international law to states in the system. The world police is either non-existent or week, with that being said, United Nations. United Nations with its five veto powers are indeed hardly implement the international regulations towards the big five. These conditions caused the states for having insecurities and as a result, states are having a big concern regarding their own survival as their ultimate priority. By the trust issues the states are having towards other states in the system, some states find it hard to establish a long-term cooperation with other states and due to the fact that it is necessary to protect their interests in the international system, states tend to have security dilemma—in which will automatically lead to the build of military power. Nevertheless, when one increased their own military power, one will perceive threaten in a way and will increase their own military capability in response (Alan Sens, 2012).

This concept can be applied to the situation where China’s military modernization is emerged in the international system particularly in the Indo-Pacific region and how states in the surrounding perceive the military modernization in a various way, specifically Australia. Even though China has emphasized that their military modernization is completely in a defensive way and has no harmful plan towards the surrounding, yet countries still perceive the importance to build their own military capability in order to avoid any harm that could possibly occur by the military modernization in undetermined time. In chapter 2, it has been explained how China keeps on emphasizing on their peaceful rise for their military development. As fragile as the
peace is, all states are still ensuring that peace is the foremost important circumstances they are trying to maintain.

2. **States tend to focus on self-help.** By the system-level story that he has explained, states are always pursuing their self-interested for their own survival. The fundamental interest of states itself is security. Just as how it applied to personal approach; everyone in the world has the awareness to prior self-help in case something unplanned happen instantaneously. Since the awareness of the self-help itself, military modernization and that is what the development that pursued by the government all about. The self-help system itself is basically the result from the anarchic world that has been mentioned earlier. States simply believe that they can’t rely on other states but themselves for their security. Yet, again, the main purpose of the self-help system itself is in order to survive.

“*Where no one commands by virtue of authority, no one is obliged to obey.*”-Kenneth Waltz, 1979.

This has a permanent effect to the behavior of the states that became socialized into self-help logic. Kenneth Waltz was trying to refuse the idea of neoliberal regarding the interdependence effect by using two reasons of why anarchic international system limits cooperation which is insecurity and unequal gains (Stanford Encyclopedia of Philosophy, 2017).

![Figure 4.4 Australia’s Self Help System in The Region](image)

---

---
As, China [A] has recognized the importance for the state itself to survive by the economic development and having better and bigger military to secure themselves in international realm, Australia [B], has to face numerous global security threats—particularly China’s rapid military building in the region in which urge them to have the self-help awareness by building their own military and alliance. Australia has stated that they will embark the largest peacetime upgrade for their armed forces. The rise of the number of Australian naval, air force, and army capability over the last two decades has added more than 62,000 troops to Australian Defense Force which is the largest since 1993. (Simon Benson, Daniel Meers, 2016).

3. Great powers are the main actors. The international system is defined by the distribution of power from the number of great powers. By the correlation with the first point, where the international system is anarchic has no central authority to control and manage the behavior of the states, this points will be leading to one of the results of the absence of central authority which the only main actors in the international system are those who have great powers. In this case, it is proven by the existence of the five veto powers in United Nations. Another example would be the existence of “Plus” countries in ASEAN Defense Ministers Meeting, in which become one of the diplomacy, discussion in defense among ASEAN countries, but in fact Australia, United States, India, Republic of Korea, Japan, and Russia are also included in the discussion. According to neorealism, to be secure in an anarchic world, states need to pay attention to the structural constraint under which the states operate. By this means, powerful states are should and must “do more” than the less powerful states. In neorealism, interest increasing along with the relative power. Considering the purpose of survival and to be secured, the concept of balance of power has always been the key role in neorealism. China and Australia, both are great powers in Indo-Pacific region. By the big power they are having they are able to contribute and involve in discussion in the region namely;

- ADMM Plus (ASEAN Defense Ministers Meeting)

Australia has been actively participated in this meeting. ADMM-Plus is mainly aimed to strengthen partnership particularly regarding defense cooperation for peace, stability, and development in the region throughout dialogue among states; ASEAN member countries, Australia, United States, The Republic of Korea, Russian Federation, China, Japan, New Zealand and India. The purposes are to present mutual trust in defense establishment and to help ASEAN
member states to build capacity to address shared security challenges throughout the region. This meeting is basically a discussion among ASEAN member countries and Plus countries regarding security issues yet joint effort in pursuing peace (e.g. peacekeeping operation).

- East Asia Summit (EAS)

This summit is mainly promoting regional leaders in cooperation for strategic dialog in facing challenges in East Asia region throughout a forum. The member countries of these summit are included ten ASEAN countries (Indonesia, Brunei, Cambodia, Laos, Malaysia, Myanmar, Singapore, Thailand, Vietnam, and the Philippines), with Australia, China, India, New Zealand, Japan, the Republic of Korea, United States, Russian Federation. In 2016, this summit has discussed regarding the security challenges that have been faced by the member states throughout the region, particularly South China Sea dispute, counter extremism, Korean Peninsula and maritime cooperation.

4.1.1 Australia’s Defense Policy in Response towards China’s Emergence in The Indo-Pacific Region (2013 - 2016)

In Australia Defense White Paper 2013, Indo-Pacific has become the foremost part in their strategic outlook that they emphasized that Australia’s future prosperity is highly related with the security and prosperity in the region of their surroundings. First, Australia has highlighted regarding the dynamics patterns of the economic power and the influence of state’s political patterns in the region, which they believe would rise to the new strategic power relationship. In the first part as well, Australia has mentioned the Asia’s larger powers with the highlight of “China” and to a lesser extend “India” that have impact the world globally (ADWP, 2013).

Previously, Australia was more focus on China-US relationship and US rebalance policy in Australia 2009 Defense White Paper, but in 2013 Australia have more constructed to observe more into the emerging powers rather than the relationship with US. Australia has also mentioned that the security in the region is the combination of trends to integration and competition. The regional forums such as; ASEAN Defense Ministers Meeting, ASEAN regional

---

6 ADMM-Plus - ASEAN Defence Minister’s Meeting (ADMM) official website, 2017.
7 East Asia Summit (EAS) official website, (2016, October 21)
forum, and East Asia Summit is aiming to strengthen the security in the region. Australia has stated that by building on ASEAN’s success in the area of Southeast Asia could generate stability in the region (ADWP, 2013).

In the next part, Australia has mentioned regarding military modernization in which they believe has a huge consequence of the increasing national wealth and—as what has been explained in the first subchapter regarding security dilemma—will lead other states to modernize their defense force as well. Australia needed to maintain the edge regarding the capability levels that required by ADF to protect the comparatively small population. They believe that Southeast countries such as; Singapore, Indonesia, Malaysia, and Vietnam are upgrading yet advancing their military professionalism standard particularly in the maritime sector. Then Australia has mentioned China’s economy size, the high ambition planning as well as the domestic defense industry (ADWP, 2013).

“(China) has enabled its official defense spending to deliver significant capabilities, including modern submarines and cyber capabilities. Other capability programs include the continuing development of anti-ship ballistic missiles, two prototype fifth-generation fighter aircraft, carrier-based air power, counter-space systems and improved anti-submarine warfare capabilities.” (ADWP, 2013;2.49)

Then Australia afterwards emphasized that Australia will maintain the effective self-defense capacity to have an active regional posture, with military capability and the bigger scope the Asian partners provide cooperative activities. Australia has also emphasized that in any circumstances required, Australia is ready to have joint operations and vice versa. The foremost task in Indo-Pacific region itself is to enhance the cooperation, not competition (ADWP, 2013).

Furthermore, Australia has also mentioned that their prosperity is highly related with Indo-Pacific maritime routes, and emphasized that ADF will be prepared to secure the sea lanes. Regarding the South China Sea disputes, Australia has indicated their peaceful resolution interests according to international law in order to prevent any kind of aggression within Southeast Asia. The support for rules-based regional security order to boost the cooperation and at the same time will reduce the tension among states in giving incentives for major rising powers namely China and India and according to Australia’s interests there is no hostile power in Indo-Pacific has been able to intimidate them in terms of force or threat (ADWP, 2013).
In Australia Defense White Paper 2016, Australia identified traditional and non-traditional factors to rationalize the expansion of the naval which comprised the shift of geopolitical situation in the Indo-Pacific region. Australia shares numerous maritime borders with countries with fewer resources availability, in which became limitation of Australia’s suppressing threats particularly regarding maritime security in the region (Diana Edwards, 2016).

In Australia Defense White Paper 2016, Australia has stated that the rapid increase in China’s military capability is considered as the most significant regional military modernisation even though other countries in the region are also undergoing military modernization, by this reason Australia has planned to maintain their technology and superior capability over potential adversaries—in which this automatically refers to China. In international engagement part of this 2016 Defense White Paper. Australia has also mentioned China as one of the key partners, and Australia has highlighted the importance of maintaining the international engagement in order to build international partnerships in a range of government and non-government sectors (ADWP, 2016).

4.2 Australia’s Maritime Strategy in Securing Indo-Pacific Region due to China’s Emergence in the Indo-Pacific Region (2013-2016)

In Defense White Paper 2013, Australia has highlighted the awareness of Maritime Strategy urgency due to Australia’s geography that is highly dependent to Royal Australian Navy, Army and Air Force to defend and deter any kind of attacks against Australia. Australia has examined that the key to defend Australia is to control the sea and air approaches towards the continent, and to deny to an adversary and to maximize freedom for the ADF. The strategy mentioned is focusing more on the maritime domain in which mainly aims to:

- deter adversaries from conducting attacks against Australia or attempting coercion;

- achieve and maintain air and sea control in places and at times of our choosing approaches, deny or defeat adversary attacks and protect key sea lines of communication;

- deny adversary forces access to forward operating bases or the freedom to conduct strikes against Australia from beyond the maritime approaches; and

- project power by deploying joint task forces in the Indo-Pacific region and support the operations of regional partners when required. (ADWP, 2013; 3.42)
The strategy mentioned are not purely aims for defensive approach, but might also involving the usage of strike capabilities and joint task forces as the sustained projection, this might also comprised the amphibious operations. The maritime strategy will be using the conventional land forces for the control and to protect Australian bases and most importantly to defeat any kind of raid to the territory of Australia. Australia has emphasized that military modernization has reduced their geographical advantages. This due to the awareness of potential opponents that most probably may have capabilities that can reduce the protection from the distance yet the early warning and the timeframes of the mobilization. Mainly, Australia is aiming to ensure the two components; deter attacks (ADWP, 2013).

Maritime strategy is very important in defining the military planning, since applies to both areas of coastlines and inland. The main elements of maritime strategy are (Australia’s Maritime Strategy, Ch.2):

4. **Sea Denial**, is a deterrence strategy that mainly aiming to prevent the usage of the sea by another force. The securement of Australia’s offshore territories and facilities are most likely tended to deny the adversary access to the surrounding staging bases. Geographically, the continent with the littoral and maritime approaches has a huge challenge for any kind of potential opponent to overcome (ADWP, 2013). For Indo-Pacific region, Australia believes that in the next two decades, the world’s submarines will be operated in the region. China, with 70 submarines plan is the main important highlight for Australia. Australia has claimed that they will not take any side in South China Sea dispute, yet in fact Australia has been more focusing on China’s military modernization at least for the last two Defense White Papers; 2013, and 2016. Many of states believe that naval blockade is one of the ways to declare war for example if United States, by any circumstances, blockade China’s naval to access the artifical islands, that would automatically assume as “act of war” (Wall Street Journal, n.d).
By Australia’s technology capability, the maritime strategy representative would be:

<table>
<thead>
<tr>
<th>Maritime Strategy Element</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sea Denial</td>
<td>mines, moored and bottom mines</td>
</tr>
<tr>
<td></td>
<td>submarines using mines, torpedoes or anti-ship missiles</td>
</tr>
<tr>
<td></td>
<td>Captor, a homing torpedo encapsulated in a moored mine case</td>
</tr>
<tr>
<td></td>
<td>fast patrol boat (PTFG) armed with anti-ship missiles (SSM)</td>
</tr>
<tr>
<td></td>
<td>surface ship armed with anti-ship missiles, gunfire and torpedoes</td>
</tr>
<tr>
<td></td>
<td>surface ship armed with ship-launched homing torpedoes including long range delivery by Ikara and Subroc</td>
</tr>
<tr>
<td></td>
<td>aircraft carriers with fixed and rotary wing aircraft</td>
</tr>
<tr>
<td></td>
<td>land based aircraft with bombs and anti-ship missiles</td>
</tr>
</tbody>
</table>

Table 4.1 Australia’s Sea Denial Maritime Strategy (Australia and Maritime Strategy, Seaview Press, 2001)

5. **Sea Control**, is the condition when one has freedom of action to use one particular area for their own purposes in a period of time.

<table>
<thead>
<tr>
<th>Maritime Strategy Element</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>(See Control)</td>
<td>Sidewinder), and guns</td>
</tr>
<tr>
<td></td>
<td>surface ships armed with area surface to air missiles (eg standard) guns, Close in Weapons Systems (CIWS), electronic warfare, and point defence missiles</td>
</tr>
<tr>
<td></td>
<td>surface ships for anti-submarine warfare (ASW) using sonar, depth charges and homing torpedoes</td>
</tr>
<tr>
<td></td>
<td>submarines to provide intelligence of enemy air, launched from land bases, and as SSK (Hunter-Killer submarines) to provide ASW defence</td>
</tr>
<tr>
<td></td>
<td>ship-borne ASW aircraft, both rotary and fixed wing</td>
</tr>
<tr>
<td></td>
<td>land-based aircraft – long range maritime patrol aircraft, maritime strike aircraft and land-based fighter if within range</td>
</tr>
<tr>
<td></td>
<td>minesweeping, mine hunters and clearance divers</td>
</tr>
</tbody>
</table>

Table 4.2 Australia’s Sea Control Maritime Strategy (Australia and Maritime Strategy, Seaview Press, 2001)

6. **Power Projection**, is included a broad spectrum of military offensive act. This concept is mainly about the usage of maritime power influence to the land affairs (Australia’s Maritime Concept, n.d) Due to the relation with first point, in which Australia needs to protect their territories from any form of adversary; an opponent
would need to project power and manage to control the long range to crossing the wide areas, not to mention with the difficulties of the environment to operate, as well as protecting and defending the sustain extended line for supplying the communication. This maritime strategy will bring significant benefits for Australia for the optimized maritime strategy (ADWP, 2013).

<table>
<thead>
<tr>
<th>Maritime Strategy Element</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power projection</td>
<td>• aircraft carriers with ground attack aircraft and fighters</td>
</tr>
<tr>
<td></td>
<td>• surface ships for naval gunfire support (NGFS)</td>
</tr>
<tr>
<td></td>
<td>• amphibious warfare ships such as landing platform helicopters (LPH), assault ships</td>
</tr>
<tr>
<td></td>
<td>• landing craft</td>
</tr>
<tr>
<td></td>
<td>• ship launched land attack cruise missiles</td>
</tr>
</tbody>
</table>

Table 4.3 Australia’s Power Projection Maritime Strategy (Australia and Maritime Strategy, Seaview Press, 2001)

Australian Navy itself in total has 47 naval assets, 2 aircraft carriers, 11 frigates, 6 submarines, 13 patrol craft, 6 mine warfare vessels (Global Fire Power, 2017). The 2016 ADWP predicted that in 20 years, half of the world’s submarines will be operating in Indo-Pacific region since there are many states in the region are obtaining submarines. Australian Navy will continue the partnership with the US Navy in enhancing the maritime capabilities. (Diana Edwards, 2016).

4.3 The Analysis of Australia’s increasing Naval Capabilities (2013-2016)

Australia’s Defense White Paper 2013 and 2016 has accentuated the first recognition towards the urgency to expand Royal Australian Navy (RAN). Along with the emergence of China in the region, Australian government has indicated that there will be increase on the military spending that will be further explained in subchapter [4.3.1], and the biggest expansion to the navy since the after Australia has developed their naval expansion since the Second World War. 5,000 more personnel recruited, 12 new submarines (which are doubled from the previous amount), 12 combat patrol vessels, and the naval fleets that have 9 antisubmarine frigates and air-warfare destroyers have added to the 2106 plan (Jane Perlez, 2016).
The writer believes that increase of the plan itself is the results of the military modernization by China in the region in order to increase the awareness of the risk of military confrontation in the region that could possibly happen. Australia has embarked the largest peacetime upgrade to the armed forces in the history by facing numerous global security threats and military modernization in the region. The expansion of the naval and air force will boosted at least in the next twenty years; more than 62,000 force. Australia’s observation or spying capability and the footprint surveillance will be extended to observe further the Southeast Asia countries by the usage of long-range unmanned drones for the first time. The high-technology missile defense system will be deployed; the ADF army will have the long-range rocket system (Simon Benson, Daniel Meers, 2016).

For the future plan, according to Australia’s Defense White Paper 2016, Australian government will strengthen the defense capability that divided by sic capability streams:

![Figure 4.5 Australia’s Ten Year Investment by Capability Stream (ADWP, 2016)](image)

Figure 4.5 Australia’s Ten Year Investment by Capability Stream (ADWP, 2016)

The six capability are included; maritime and anti-submarine warfare; land and amphibious warfare; intelligence, surveillance, reconnaissance, space, the warfare of cyber and electronic; the strike and air combat capabilities; defense operation and sustainment essential key; air and sea lift. The Australian government has prioritized each of the six plan mentioned. As we can see the maritime and anti-submarine warfare is already reached 25% of the plan chart,
the writer believes this is due to the fact of China’s navy capability that already possessed at least 69-70 submarines that is ready to deployed in any circumstances. For the maritime operations and anti-submarine warfare forces, it is important to have highly capable and versatile naval and maritime forces for Australia. Australia’s maritime zone namely the EEZ is one of the largest zone in the world that comprised 10 million square kilometers marine area—including the Indian, Pacific, and Southern Oceans—therefore the capability mentioned will be able to reach wider range and distance to support Australia’s defense objectives (ADWP, 2016). This investment is very important for Australia particularly to strenghten the maritime domination in Indo-Pacific region.

4.3.1 The Increase of Australia’s Defense Budget in 2013-2016

In 2014 until 2015 defense budget Australia comprised the rapid increase on the defense spending, compared to the 2013 Defense budget, that was relatively reversed the program and the reduce from the previous years with the total of $29.3 billion with 8.1% in the real terms and 12.6 % higher than the previous period. The table below will show the total defense funding of Australia in $ billion (Parliament of Australia, 2017).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>27.110</td>
<td>29.302</td>
<td>30.392</td>
</tr>
</tbody>
</table>

*Table 4.4 Australia’s Total Defense Funding (Parliament of Australia, 2017).*

*Table 4.4* shows that the 2014-2016 defense budget has contained the rapid increase by 8.1% or 5.7% in real terms and 12.6% higher than 2013-2014 budget estimation. The increase of the defense budget that has shown above is the result of Abbot’s government decision to upturn the foregoing government’s tendency to propel the budget year further into the forward budget estimation. His government has committed to grow the defense spending, and David Johnston, as the Minister of Defense has contended that the budget firmly set by the government in order to achieve the target to spend 2% of the GDP (Parliament of Australia, 2017).

8 Anthony John Abbott is an Australian politician who was the 28th Prime Minister of Australia, from 18 September 2013 to 15 September 2015
In table 4.2, the budget brought forward $500 million to 2013 until 2014 to help the defense fund included the purchase of Naval Standard Missile-2 long range anti-aircraft missile, Growler electronic attack aircraft, and Romeo Naval anti-submarine combat helicopter and another $436.8 million for the operations of ADF. The measurement mentioned in included the movement of the funds more than the forward estimating period to smooth the Defense funding profile. (Australian Government, 2014)

In 2016, Australia’s defense budget are comprised four categories of expenses which are; capital investment for the renewal of equipment, sustainment of the capabilities, ADF employees, and the costs of operation. Australian government has invested for the future defense capabilities from 2025 until 2026, 29% will grow from the defense budget which means $9.4 billion to 39% in 2025 until 2026 included the new military capabilities such as joint strike fighters, essential enablers in technological information, defense bases, maritime surveillance, and communications equipment (ADWP, 2016).

4.3.2 Australia’s Naval Operations, Maritime Military Capabilities, and the Military Strategy in The Indo-Pacific Region (2013-2016)

Sea power is a fundamental yet decisive factor in maritime security. Corbett’s maritime strategy comprised that maritime strategy is an extension of the strategy of land, as well as serving the strategy. His theory also covered not only naval operations but also national policy. He believes that national policy objectives should be set in consonance with the maritime strategic objectives. He believes that maritime strategy has larger circumstances of international affairs. Sea power was believed as the *sine qua non* of the greatness of a nation (William R. Sprance, 2004).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>500.0</td>
<td>300.0</td>
<td>550.0</td>
</tr>
</tbody>
</table>

Table 4.5 Defense Funding Profile Changes (Parliament of Australia, 2017)
Figure 4.6 Sea Power as input to National power development (Indra Alverdian, 2017)

Figure 4.7 shows that from this concept we can see how Australia’s naval operations has affected the maritime military capabilities that will lead to the awareness of the importance of military strategy and as when it turns into a greater military power, the national power is automatically being greater. According to one of his book that published in 1911 entitled “Principles of Maritime Strategy”, Corbett explained that maritime dominance lies in the effective use of the sea lines in order to maintaining communications and denying that use to the enemy (Corbett, 1911). In this book he divides his theory into three main focuses;

1. **Command of the sea**, which refers to the control of maritime communication whether commercial or military purposes. As the world’s busiest economic corridor, Australia government will engage with other countries in order to strengthen the regional security (ADWP, 2013). In order to strengthen the navy’s command of the sea Australia has added more vessels in order to maintain the critical role in protecting Australia’s security in the region. These vessels are highly integrated with the enhancement of the circumstantial awareness, as well as for the communication and data sharing tools among maritime, air, and land-based systems which will be very useful for Australia’s wider range of the whole government prior included; search and rescue, humanitarian assistance, to search and rescue, and for the disaster relief operations in the region and beyond (ADWP, 2016). The writer believes this is the respond to China’s major plan to defend their communication line both for military and trade in the sea. As the main interests of China is to safeguard the energy security interests, it is very fundamental for China to protect
the transportation and communication of sea lanes from Bab-el-Mandeb, Hormuz, to Malacca Strait (Linda Jakobson, 2015).

2. **Constitution of fleets**, that explains power of implementing the control; the better and the more numerous the application for commerce and transports, the weaker the fighting power will be. Australia’s plan to modernize their maritime capability has been explained in details in the 2016 Defense White Paper including the addition plan of more naval power. More capable offshore vessels with high endurance, higher capacity, and greater range ability will be added, plus new aircraft for the maritime surveillance system both manned and unmanned ones. For the submarines, the amount will be doubled, which will be 12 and by 2035 Australia has planned around half of the submarines will be operated in Indo-Pacific region where Australia’s most vital interest located. The future submarines will be completed with advanced facilities and port facilities that will make the submarines similar with Collins Class submarines and upgraded into AN/BYG-1 combat system as well as Mark 48 MOD 7 (ADWP, 2016). The writer believes this respond is due to the fact that China, in 2014, has already had 255,000 sailors; 1 aircraft carrier, 70 submarines; 29 destroyers; 49 frigates, 86 landing crafts, 39 minesweepers, and 368 coast defense ships with the keep increasing number which are ready to be deployed in the region anytime possible. (China Today, 2014)

- 3. **Concentration and dispersal of force**, which was emphasizing on strategy that often described as the art of assembling the force at the right circumstances. Australian government has improved the maritime and land forces by deploying land-based-anti-ship missiles to protect the national energy assets. For the missile defense, Australia has been aware of the threat of ballistic and cruise missile that occurred in Indo-Pacific region, even though there is only low possibility for Australia to get attacked by ballistic missile, Australia will be tighten the relations with United States regarding the ballistic missile issue. For the amphibious operations for the support the strategy in Southeast Asia, Pacific island countries and to address threats in the Indo-Pacific region, the two HMAS Canberra and HMAS Adelaide will be operated in the region (ADWP, 2016). The writer believes that this is the respond to China’s main goal for the military modernization to emphasize China’s claim in South China Sea (SCS) and East China Sea (ECS). The rich fisheries and energy resources, as well as the strategic transport routes,
China’s claims are basically emphasizing the sovereignty over territorial features (ISDP, 2016). As the global wealth and the power shift keep developing in the region, China’s interests in Indo-Pacific are different in various important ways; particularly, the Indian Ocean—China keeps seeking the protection for their energy supplies and the opportunity to project power (Linda Jakobson, 2015).

As inputs, sea power is the contribution of the navy coast guards, maritime industries towards the maintenance and the development of national power. As the outputs, it is more about how it influences the events on land. Corbett offered that a prolonged defensive deadens the offensive spirit, which is why security is very important. It is according to the importance of command of the sea to protect national trade. He was also emphasizing that concentration was a more flexible concept (Matt Domsalla, 2010).

According to Australia Defense White Paper 2013, Australia has examined ADF principal tasks and Australia’s military strategy which are divided by three principal tasks:

1. **Principal Task One** is to deter and defeat armed attacks on Australia;

By this means, the ADF has the highest prior to protect Australia from any form of potential threats; from the minor to major attack particularly the ones that located in Australia’s territory. This may involve the attempt to have a better insight regarding other states’ policies and to have a better political relationship (ADWP, 2013). The deterrence has been implemented by the contribution of Australia in regional discussion; namely ADMM-Plus and EAS in order to minimize misunderstanding between states and to tighten the relations among states in the region. There are a lot of security issues that have been discussed, including peace-keeping operations. The defeat point has been implemented by the significant build of Australia’s military capability. Even though for 2013-2016 there was no offensive attack against Australia, the awareness of the urgency to build the military capabilities particularly the maritime sector has been significantly important for Australia’s security.

2. **Principal Task Two** is to contribute to stability and security in the South Pacific and Timor-Leste;
This point leads to the contribution of Australia in the region mentioned in order to maintain the stability and security, with military conduct if it is required (ADWP, 2013). This has been implemented by international engagement in the region and the preparation of ADF to sustain a range of operations. For Timor-Leste Australia has grow the bilateral partnership and invited the country to join Pacific Maritime Security Program.⁹

3. **Principal Task Three** is contributing to military contingencies in the Indo-Pacific region, with priority given to Southeast Asia. In this point, Australia has emphasized that the contribution for security and stability as well as the priority that is given to Southeast Asia is very important for Australia. Australia government will determine the consideration regarding Australia’s direct interests in the region. The dynamic that is happening in the region has brought awareness to Australia to prepare more substantial contributions. ADF is ready to help any regional partners with any kind of humanitarian assistance particularly in the disaster circumstances. Australia has contributed forces to multi-national operations on security in Southeast Asia—to the largest circumstances, Australia will possibly conduct combat operations against any kind of aggression against their regional partners (ADWP, 2013). The implementation is the multinational military exercise that has been held in 2016 namely Military Exercise Force Eighteen that was located in Maharashtra. 18 ASEAN countries plus India, Australia, Japan, New Zealand, Republic of Korea, China, Russia and US have participated in this exercise. This exercise is aiming to conduct HMA¹⁰ and PKO¹¹.

4. **Principal Task Four** is to contribute to military contingencies in support of global security. This means that ADF will be prepared to contribute on any kind of support to global security included contributing to UN peace and stability operations (ADWP, 2013). Australia has served in regional missions in Solomon Islands, Papua New Guinea, Timor-Leste and Bougainville, served globally for Middle East UN Truce Supervision Organisation, in Cyprus, and Sudan (ADFAT, 2017).

---

⁹ Program that aims to enhance practical maritime security cooperation across the South Pacific.
¹⁰ Humanitarian Mine Action
¹¹ Peace Keeping Operations.
4.4 Australia-United States Defense Alliance 2013-2016

Australia has also strengthen the bilateral relations with United States in order to encounter the emergence of China in Indo-Pacific region. Historically, after the Second World War, there was a shift in the political and economic pattern that caused by the great depression and the war aftermath. The British Foreign and Commonwealth Office were established to expand Australian expansion overseas, and in the early 1943, the US Embassy opened in Canberra (F.K. Crowley, 1973). For the military sector, during the Second World War, General Douglas MacArthur was deployed to lead the Allied Forces in the South West Pacific Area, which at that time comprised numerous Australian troops. Then ANZUS treaty established and ratified by Australia, New Zealand and United States and Australia has contributed of major American military endeavors ever since.

“The roles of the United States and China in our region and the relationship between them will continue to be the most strategically important factors in the security and economic development of the Indo-Pacific to 2035”-ADWP, 2016; 2.7

In 2016, at least United States has been mentioned more than 125 times in Australian Defense White Paper. According to the ANZUS treaty, the awareness of the danger of armed attack in the Pacific area will be dangerous for both countries. Australia has aware that without United States, Australia will hardly have the capability to develop high-end capabilities such as the naval combat systems. Australia will maintain high level of the interoperability12 with United States. The defense organizations and industries will be having significant opportunities according to the defense cooperation treaty among the two countries. It is very important in neorealism, finding allies with the same threat perception—regarding the emergence of China in the region—even the capability of the allies are somehow stronger than Australia (ADWP, 2016).

United States with the rebalance strategies that definitely refers to China which addressing the Indo-Pacific as a vert important region has exactly stepped in the same path with Australia. The cooperation among the two automatically increased including the joint training and exercises, with the fact that US Navy is a key player in Indo-Pacific maritime region. Not to

---

12 The ability of military equipment or groups to operate in conjunction with each other.
mention, the share of the same interests regarding the stable rules-based global order has made the relations between Australia and United States mutually meaningful (ADWP, 2016).

With the occurrence of the territorial disputes between claimants in South China Seas and East China, Australia has been aware of the tension in the region and how rapid the security environment of Australia changes within three years since 2013. United States, as Australia’s alliance has been showing an evolve relationship with China, and the relations among the two is very fundamental for Australia to determine their future strategic circumstances. Australia has highlighted the relationship between United States and China as one of the six most important keys for Australia’s strategic environment particularly in Indo-Pacific region to 2035. Australia believes that United States, through the Defense Innovation Initiative\textsuperscript{13}, will be sustaining and keeps advancing their military dominance in twenty first century and the role of United States to ensure Indo-Pacific stability is highly supported by Australia (ADWP, 2016).

“While China will not match the global strategic weight of the United States, the growth of China’s national power, including its military modernisation, means China’s policies and actions will have a major impact on the stability of the Indo-Pacific to 2035”- ADWP, 2016; 2.10

As China’s Navy capability is now the biggest all round Asia, and the submarines by 2020 is approximately will be more than 70 submarines, as well as the more technological command, forces, and cyber capabilities China is building, Australia assumed that along with the grows, China will seek greater influence in the region. Australia believes that both the government of China and United States already cooperated in various security areas; joint exercise, humanitarian assistance, etc. As well as lately the relations between the two has been increased by the defense dialogue and the development of bilateral mechanism to increase China’s transparency to decrease any kind of misunderstanding or trust issues. The relations of the three are keep harmonizing by the dialogue in the region such as ADMM-Plus and ASEAN Regional Forum. If the relations between United States and China keeps harmonize by day, indeed the big conflict among the two giants are improbable. For Australia, the implication of the alliance with the United States in China’s military modernization is basically the shared values and the ongoing plan to be the highlight of both countries’ defense policies.

\textsuperscript{13} The recently unveiled Defense Innovation Initiative aims to “pursue innovative ways to sustain and advance our military superiority for the 21st Century” by finding “new and creative ways to sustain, and in some areas expand, our advantages even as we deal with more limited resources.” Edie Williams and Alan R. Shaffer, 2015.
4.5 Australia and Five Power Defense Arrangements in 2013-2016

The Five Power Defense Arrangement is a multilateral defense relation between Australia, United Kingdom, Malaysia, Singapore and New Zealand. Historically, his arrangement has been ratified in 1971 by the five states mentioned that stated the cooperation among the five if there will be attack from the outsider. One decade after the ratification, the five states held an annual exercise for the army and since 1997 they already have join military exercise between their sea and air. The five major powers have changed the diplomacy in the international system with creating alliance, maintaining it, and disrupted. Together with the other four countries, this cooperation has become the longest standing mechanism to secure the region. Especially, FPDA is the only multilateral security in the region that has main focus on any kind of operation in the Southeast Asian region, as well as the cooperation has been important for foster Australia’s efforts to advance their interests in Southeast Asia, yet particularly to pursue the Indo-Pacific interests (ADWP, 2016).

Australia relations with FPDA states have always been positive. Australia has considered Singapore as the most advanced defense partner in Southeast Asia region. Australia’s trade environment in maritime sector has shared the same principles with Singapore. Malaysia has also long partnership with Australia in terms of defense relationship. Australia and Malaysia has shared the value of rules-based order and keep promoting it for the regional security interests. Australia has considered the presence of Royal Malaysian Air Force Butterworth as Australia’s one of foremost contribution to the FPDA. The defense relationship with New Zealand has been built stronger by the deep mutual security interests, since both of the countries have shared the same regional security environment. Australia and New Zealand themselves have established task group for human assistance and mission in the regional and global basis. Historically and culturally, the relations between Australia and United Kingdom have established by the ties of both factors. The common interests among the two states have strengthen the defense relations. Other than their relation in FPDA, they have also colaborated in Five-Eyes intelligence community14.

---

14 intelligence community consisting of Australia, Canada, the United Kingdom, the United States, and New Zealand
Due to the awareness of disadvantageous in regional stability that probably occurred by military modernization, which in fact, now China has built six huge islands and has moved some 1100 km closer to Australia from the ASEAN region geographical centre, FPDA could provide peacetime backbone for a regional partnerships as participating nations. FPDA believes that stability in the region is very important to maintain. Australia believes that FPDA participation will surely bring the rise of the members’ interoperability and cooperations to create a practical contribution to the maritime security in the region. Australia had decided to keep undergoing the continuity of promoting the military interoperability throughout the joint military exercises to bring the greatest benefit for the member states particularly Australia (ADWP, 2016).

In 2016, Australian warships, troops and aircrafts have arrived in South China Sea region to begun the joint military exercise with FPDA which was hosted by Singapore. The contribution of Australia was the arrival of the HMAS Warramunga, 12 F/A-18A Hornest, and numerous patrol aircraft (Andrew Greene, 2016). Australia claimed that this joint operation is aimed to enhance the operability of FPDA members and to have wider understanding and knowledge regarding each other’s tactics and operational positions. The writer believes, as the location is exactly in the heart of China’s main interests, this joint military exercise is one of Australia’s response towards China’s military modernization in the region.
Chapter V

Conclusion

Indo-Pacific region has grown into the most important region in the world. As a maritime realm, Indo-Pacific region provides the connection of Indian and Pacific Oceans, from Korean Peninsula to Persian Gulf crossing the heart of South-East Asia are immensely a lot to offer. Along with the dynamics of the region, more and more states have started to concentrate their national interests in the region. Australia, particularly, as a state that located exactly near the heart of the region, Indo-Pacific has become one of their most important strategic defense interests. Due to the fact that geography is extremely vital as state’s fundamental aspect in pursuing power, Australia has been aware of the urgency to maintain Indo-Pacific regional security. Australia believed that the biggest challenge in maintaining the regional stability is the emergence of military modernization in the region.

China’s rapid economic growth in the last decades has supported China’s urge to develop their military capability. China has claimed their peaceful rise and has emphasized that their military modernization is opposing the idea of seeking hegemony and expansion in order to ensure that other states would not be insecure with their development. Yet, China provided lack of transparency strategy and official documents, in which lead other states—particularly Australia—that has important national interests in the region perceived that the military modernization could turn from defensive to offensive act anytime possible. Australia’s Defense White Paper from 2013 until 2016 has seriously solemnly examine the importance of China’s military modernization in Indo-Pacific to Australia’s maritime security in the region. Not to mention, the disputes that was still happening in the South China Sea, and the lack of official information and publicity of China’s military modernization has created such big insecurities for Australia.

China, on the other hand, has also considered their maritime environment as their vital national interest. The idea of Maritime Silk Road Initiative has initially crossing the Indian Ocean and South China Sea at once. The strong economy relations among China and states in the region included Australia has brought the confidence to China that the states mentioned would not bother the risk of their relations over the vague worries since China kept emphasizing their
positive and peaceful rise in the region. Along with high rise of the military budget, China’s naval power in the region has grown into a massive super power. The capabilities and size has been improved over the decade. The modernization of submarines, cruises missiles and aircraft have immensely supported of the modernization of PLAN.

In response, Australia has stated multiple times in both 2013 and 2016 Defense White Paper regarding the main interests of Australia in the Indo-Pacific, the emergence of military modernization and most importantly Australia has addressed China’s significant military modernization will be the biggest challenge in stabilizing the security of Indo-Pacific region, particularly in the maritime sector. In 2013, Australia has emphasized that Australia’s prosperity is highly related with the maritime routes of Indo-Pacific region. Australia has also underlined that in order to maintain the security of the region, Australia would keep upholding the value of rules-based order. Australia has strengthened the relations among ASEAN states and other major powers in the region through discussion and joint military exercise.

For the maritime implementation itself, the writer believes that Australia has used the concept of Sea Denial, Sea Control and Power Projection concept. The Sea Denial concept they used condemn any kind of adversary access that come nearby Australia’s offshore territories. Australia used their advance maritime technology in the region as the Sea Control implementation and protected the extended line to supply communication and to have wider range in crossing the areas which was the implementation of the power projection. Australia had also their biggest expansion of Navy ever since the aftermath of the Second World War by having the plan of five thousand more personnel to be recruited, 12 new submarines that was doubled from the previous amount, 12 combat patrol vessels and 9 antisubmarine frigates. The writer believes the main reason of Australia’s awareness of the military modernization had increased by the presence of China in the region. 9 antisubmarine frigates are supposed to be useful to minimize China’s 70 submarines capability in the region.

Australia had also implemented their maritime strategy by controlling their maritime communication, as the important key of military and trade in the sea from Bab-el-Mandeb, Hormuz to Malacca Strait. As well as added more fighting vessels to the defense plan to encounter China’s possibility of offensive behavior in uncertain future circumstances and by deploying land-based-anti-ship missiles to protect Australia’s national energy assets. Australia
had also strengthen the bilateral relations with United States to encounter the emergence of China’s military modernization in the region. As well as strengthening Australia’s alliance with Five Defense Arrangements members to secure Indo-Pacific maritime sector from any possible adversary.

To sum up, as what the writer has observed, the suggestions that hopefully would be useful for a peaceful international system would be the establishment of better defense engagement between China and Australia to avoid armed races between both states. This could be more defense discussion among the two countries and joint military exercise. China, in writer’s opinion, would better to provide more transparent military strategy, budgeting, and official documents in order to minimize insecurities among states in the region including Australia. Thus, if the two positive moves have been done by two countries and well-maintained the writer believes that the Indo-Pacific region will be more harmonize.
Bibliography

Government Documents

Australian, Australian Parliament Publication 2017
China, China’s Ministry of Defense Publication, 2014
Australia, Australian Maritime doctrine, 2010
Australia, Australian Department of Foreign Affairs and Trade, 2016

Books and Journals


Paul Dibb. "Is strategic geography relevant to Australia's current defense policy?" Australian Journal of International Affairs 60 (June 2006).


Betts, Richard K. Conflict After the Cold War: Arguments on Causes of War and Peace. 2017

Newspapers/Online


**Lectures Materials**

A.A. Banyu Perwita, National Security is Inevitable with the Existence of Threat Perception, 2017

Indra Alverdian, Sea Power As Input To National Power Development, 2017