

Australian Security and Defence Policy

– Geopolitics and Jobs

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With the new government of Malcolm Turnbull, Australia continues the course of building up its military capabilities, especially naval ones. The decision to purchase 12 submarines from France – a major part of this build-up – might, however, indicate a change in strategic policy.

Basic tenets of Australian security and defence policy

Australian policymakers sometimes describe Australia as a “middle power”: a middle-ranking state, whose policy tends to favour multilateralism, liberal values, and a rules-based international order. Australian security policy, though, is basically geopolitical in character.

Australia is party to the ANZUS alliance, founded together with the United States (US) and New Zealand in 1951. Historically, Australian defence doctrines can essentially be divided into two models: the doctrine of *Forward Defence*, which governed Australian strategic thought from the 19th century to the mid-1970s, and the *Defence of Australia* doctrine, which with some exceptions has been the dominant paradigm from the mid-1970s onwards.

The basic thrust of the *Forward Defence* doctrine was to contribute to the international operations performed by the United Kingdom (UK), and later the US, in areas and regions quite distant from the Australian continent. Practical examples of the doctrine include some 50 000 Australian soldiers serving in the Vietnam War (1962-1972) and a relatively strong Australian contingent in the 2003 US-led invasion of Iraq. The current Australian participation in the anti-ISIS coalition in Iraq and parts of Syria can also be seen in the light of the *Forward Defence* doctrine. The strategic reasoning behind this doctrine was, and to an extent still is, to be a useful ally abroad in order to get the bigger ally’s attention at home, should a threat closer to Australia materialize. Successive Australian governments also wanted to underline the country’s enduring interest in the maintenance of a liberal rules-based international order.

The *Defence of Australia* doctrine shifted the focus of Australian defence policy and defence force development to a defensive posture based on the direct defence of the Australian continent and its adjacent sea and air space. This

has also entailed a defence force that was supposed to be able to defend Australia largely on its own, in a self-reliant way. This doctrine has historically been associated with the Australian Labor Party (ALP) but it has tended to be publicly embraced by all forms of politicians. It was driven in part by the changing British and American postures in the Indo-Pacific in the 1960s and 70s when these developments coincided with the war-weariness of the Australian people after the Vietnam War. The *Defence of Australia* got its most stringent form in a 1987 White Paper on defence, written under the auspices of the ALP government under Bob Hawke. The policy was to a substantial degree informed by a regional threat: the then military dictatorship of Indonesia. Indonesia continued to be a major concern for Australian decision makers at least up to the democratization of Indonesia in the late 1990s.

The major deviations from the *Defence of Australia* doctrine – such as the decision to join the US-led 2003 Iraq invasion – have been made under Coalition governments (the “coalition” being the centre-right Australian Liberal Party and the Nationals, a smaller, countryside party).

Regardless, job policy and industrial policy – including a desire for technology transfers - have at times also heavily influenced strategic decision-making in Australia. The fact that the defence and naval shipbuilding industry in Southern Australia – especially in the Adelaide area – provides for a substantial number of jobs might occasionally trump strategic policy. This industry also spans several electorates that are important in national elections.

The development of Australian security and defence policy

Today, the major problems that Australian decision-makers face are determined primarily by the relations between the US, China, Japan, and India – and by Australia’s relations to these great powers.

In the White Paper on defence issues that the government of Kevin Rudd (ALP) published in May 2009, all the above-mentioned dimensions were present. The general world-view of the White Paper was clearly geopolitical, not least regarding the role of the United States in the

Asia-Pacific region. On the one hand, the great importance of the Australian-American alliance was underlined as well. On the other, the increased likelihood of the US losing its relative power position in the region due to the rise of China's political and military power was noted, something that had been discussed and analysed in Australia for a considerable time.

The primary action that the 2009 White Paper promoted was a relatively large military rearmament, especially regarding the air force and navy. In the long term – at least 20 years – this would lead to a much greater defence self-reliance against any emerging threats in the region – partly regardless of the American ability to help its Australian ally. In terms of defence policy, this meant that the *Defence of Australia* doctrine again became the paramount Australian defence doctrine.

The Rudd government was replaced by the government of Julia Gillard in 2010, after an internal revolt among the ALP parliamentarians. Australia experienced at this time severe economic problems. The Gillard government also produced a short White Paper in 2013, the main feature of which was to drastically reduce the spending on defence planned by the Rudd government.

Current Australian security and defence policy

The ALP lost the 2013 general elections in Australia. The new centre-right coalition government under Prime Minister Tony Abbott had the ambition to alter Australian policy in a rather substantial way. In the cards were an implicit down-playing of the *Defence of Australia* doctrine and the concept of self-reliance, a promotion of a more *Forward Defence*-oriented strategy, and a much closer defence and security policy relationship with Japan, including the possibility of a major purchase of Japanese submarines. The Abbott government also clearly branded both China and Russia as “revisionist powers” aiming at undermining the “rules-based world order” highly cherished by Australian politicians.

However, before the Abbott government could finalize its new White Paper on defence, Abbott was forced to resign due to an internal revolt among Liberal Party parliamentarians. The leader of the revolt, Malcolm Turnbull, took over as prime minister in September 2015. As a consequence, the finalization of the new White Paper was delayed until February 2016.

The Turnbull 2016 Defence White Paper

The key strategic points of the Turnbull White Paper are the following:

- Military attacks on the Australian mainland are not likely.
- Strategic planning thus cannot be limited to the defence of the Australian borders.
- The US is the most important military power and will continue to be so.
- Maintaining Australia's technological and capability superiority over potential adversaries is an essential element of Australian policy.

From the outside, this looks like a strategy of *Forward Defence*, as the White Paper develops on Australian strategy; Australia should be “self-reliant” in terms of defending its territory from attack, but also able to join international coalitions – led by the US – in international operations against threats to the “rules-based order”. The White Paper also unequivocally designates the United States and New Zealand as key countries and allies, and states that Australia will work within the ANZUS alliance to support the US “rebalancing” to the Indo-Pacific region.

The centrality of the relation with the US is the most obvious one in the White Paper. The linkages to the US - for example, ANZUS, US extended deterrence, and access to advanced US technology and intelligence - are mentioned as major benefits. Also, the so-called Five Eyes (US, Australia, Canada, UK and New Zealand) intelligence community is considered to be part of this. The outlook also underlines the importance of Japan as a strategic partner, especially in the context of the Japan-US-Australian trilateral defence cooperation.

The other major key country in the Australian strategic outlook, however, is China. This is so, according to the White Paper, in two ways: in the first place, the bilateral China-US relation is crucial for world peace in general but in particular for the Asia-Pacific region. Secondly, the bilateral China-Australia relation is of central importance for Australia as well, China now regularly being the primary trading partner of Australia. In the Turnbull White Paper, actually in some contrast to the 2009 White Paper and the Abbott public statements, criticism of Chinese policy is

voiced in a rather muted way. The most obvious concerns, in Australian eyes, are the potential for a general conflict between China and the US and the “unprecedented pace” of Chinese land reclamations in the South China Sea.

After this strategic outlook, the White Paper then defines the primary strategic defence interests of Australia:

- A secure and resilient Australia, which means that the Australian Defence Forces (ADF) needs to have an ability to deter, deny and defeat any attempt to attack Australia.
- A secure nearer region, i.e. the Southern Pacific and Southeast Asia; which means that Australia must help neighbouring countries to build their security.
- A stable Indo-Pacific region and a rules-based international order, which means that ADF needs to have an ability to contribute to threats to the rules-based order, especially with the US leading international coalitions.

In terms of military capabilities, almost always the centrepiece of defence White Papers, the 2016 version actually does not differ that much from the 2009 issue, despite the differences in strategic outlook and doctrine. In the field of naval capabilities, the 2016 White Paper aims at acquiring or finalizing the delivery of the following major assets: 12 “regionally superior” submarines, 3 air warfare destroyers, 9 new frigates and 12 offshore patrol vessels. This is a major undertaking; the submarines alone are expected to cost around AUS \$50BN (approximately USD \$37 BN or SEK 300BN).

Important parts of this naval list are, though, a heritage of the Rudd 2009 White Paper; the three Spanish-designed air warfare destroyers, already being built in Australia, are the most obvious part of this. The 2009 paper also recommended 12 large submarines and 8 new frigates, which means that the 2016 paper follows the trajectory closely. The big difference, however, is the time frame: in 2009, the Rudd government planned for such a submarine force being fully operational in 2030. The Turnbull government expects the first of the 12 submarines to be delivered in the early 2030s – and that the entire submarine force will not be operational until around 2050, i.e. around 20 years later than the Rudd projections.

In terms of air force capabilities, the 2016 White Paper envisions a force spearheaded by 72 F-35A Lightning II

fighters, 12 E/A-18G Growler electronic warfare fighters, 24 F/A-18 Super Hornets and 8 C-17 strategic lift aircraft. This list also looks impressive but the purchase of all of these capabilities of the Australian Air Force was either implemented or envisioned by the 2009 White Paper. The 24 Super Hornets are already in service, the 12 Growler electronic warfare fighters will enter service already in 2018, and the last of the eight C-17 strategic lift aircraft was delivered in 2015. One difference is that the Turnbull government has adopted the Rudd government’s minimum figure of 72 F-35A fighters, evenly replacing the current force of 71 F/A-18 Hornet fighter attack aircraft. The 2009 White Paper envisioned an end-state of around 100 F-35s.

In terms of land force capability, the 2016 White Paper’s primary emphasis is on the acquisition of 1100 Hawkei protected mobility vehicles, an unidentified long-range rocket system (ground-to-ground) and the replacement of 22 Tiger reconnaissance helicopters. This list of land force capabilities is not as impressive as the ones for the navy and air forces, which is typical both for the Australian defence structure in general and for a *Forward Defence*-inspired doctrine in particular. However, the Australian army counts almost 30 000 active-duty soldiers and officers, thus making up around half of the entire ADF in terms of personnel. According to the 2016 White Paper, the total manpower of the ADF will increase to around 62 000 from today’s 58 000 in ten years time.

In terms of money, the Turnbull government underlined in 2016 its ambition to fully fund its White Paper’s projected costs. This will be done through a continuous increase of the defence budget, adding an extra AUS\$ 29BN over ten years and reaching 2% of GDP in 2021. This will mean that today’s Defence budget (i.e. the entire ADF and Department of Defence budgets) of AUS\$ 32.3BN will increase to AUS\$ 42.4BN in 2021.

The priorities in terms of investments follow the strategic naval thrust. Maritime and anti-submarine warfare investments will account for around 25% of the budget, land and amphibious combat for around 18% and strike and air combat for around 17%.

The French-Australian Submarine Deal

The decision by the Turnbull government, made public in April 2016, to purchase 12 French-designed diesel-electric Shortfin Barracuda submarines is the biggest arms deal ever not only for Australia but also for France. As the submarine design is a conventionally-powered derivative of the



nuclear-powered Barracuda submarine, the first one of which is going to be delivered to the French Navy in 2018, the entire deal relates to a boat which does barely exist on paper yet. According to many observers, this means that the enterprise is a high-risk one in at least three ways. Firstly, it is technologically difficult to convert a nuclear-powered boat to a diesel-electric version. Thus technological issues might arise, resulting in budget problems. Secondly, the very long delivery time expected (more than 15 years before the first boat becomes operational) means that the current Collins-class submarines must undergo a substantial life-extension program, which also will be very expensive. Finally, it jettisons a big part of the Abbott government strategy of making the relationship with Japan closer. This leads to questions about why the French design was chosen.

Analysts have been putting forward a number of somewhat competing explanations to this. The Turnbull government argues that the technological superiority of the French design was the primary reason. Industrial analysts have pointed at the possibility of technology transfers, which France traditionally – as an avid arms exporter – have been pursuing to its customers. Thousands of jobs in the shipbuilding sector in South Australia are another major benefit of the deal. A more far-fetched reason is that the French design theoretically allows the Australian government to change the design back to nuclear-powered boats if a need for this arises in the future, as the last boats should not be delivered before 2040.

What is lacking from these alternate explanations, however, are strategic considerations. Although France is an ally to the US, both American and Australian analysts have

voiced concerns regarding the possibility of integration of sensitive US communications and fire control systems in a French-designed submarine. Furthermore, even if France is an active player in the Southern Pacific, its strategic importance for Australia – especially compared to that of Japan – is rather limited. Finally, not choosing the Japanese submarine system – the proven Soryu class, which entered service already in 2009 – was seen as a major victory for China, whose leaders had voiced strong concerns about Australia purchasing Japanese submarines. Allegations of the Turnbull government discreetly pursuing a policy of appeasement toward China have surfaced in the Australian debate, and the submarine deal is now among some analysts seen as further proof of this.

Most likely, however, the mix of geopolitical considerations, industrial policy, and jobs that long have characterised Australian defence decisions will frame the development of the new submarine fleet as well.

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This brief builds on Mike Winnerstig (2010): *Australisk säkerhetspolitik: Geopolitik och identitetsproblem i morgondagens Asien [Australian security policy: Geopolitics and identity problems in tomorrow's Asia]*, FOI R—2967—SE (Stockholm: FOI) and Mike Winnerstig (2015): *Geopolitikens primat: Australisk säkerhetspolitik under Tony Abbott [The Primacy of Geopolitics: Australian Security Policy under Tony Abbott]*, FOI-R—4090—SE (Stockholm: FOI).