

PM faces challenge of deeper alliance

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Julia Gillard arrived in Washington yesterday as Prime Minister for the first time. The visit confirms the importance the Obama administration places on the alliance with Australia. It is a chance for Gillard to put her mark on this country's foreign and defence policy in a time of historic change.

There will be plenty to talk about, from the world economy and climate change to the popular ferment in the Middle East and northern Africa.

But another item should be high on the agenda: how to cope with the deep currents of strategic flux in Australia's wider region of Indo-Pacific maritime Asia.

The region is witnessing shifting power balances, with the economic and military rise of China and India. Last year brought repeated acts of Chinese assertiveness as well as lethal attacks from North Korea. Advanced arms are proliferating, notably submarines and missiles. Nationalism is stirring amid unresolved territorial claims and insecurity over energy and resources.

Meanwhile, the Indian Ocean is becoming linked with Australia's more familiar Asia-Pacific neighbourhood as a zone critical to global security. From Somali piracy to the nuclear and extremist dangers of Iran and Pakistan, to a potential Sino-Indian naval rivalry over the arteries of seaborne energy supply and commerce, the mounting troubles northwest of Australia cannot be ignored.

All of this calls for hard thinking about Australia's security choices, including about deepening the US alliance to secure our interests now and into the future.

Defying exaggerated predictions of the superpower's decline, Australians have re-embraced the alliance. According to last year's Lowy Institute opinion poll, a striking 86 per cent of Australians consider the alliance important for their nation's security. The same poll showed smaller but growing majorities concerned about Beijing's power and perceived regional goals.

And last November the Gillard government and the Obama administration jointly made a public commitment to adapt the alliance to meet evolving strategic challenges in Asia.

At their annual meeting, the two countries' foreign and defence ministers charted co-operation in areas such as maritime and space surveillance. They also affirmed a shared vision for a region where security and economic co-operation with China will be sincerely sought, but not at the expense of the rights of others -- for instance, freedom of navigation in the international waters of the South China Sea. Hilary Clinton restated this firmly at a key Asian regional security forum. Recent naval exercises in the western Pacific have helped reassure unsettled allies.

For its part, the Australian government is well aware that big choices loom on the shape and role of the defence force.

The broad parameters of Force 2030, outlined in Kevin Rudd's 2009 defence white paper, are right. Australia needs its own strategic weight, including a sizeable, advanced submarine fleet. All options should be on the table for those boats, including nuclear propulsion and interoperability with allies and partners. We could stop hesitating about fitting defensive anti-missile interceptors to the new air warfare destroyers. And we should do more to network our surveillance capabilities with the US and others, including Japan and South Korea, to create a vast shared operating picture at sea and in the air.

Recent problems within the navy make decisive political leadership all the more urgent. But there is only so much Australia can do alone, unless the public is prepared for a truly radical increase in defence spending.

That is one reason the alliance matters so much. Debate over how the US will maintain its crucial role in Asian stability is alive in Washington. Australia's unique Indo-Pacific geography lends it a central place that strategy.

Here the Gillard government could wield real influence. But to do so, Australia has to be more than a passive player in its own maritime environs.

How might the Australia-US alliance be reshaped for the age of the Indo-Pacific? It would involve more frequent and longer visits by US ships, including submarines and aircraft carriers. Australian and US forces would exercise together more, occasionally with third nations: Japan, perhaps Indonesia or India. There might be scope to preposition fuel or equipment for the US navy, including for non-warlike contingencies such as disaster relief.

An expert from the US Naval War College, Toshi Yoshihara, recently visited Australia and noted that a logical location for these steps would be Western Australia, with its vast coastline and easy access to the Indian Ocean.

Of course, it is easy to think of reasons for Australians to be cautious about an expanded US military presence. It would need to be consistent with Australia's sovereignty: any new facilities should be fully joint in nature. We should work to ensure that regional neighbours are comfortable with developments. Within Australia, there will be those who argue that more constant US ship visits would invite attack rather than meeting their aim of deterring adventurism and hedging against uncertainty.

All this needs to be considered and debated. But the conversation needs to begin.

Rory Medcalf and Andrew Shearer are senior researchers at the Lowy Institute. This is a summary of a speech to be given at the In the Zone conference in Perth this week