

Time to put policy meat on white paper's bones

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When Kevin Rudd delivered his Defence white paper, Force 2030, last year he announced that in future a new one would be produced every five years. That means the next one is due in 2014. This would be a good plan, if the 2009 white paper had done what it was supposed to do.

Unfortunately it didn't, leaving Australia without a workable defence policy at a critical stage in our strategic history. We cannot afford to wait until 2014 to fix this. Julia Gillard and Stephen Smith need to launch a new process now to develop a decent defence policy, leading to a new Defence white paper within two years.

The key task of the 2009 white paper was to move Australian defence policy beyond the distractions of the war on terror and focus it instead on the fundamental transformation of Australia's strategic environment being driven by the rise of China. As China's power grows, the US-dominated order which has kept Asia so peaceful since the end of the Vietnam War will change.

Whatever form the new order takes, Australia can be much less confident that the strategic challenges of the next few decades will be as easy to bear as those we have faced since the early 1970s. We will face a new and more challenging series of risks, and we need a new and more rigorous defence policy to equip us to face them.

Last year's Force 2030 took only the first step to building the kind of policy we need. It did correctly identify China's rise as the key factor shaping Australia's strategic future, but that is where it stopped. Its analysis of the implications of China's power for Asia and Australia was limited, and at times seemed simplistically to characterise Chinese power as a direct threat.

It was inconsistent to the point of incoherence about the consequences for US power in Asia, and assumed that American leadership would remain unchallenged for several decades at least. It acknowledged, at least implicitly, that beyond that point Australia may have to face new strategic risks, but it did not explore in any systematic way what those risks might be, what Australia might need to do with armed force to meet them, and what the implications were for the capabilities we should be building or the money we should be spending.

Instead it simply maintained the force plans and budget projections inherited from John Howard, adding only some high-profile commitments to expand strike and naval forces sometime in the distant future. Moreover, despite much talk about reform of the Defence organisation, the 2009 white paper did nothing to initiate the fundamental transformation of Defence -- military and civilian sides alike -- which will be needed if Australia is to build and sustain the forces it may need in the Asian Century. It simply embarked on another round of cost-trimming at the margins which, even if achieved, will make no lasting difference to the organisation's ability to deliver advanced capabilities cost-effectively.

So what should the Prime Minister and her colleagues do now? Quite simply, they should initiate a policy review process that begins where the 2009 white paper faltered. To do that they need to find answers to six interconnected sets of questions.

First, they need coolly to assess how Australia's strategic risks will change as China's power grows, not on the simplistic basis of China posing a direct threat, but based on a sophisticated analysis of how Asia's order will change over the next few decades. A key issue here will be the implications for Australia of the evolving US-China relationship. Will it become more

adversarial? If it does, would Australia follow America into strategic competition with China? If not, would we be on our own?

Second, they should define what Australia's strategic interests will be in this new and more complex environment, and decide how Australia might need to use armed force to protect those interests. Would we need to be able to make a major contribution to a US-led coalition against China in an Asian war? Might we need to be able to defend Australia from a major Asian power by ourselves in some circumstances, without relying on the US?

Third, they should decide what kinds of military operations would best meet the strategic objectives they decide to set for Australia. Rudd and Howard seemed to commit Australia to major sea-control operations and the amphibious projection of land forces as the keys to Australia's strategic reach in Asia. The costs and benefits of such operations compared with more modest and achievable sea-denial need to be very carefully considered.

Fourth, Gillard and her colleagues need to decide what types of capability can most cost-effectively achieve the operational options they have selected. Only on this basis can they make clear, rational decisions about the mix of forces to acquire. They should also look hard at some of the choices already made about current projects, including the air warfare destroyers, and ask whether they make strategic sense as cost-effective means to achieve key operational objectives. If the answer is no, they should be scrapped before any more money is wasted.

Fifth, they need to do the sums and see what all this will cost, and, if necessary, go back to the beginning and reconsider the strategic objectives they have set in the light of the costs involved. Any defence policy only works if strategic objectives, capability plans and funding projections all line up over the long term.

Finally, they need to look hard at the Defence organisation and ask whether it is capable, in its present condition, of building and maintaining the forces they have decided that Australia needs in the Asian Century. The answer is almost certainly "no", in which case they must undertake a really huge effort of reconstruction.

It is a big task, and a big responsibility. Are Gillard and her colleagues up to it?

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