# FIGURE 1: THE TOOLS OF AUSTRALIAN STATECRAFT, AND THE CAPABILITIES AND BASES OF POWER UPON WHICH THEY REST



Development Diplomacy & **Defence** Dialogue

# **BASES OF AUSTRALIAN** NATIONAL POWER

Natural resource abundance (mineral & agricultural)

Favourable natural environment & climate

Australian population (human capital) and favourable demography

Australian continental landmass size & location

Australian history and its history in the world

# **AUSTRALIA'S** NATIONAL CAPABILITIES & ASSETS FOR INTERNATIONAL POLICY

# **GOVERNMENT & INSTITUTIONAL**

- Liberal democratic governance & values
- Political stability & social cohesion
- Diplomatic and consular service & assets (DFAT, Austrade, Defence, Home Affairs, others)
- **Development institutions** & expertise (DFAT, ACIAR, NGOs. contractors. think tanks and universities)
- ADF and Defence people, capabilities & assets
- Intelligence agencies & assets (ASIS, ASIO, ASD, DIO, Home Affairs, AUSTRAC etc.)
- Economic, trade & investment agencies (Treasury, Austrade, EFA)
- Sovereign wealth funds
- Official reserves (gold, foreign currency)
- Domestic healthcare system
- Social security systems
- Fuel reserve
- **Financial regulators** (ASIC, APRA etc.)
- Legal advisory & policy agencies (AGD, AGS)
- Law enforcement, border control δ prosecuting agencies δ assets (AFP, ABF, Home Affairs, CDPP, state & territory police)
- Maritime, fisheries & transport agencies (AMSA, AFMA, CASA, ASA, ATSB)
- Standards setting bodies (Standards Australia, various industry or technical bodies)
- Scientific institutions (CSIRO, ANSTO)
- Immigration system and settlement system
- Independent public institutions (courts, Human Rights Commission, Reserve Bank)
- Domestic public policy infrastructure (other Commonwealth departments & agencies, state & territory governments)

# **ECONOMIC**

- · Knowledge industries
- Extractive industries
- Agricultural industries
- National budget & public spending
- Large and sophisticated consumer markets

# CIVIL SOCIETY & CULTURAL

- First Nations people, communities & cultures
- Cultural diversity (including diaspora communities)
- **Religious organisations**
- Trade unions
- Civil society organisations, charities & NGOs
- International economic interaction (inward and outward trade, investment, migration)
- Science and technology
- Australian Dollar
- Merchant fleet & Australianbased airlines
- Energy infrastructure
- · Travel hubs (ports, airports)
- Sophisticated banking and finance institutions
- · Defence industry
- Highly sophisticated education system & research ecosystem (pre-school through tertiary)
- · Capacity for innovation (social, technological, commercial)
- Australian media and press
- · Think tanks, researchers, educational institutions
- · Sport, arts, culture
- Perceptions, history and memory of Australia's role in the world and particular regions (e.g., historic connection to the Pacific)

# **TOOLS OF AUSTRALIAN** STATECRAFT

# DIPLOMATIC TOOLS

#### Diplomatic engagement with other states

- Bilateral, plurilateral, multilateral
- Across foreign policy, defence, intelligence, security, development, etc
- Making representations, influencing, sharing perspectives, negotiating, coercing

Economic diplomacy and trade & investment promotion

Hosting and attending international meetings & ministerial visits

# Individual and institutional relationships (political capital)

- Elite networks
- Civil society
- Diaspora relationships

# Mediation and conflict resolution as a third party

#### Consular services

- Provision to Australian citizens
- · Provision to other states' citizens (including hostage diplomacy)

Defence cooperation programs

Placement of Australian (or Australian-supported) personnel in international institutions

· Secondment, nomination, campaigning

**Engagement and relationships** between technical agencies or independent institutions & their international counterparts (e.g., AEC, Federal Court, Human **Rights Commission, ACIAR)** 

Structured exchanges with other states (e.g., parliamentary or youth exchanges, partnerships between universities or think tanks, 1.5 and 2 track dialogues)

# ECONOMIC & FINANCIAL TOOLS

# Trade, investment & economic agreements

Bilateral, plurilateral, multilateral agreements

Market access: allowing or denying access to Australian markets for foreign trade & investment (including labour market access)

International engagement and coordination on monetary policy by RBA with other central banks

Strategic financial inducements

#### Climate finance

Outward investment (FDI & portfolio)

# **Development finance**

- · Direct bilateral finance
- Contributing to multilateral development institutions

#### Sanctions

Targeted at individuals, organisations or states

# Tracking, regulating or freezing international financial transactions

# Export finance

# Domestic market protections

· Subsidies, tariffs, quotas, bans

# Strategic financial inducements Tourism (inbound and outbound)

- Encouraging or discouraging Australians travelling to certain destinations
- **Promoting Australia** as a destination

# Funding for international organisations

Increasing or decreasing funding

# Government procurement

- · Direct funding (or withdrawing it) for suppliers
- Indirect market-shaping & signalling effect

Loans and grants to individuals, organisations or states (that are not counted as development finance)

# CONVENING, INSTITUTION-BUILDING & RULE-MAKING TOOLS

International and multilateral institutions & organisations

- Creating, joining or supporting an international institution
- Degrading or withdrawing from an international institution

Creating or using bilateral and plurilateral architecture

- · Diplomatic, defence/ security, trade/economic, development, technical
  - Alliances, treaties, free trade agreements
- Strategic partnerships, leader/ministerial/officials

dialogues, regular meetings of strategic groupings

 Track 1.5/2 dialogues and processes

# International law, rules & norms

# Creating, supporting

· Litigation (initiating or

defending) in international

legal tribunals or courts

Prosecuting individuals

universal jurisdiction

Legislation and regulation

under external affairs power (s

51(xxix) of the Constitution)

in Australia under

INFORMATIONAL & DISCURSIVE TOOLS

# Intelligence

- Collecting & using intelligence
- Sharing intelligence with partners or publicly

## Disinformation

- · Offensive information operations
- · Defensive and preventative measures

#### Free press and media

International projection of Australian media

local media in other countries

- Support for free press internationally
- Mobilisation of counternarratives
- · Support for local journalism, civic space, and public accountability in other countries

# Role modelling: influencing others through force of example and demonstrated integrity

International education and research

inbound & outbound study

- fees & regulation
- education internationally
- Support for and regulation of international research collaboration

# Strategic communication and messaging

- Speeches & announcements
- Media appearances
- Social media

# Cultural diplomacy and promotion

- · Conventional public diplomacy
- Amplifying and supporting Australian culture (especially First Nations), society and values
- Grants and foundations for cultural exchange

Advocacy by Australian civil society organisations (independent of government)

# or enforcing rules

Degrading or abolishing rules

financial incentives) for

- International student
  - Promoting Australian

Australians contributing to

# TOOLS OF FORCE

Direct application of physical force against adversaries

- ADF operations
- · Offensive or defensive actions

**Defence exports** 

# DOMESTIC POLICY TOOLS

#### Immigration & social cohesion

- · Size, composition and origin of migrant intake
- Size and origin of humanitarian intake
- Operation of visa system
- · Provision of migrant and settlement services

Scholarships (and other

#### Armed deterrence activity and operations

- Military exercises & international cooperation / coordination
- Force posture decisions
- Capability & procurement decisions

### Cyber operations (offensive, defensive, deterrence)

#### Peacekeeping activities

- Australian-led operations
- · Contributing to UN operations

International law enforcement activity & operations (including international cooperation e.g., INTERPOL, AUSTRAC on illicit finance)

Espionage and covert action (subterfuge, deception, sabotage, disruption, deterrence)

Climate change & energy policy Domestic economic policy with international effects

- Federal budget (fiscal policy)
- Cash rate (monetary policy) ٠
- Industrial & manufacturing policy
- Industrial relations policy
- Science & innovation policy
- · Supply chain assurance
- Anti-dumping policy

Policy decisions and actions of Australian state and territory governments

Border control (movement of people, quarantine, security screening)

#### Education & research

- Language learning
- Teaching of Australian history and culture
- Government research priorities and funding

# TOOLS OF DIRECT APPLICATION OR ACTION

Positioning or Australian assets and people overseas (diplomatic missions, development personnel and organisations, ADF personnel) Direct provision of humanitarian assistance and/or disaster relief

Building physical infrastructure

Development project & programs, including the provision of technical assistance and capacity-building to other nations

Directly providing technical assistance or capacitybuilding to other nations