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*China as a military challenge and China’s military intent in the Indo-Pacific*

China represents a comprehensive, complex and growing military threat to Australia, the Indo-Pacific region, and beyond. China’s strategic culture is unique, and even as tenets of it are well known through the writings of famous strategists such as Sun Tzu, there has long been a tendency to view China and its military activities through a Western lens. This should be strongly resisted, and significant effort put in to studying what today’s CCP leadership values and how it is concentrating and consolidating power. This is key to understanding both its strengths and its vulnerabilities from a military intent and from a planning perspective for deterrence and for warfighting. Invoking Sun Tzu, it is often noted that China seeks to ‘win without fighting’, but to take that single dictum out of context and without the benefit of understanding its place within a broader set of concepts that relate to perceptions of timing, advantage and action, can lead to false assumptions that initiating active conflict is an act of last resort for China. That all depends on the situation as it assesses it.

Nor can China’s military development and operational concepts be assessed in isolation from its expansive national security concepts designed to coerce and compel its own population and institutions, as well as external other actors, putting itself in positions of strength and others in positions of weakness. The ‘win without fighting’ acme of skill in Chinese thought is not as we may think through a Western prism about conservation of life or economy of effort; it is more about eroding the psychology in an adversary of any will to resist. At its core it places a premium on manipulation of thought and action to maintain unchallenged supremacy and control.

Neither the ‘ends’, ‘ways’ or ‘means’ of Chinese strategy neatly align with the military domain-dominant and values-based structures that liberal democracies have generally constructed to assess threats, develop military and other strategic or national capabilities, consider strategies for deterrence, and prepare forces for winning wars. But in the realm of warfighting there is increasing evidence to suggest that China has learned from and is now in many ways copying and seeking to improve upon, what it considers the best in the world – the United States (US). See for example: [https://www.uscc.gov/sites/default/files/2020-05/China Space and Counterspace Activities.pdf](https://www.uscc.gov/sites/default/files/2020-05/China_Space_and_Counterspace_Activities.pdf)

As an illustration of the vast differences in the use of concepts and language between Chinese and Western strategic thinking, PLA military strategy references to 'active defence' is illuminating. This idea of 'defence' includes pre-emptive offensive operations at the tactical and operational levels (for example in regard to Taiwan), and potentially could see PLA military attacks by air, sea and missile forces as well as cyber and space, against US and allied forces prior to, or at the outset of a Chinese invasion of Taiwan. It extends to the competition or 'gray zone phase' in which the idea of anti-access area denial (A2AD in Western parlance) involves pushing the US in terms of influence, presence, capability and geography as far from China as possible.

'Active defence' potentially could include attacks on key air and naval bases in northern Australia to deny their use to Australian, US and other allied forces. Defending the north against such a threat is now much more prominent in Australian defence strategy, not primarily because of fear of invasion, but in recognition of the power projection capability and greater understanding of possible Chinese strategic intent. Australia's recent Defence Strategic Review emphasises for Australia new capabilities that focus the Australian Defence Force on a more forward posture and ability for force projection through our northern regional geography. The 'focused force' is designed to facilitate a strategy of deterrence – with an emphasis on denial - primarily in and through Australia's air and maritime approaches. This equates to an urgent requirement for acquisition of stronger integrated air and missile defences, and enhanced resilience of northern base infrastructure in the face of Chinese long-range strike capabilities. There is also a need to focus on protecting critical space and information infrastructure from Chinese conventional military capabilities and its growing space, counterspace and cyber threats.

#### *China's military posture, modernisation and consideration of strategic geography, including threats to Australia*

China's concept and posture of 'active defence' in its region translates to a sophisticated and integrated set of military and non-military capabilities and to its occupation of geographic positions designed to deny the US or its partners and allies both access and freedom of military maneuver within the area. The exact geography of China's desired sphere of influence is hotly debated, but its clear ambitions in space as well as and across swathes of land and sea under sweeping initiatives like the Belt and Road or digital silk road concepts would indicate they are vast.

Militarily, China's 'A2AD' military capabilities include extensive short-medium and long-range strike options, including with nuclear warheads, and include ship-based strike, forward operating bases some with existing land-based strike options (potentially pre-positioned and

disguised). They include large numbers of maritime warfighting and support platforms, both surface and undersea offensive and defensive capabilities (including decoys), significant and growing air delivery systems for short and increasingly longer range conventional and nuclear strike. China has demonstrated space and counter-space capabilities which can directly threaten US military and commercial satellites used for Intelligence, Surveillance and Reconnaissance, Early Warning for missile defence, and for command and control of strategic forces.

Australian military forces operating in the vicinity of Chinese waters and in the air space it claims – inconsistent with existing bodies of international law and in direct violation of judicial findings under the UN Convention on the Law of the Sea – are highly vulnerable to Chinese military capabilities unless operating as part of a large, combined multinational group.

China's rapid expansion of the PLA Navy (PLAN) and the modernisation of its naval capabilities have led to it having the world's largest navy in quantitative terms - over 370 ships with more than 140 major surface combatants, growing to 400 ships by 2025 and 440 by 2030. More importantly, the PLAN is rapidly closing qualitative gaps with the US Navy in key areas such as Anti-Submarine Warfare capabilities, amphibious operations, and underway replenishment.

The PLAN's growth poses a threat not just to the US Navy but also to its allies, including Australia, particularly in areas such as the South China Sea. Its increased ability for naval power projection further afield, including potentially into Australia's air and maritime approaches will offer options to hold at risk targets increasingly far from the Chinese mainland and increasingly close to Australia and US territory. The PLAN's ability to employ long-range anti-ship cruise missiles (inc. supersonic ASCMs (anti-ship cruise missiles)); its increasingly sophisticated submarine capability; and the support it gets from the PLA Air Force (PLAAF) and PLA Rocket Force (PLARF) together with space and cyber support from the PLA Strategic Support Force (PLASSF) all contribute to Chinese counter-intervention capability ('A2AD') at the same time as the contribute to an growing ability to project power across greater distances.

Chinese 'A2AD' capabilities are specifically designed to make it more difficult for the ADF, alongside the US and other partners to project military power and presence inside the first island chain in any crisis over the Taiwan Straits or in the South China Sea and hold at risk Australia's ability to defend key sea lanes of communication. It is important to note however, that the further forward the PLA operates, the more vulnerable its assets become to US and other targeting, and the more difficult the task of supply, maintenance, and replenishment, for example.

The modernisation of the PLAAF, and the increasing range and sophistication of conventionally armed ballistic missiles (i.e. DF-26) allows China to hold at risk Australia's northern base infrastructure in a war, with the threat of direct missile attacks from air launched, sea launched, and ground launched land-attack cruise missiles and intermediate range ballistic missiles. These may target air and naval bases and logistics facilities, including critical infrastructure as it relates to fuel, telecommunications, and energy networks. Add in counterspace threats and cyber-attacks by PLASSF against space and critical information infrastructure, and the PLA could threaten Australia in the newer and more challenging domains for attribution and quick damage assessment (space and cyber) prior to a war. From a Chinese perspective these kinds of capabilities in what we consider newer warfighting domains may be less immediately evident and deniable as an initiation of 'war' itself, when compared to the traditional terrestrial domains of land, sea and air.

### *China's strategy – dual purpose, deception and denial*

The growth of Chinese bases on illegally occupied rocks and reefs and artificial islands in the South China Sea extend China's ability to undertake counter-intervention operations ('A2AD') to the south towards the Natuna Islands and the Straits of Malacca, enveloping the Philippines to the west and east, and close to key Sea Lines of Communications (SLOCs) running through the South China Sea to Japan, Taiwan and South Korea. Control of the South China Sea is vital for China, including to deny any other actor the ability to operate there, particularly in terms of operations in support of an invasion of Taiwan.

From bases in the South China Sea, China can undertake ASW operations to prevent the penetration of US and allied submarines, employing fixed sonar arrays, Type 056A ASW corvettes and ASW maritime patrol aircraft. This not only makes it more difficult for US and allied submarine operations inside the South China Sea, but in extremis, forces US and allied SSNs to enter inside the first island chain through key maritime straits and narrows which can be more easily defended by Chinese forces operating from South China Sea bases. China could also base PLAAF strike and air defence aircraft on South China Sea bases to support A2AD operations beyond the first island Chain, and to deny the US the ability to operate from forward bases including in the Philippines. As previously noted, however, geographically dispersed and forward capabilities, especially once revealed, themselves become vulnerable to strike and counterstrike. Such locations should be closely watched in 'peacetime,' the competition phase and as part of more regularized 'gray zone' and deterrence activities of the US and its allies in the region as they may offer important signals regarding future Chinese intent.

A forward Chinese base in the Southwest Pacific could enhance China's ability to extend its A2AD 'bubble' further out towards the second island chain. A permanent or significant PLA presence in Solomon Islands, for example, just 2,000 km from Australia's east coast, would fundamentally challenge and change Australia's requirements for ADF force posture, demanding an ability to defend against air and missile threats along the east coast. Any attempt by China to establish significant military capabilities in Solomon Islands or other parts of the Pacific would be nearly impossible to hide or conduct under cover of other auspices. Once in this area any Chinese maritime or other capabilities may also be relatively undefended, certainly as they were initially being established. The caveat on this is a lack of clarity about the full extent of Chinese space capabilities and possible weaponization of space. This could, to some degree, negate terrestrial constraints even while it would represent engaging the highest-risk end of the military operational spectrum (and the placement of weapons in space is currently banned under international law).

China's concept of 'active defence' in A2AD terms can be seen in its attempts to apply political, economic, informational and military coercion to establish positions as far into the US lines of communications and access as possible and extended as far from China as possible. Its preference is to establish capabilities, including political, economic, military and informational that are fronted by other 'legitimate' regimes or in and through locations that are not owned or directly operated in times of competition by China. These may be achieved through bribery, corruption, economic dependency, and coercion, through criminal means and leveraging Chinese commercial, non-state or proxy actors, including through domination of black markets.

This is a deliberate strategy designed to achieve greatest effect for China while limiting the ability of coerced, compelled and threatened actors themselves, or of regional partners seeking to assist them, to recognise what is happening until it is too late. It is activity designed to go under the radar to prevent it also being assessed and responded to by the US and other regional powers: it does not present as overtly military.

China's presence in the Pacific Islands within the so-called second island chain does not yet pose a significant military threat to the US or its allies. But its influence gains are already reaping dividends in Solomon Islands, where US and Australian naval and air access is no longer assured. While PLA operations out of the second island chain would be logistically difficult to sustain in any significant conflict, and any move to develop military bases would be vulnerable to long-range strikes, their existence alone would serve to complicate US and allied planning for a military campaign in the first island chain, tying down Australian forces in particular.

Currently, Beijing is using policing to push security assistance and political influence, potentially with a view to bolstering a military presence in future, while furthering its penetration of Pacific Island security and law enforcement. Solomon Islands, Vanuatu and Kiribati are all vulnerable in this respect. The bigger Pacific Island countries, Fiji and Papua New Guinea, are less susceptible to Chinese influence on this scale. But China can still use its political and economic influence to make it more difficult for the US and its allies to strengthen their own defence presence in the region.

### *Australian's views of China*

Australians have become more alert to Chinese covert and clandestine activities within Australia, including political interference and economic coercion through revelations and investigations that have successfully revealed such operations, and that in some cases have attributed them directly to China or Chinese actors. These are, however, the tip of the iceberg. Militarily, Chinese activities in the South China Sea directly against Australian Defence Force capabilities and personnel have turned public opinion. The Lowy Institute polling data of public sentiment towards specific diplomatic and strategic partners of Australia demonstrates this trend of the last decade: <https://poll.lowyinstitute.org/themes/china/>

The Australian defence and strategic policy community is starting to take the challenge posed by China and the PLA much more seriously, especially within intelligence and defence organisations, but there is not a broad consensus of views across the national security and foreign policy community. Some voices (i.e. Hugh White) argue that China's rise is unstoppable, and containment of China is not practical. There is yet to be a serious national debate on Australia's potential response to a Chinese invasion of Taiwan, however there is broad consensus about the need to maintain freedom of navigation of the seas through the South China Sea and the Taiwan Straits. The 2023 Australian Defence Strategic Review and the 2020 Defence Strategic Update made clear the challenge posed by China's rapid military expansion and modernisation and recognised that Australia no longer has ten years (or necessarily any) strategic warning time for a major power conflict.

The lack of strong consensus in Australia's strategic commentary circles, about how to respond to China's military buildup is perhaps best shown by the continuing debates around AUKUS. Broadly, there is acceptance within government about the need to retool the ADF for conventional deterrence by improving its long-range strike and littoral maneuver capabilities, as borne out in AUKUS, the DSR (Defense Strategic Review) and naval surface review. But there is a substantial gulf between threat perceptions within government and the government's public

articulation of the threat, and indeed its short-term imperative to 'stabilise' the bilateral relationship with China, especially in the trade domain.

*The Australia-US alliance (ANZUS), the Australia-Japan US Trilateral and the QUAD*

It is impossible to overstate the centrality of the US to Australian strategy and military planning. Australia's defence relationship is characterised uniquely as one of seamless interoperability (a term that in its strict technical application has only recently extended beyond the US to the UK under AUKUS). It is the bedrock of Australian security. In reciprocal terms, the investments over decades that both nations have made into joint capabilities, joint facilities, into personnel exchanges and into deep strategy, capability and force design cooperation. This is complemented by and has contributed to Australia's demonstrated and valued commitments, on its own terms and within the context of its sovereign interests, to support US military efforts in every major conflict, over more than 100 years.

The alliance relationship is vital to Australia's ability to deter and counter a rising China. Absent any US-Australia military alliance, and all that goes with it, Australia would need to fundamentally realign its strategic relationships and think differently about independent defence capability. Once again it is difficult to overstate the consequences of this, especially in what is widely recognised as an unprecedented time of strategic challenge and urgency. Any decoupling of the alliance and attempt at significant reorientation towards an independent self defence posture would see Australia necessarily turn inward and focus once more – as in the 80s and 90s – on a concentric circles model for the defence of Australia. This would see Australia shrink back from its wider regional contributions to deterrence, stability and security, with negative implications for all regional partners. The US and Australia operating in parallel, in cooperation, and to complement and reinforce on another is a feature of the regional security landscape and every country would suffer if it were to diminish in either quality or quantity.

The ability of Australia and the US, together with other key allies and partners to burden share and boost integrated deterrence today is absolutely crucial to countering the threat posed by China in terms of strengthening the ability of all partners to respond in the event of any Chinese aggression.

The advantages of the alliance for Washington are not just a close defence and security ally. Australia's importance in geographic positional terms is also of increasing importance for US military strategy regarding China. Australia offers a forward location in the Western Pacific with continental depth that is less vulnerable to the PLA's A2AD strategy than other Treaty allies (Japan, ROK) or Guam. Although the US military footprint here is currently light and non-permanent, in a crisis or early stages of a conflict Australia would be seen as sensible location to

disperse/repair/sustain US forward-deployed forces, and as an obvious hub from which to flow in supplies, reinforcements and long-range strike assets from Hawaii and the continental US. Australia served as both a refuge and bridgehead for MacArthur's forces in WWII, and while military technology has obviously changed a great deal since then, the strategic geography of the Pacific has not.

AUKUS is the most important defence policy choice in decades and will be at the heart of US - Australia-UK defence cooperation, both in terms of the acquisition of the SSNs, as well as in terms of Pillar 2 on critical and emerging technologies. Pillar 2 is likely to see outcomes that lead to actual military capability before Pillar 1 - the SSNs - however, the importance of the deployment of USN and RN SSNs under SRF-West adds to regional deterrence from 2027 onwards. Both pillars are mutually reinforcing and enmesh three great countries with common global interests and reach together, providing pathways for bold and crucial new collaborations and capability integration that increase our strength individually and collectively anywhere in the world, but most importantly in the Indo-Pacific.

Japan-Australia-US trilateral cooperation is probably the next most important particularly in terms of closer ties between Canberra and Tokyo, verging on a Strategic Alliance second only in importance to the US-Australia alliance and AUKUS. In particular, the possibility that Japan could join Pillar 2 of AUKUS will enhance Japan's importance, alongside the Reciprocal Access Agreement between Japan and Australia, and the potential for defence technology and capability cooperation in relation to the Surface Fleet Review, and areas such as space.

The quad is important in terms of establishing a dialogue on security matters that might be seen in terms of 'soft security' - climate change, infrastructure, and so on - but may also lay the basis for future dialogue that could see greater cooperation on 'sharper' defence and security cooperation. The quad has seen the delivery of important regional goods throughout COVID, for example, through the vaccine initiative. The earth observation space initiative for maritime domain awareness also promises to deliver for the region, and across the region, capitalising on greater cooperation between quad countries. The quad investor network (QUIN) is a newer but also highly promising initiative that seeks to create easier capital flows on critical and emerging technologies between quad partners to pool collective technology power and to bring the benefits or growing technological outcomes to the region.

China perceives Australian security cooperation with the US and other allies as a key challenge to its ability to achieve a dominant and hegemonic role across the Indo-Pacific. One of Australia's key advantages is its alliance with the US and growing strategic partnerships with Japan, South Korea, New Zealand, and other actors, including closer relations with the



Philippines and Singapore. China is doing everything it can to 'divide and conquer' in the Indo-Pacific, for example, promoting the narrative that AUKUS is US imperialism and encouraging a nuclear arms race (ignoring China's own rapid expansion and modernisation of its nuclear forces).

China uses the Belt and Road Initiative and other forms of soft power, as well as gray zone actions, to influence, and directly coerce states to distance themselves from the US and abide by their version of the rules, including on issues of territorial and political sovereignty. This is particularly focused on ASEAN and Southwest Pacific Island states.

### *Recommendations for Strengthening Australia-US Cooperation*

Australia and the US should continue to institutionalise their high levels of strategic, operational and tactical integration through additional Australian staffing into regional Headquarters (i.e. INDOPACOM) and into planning processes in Washington DC. Wherever possible Australia and the US should seek an 'all domains, all the time' approach to continue to embed habits of cooperation and reinforce seamless operational integration when it is called for.

Australia should be encouraged to step up its activity to grow its commercial and dual use space sector, with a strong focus on launch to provide responsive and resilient space support to the US in peace time, for deterrence purposes and to ensure that in times of operations there is a well-developed and well-practiced system of US, Australia (and wherever possible other regional and global) partners able to launch payloads into space to assure access to, and the benefits of freedom of maneuver in the domain – which is absolutely critical for modern warfare and for any modern economy.

Both Japan and Korea are established and mature space partners, but due to population, high levels of air and maritime traffic and to the demands of their own requirements, they are not in the same position Australia is to contribute a net benefit to the US and others in terms of increased cadence and diversity of orbits and inclinations for the placement of space capabilities.

Australia needs to boost its strike options and its IAMD capabilities urgently, and while programs are beginning to address the gaps, a lack of spending commitment and progress in delivering capability and growing Australian industry capacity for its own and for partner requirements needs attention. This should be a key area of focus for the alliance in the immediate future as a priority.

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<sup>i</sup> <https://www.defence.gov.au/about/reviews-inquiries/defence-strategic-review>